



**Media Release
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WELFARE REFORM IS A JOINT RESPONSIBILITY

UnitingCare Australia has called for a national dialogue between the welfare sector, unions, employer groups and Government to make sensible inroads into the plight of long-term unemployed Australians.

Speaking shortly after Prime Minister Gillard delivered her address to the Sydney Institute, UnitingCare National Director, Lin Hatfield Dodds said the answer to welfare reform lies in addressing labour market factors, anomalies in the income support system, and helping individuals to overcome the personal and systemic barriers that have prevented them from getting and keeping a job.

"These are complex, interrelated issues and can only be resolved if all parties involved work together to find effective and lasting solutions," Ms Hatfield Dodds said.

"The welfare reform debate is in danger of sliding into an unhelpful blame game but a more positive approach will limit the number of people who face a lifetime on benefits.

"Long term unemployed people are seen as a risk by many employers. So how do we minimise the risks and change or shift that risk profile?

"We need to test the capacity and interest of employers to offer jobs to this potentially high risk group of job seekers.

"There are a decreasing number of entry level jobs, and while any job is welcome, low skilled jobs are often short-term, casual placements in retail, hospitality and agriculture. The income support system must recognise that people will cycle in and out of jobs, not because they are slack, but because that's how the labour market works. In addition, the industry has limited capacity to absorb costs of lower productivity whilst people learn a job, and jobs are not generally available close to cheap housing.

"On the issue of income support, price disincentives exist. People on unemployment benefits get \$120 less a fortnight than people with long-term disability. They can earn less than someone on the aged pension before their benefit is cut. And people lose their benefits for eight weeks if they do not meet activity tests.

"The income support system must be streamlined and made easier to navigate ensuring people get the services they need and are entitled to so they can get on with the business of rebuilding their lives. We've called for Centrelink to provide benefit counsellors so that people who visit Centrelink are told what they are entitled to receive and get the support they need to comply with those benefits.

"Personal barriers include a lack of life skills, relationship skills and job ready skills. Access to transport is also an issue. Age and disability are a disincentive for employers. These barriers will not be fixed by further price disincentives but by intensive case management before and after individuals have secured a job.

The UnitingCare network provides social services to over 2 million people each year in remote, rural and metropolitan Australia. The network employs 35,000 staff and engages 24,000 volunteers.

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