

Back to work — for \$2.27 an hour

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Disabled people and those with chronic illnesses will be up to \$122 per week worse off and could find themselves working for just \$2.27 an hour under the government's proposed welfare-to-work program, according to a new report prepared by the National Centre for Economic and Social Modelling (NATSEM).

The government plans that from 1 July next year, people applying for income support who are assessed as being capable of more than 15 hours' work per week will be ineligible for the Disability Support Pension (DSP), and will be instead shifted to the less generous and more onerous Newstart Allowance.

While people on the DSP are expected to receive a maximum of \$257 per week in 2006-7, the report said, those who instead receive Newstart will be \$46 per week worse off. "This represents about a one-fifth fall in their income," the Centre said in a statement.

People on Newstart who work 15 hours per week on the minimum wage will earn \$191, the report said. But they will keep only \$80 of this after deduction of income tax and clawback of the Newstart Allowance.

The Centre calculated that the take-home income of a person working 15 hours per week under the new system would be \$288, just \$34 more than the \$254 received by DSP recipients who don't work. "The effective return from the 15 hours of paid work is thus \$2.27 an hour," the statement said.

Marie Coleman, of the National Foundation for Australian Women, which commissioned the study, said the figures demonstrate the unfairness of the government's plans.

"This is a wicked and inequitable, inappropriate and entirely unnecessary proposal," she said.

The "Care and Support Portfolio":/portfolios/careandsupport Convenor for the National Association of People Living with HIV/AIDS (NAPWA), Rob Lake, said the NATSEM report reinforced the organisation's concerns about the welfare-to-work program.

"Most people living with HIV/AIDS are eager to work if they can," he said. "But these proposals are less about encouraging people back to work and more about penalising those who can't work."

The workforce participation minister, Peter Dutton, said the NATSEM report was flawed and stressed that current DSP recipients would be unaffected by the changes, which were announced in the federal budget but are still to be introduced into Parliament.

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