

welfare review underway

After much heralding, the Minister for Family and Community Services announced on 29 September 99 that the Government would conduct a review of a large part of the welfare system. In her “the Future of Welfare in the 21st Century” speech to the National Press Club, Senator Newman expressed concern at the increased number of people receiving Social Security and at the consequent increased welfare expenditure, both of which she linked to the growing “welfare dependency” of workforce age people in Australia.

Since the Minister’s welfare review announcement, the following significant developments have occurred:

- a Reference Group has been established to oversee the review [see pages 10 and 11 for membership details]
- a set of Principles and specific Terms of Reference to guide the review have been announced by the Minister [see pp10 &11]
- the Reference Group commenced preliminary discussions with national peak bodies in November
- the Reference Group has announced that it will publish a discussion paper in February 2000. This will then form the basis of further consultations before the Reference Group finalises its Green Paper report to the Government in June 2000. The Government will then announce its “reform” decisions sometime after that. These will then have to be put into draft legislation to be considered by the Parliament. Any changes are not likely to begin operating before about January 2001.
- to inform its first discussion paper, the Reference Group invited submissions from interested groups [closing date 15 December 99]
- on 9 November 99, Minister Newman released a long awaited discussion paper entitled “The Challenge of Welfare Dependency in the 21st Century”

minister’s controversial discussion paper

The Minister’s discussion paper argues that economic, social and demographic trends over the last few decades have lead to “a large increase in the proportion of workforce age people on Social Security payments—from around 10% in 1978 to 18% in 1998, now involving some 2.6 million people”.

The paper also argues that only about one-third of these are unemployed people, with a further 21% being on Disability Support Pension and 23% being on Parenting Payment. The rest are people on various payments for “older jobless people” including Partner Allowance, Widow Allowance and Mature Age Allowance.

The discussion paper states that

“the problem of welfare dependency needs to be tackled in a number of different ways. We need initiatives and strategies of four different kinds, those that aim for:

- long-term prevention
- early intervention
- improved incentives for self-reliance, and
- active assistance to help people get off welfare.”

The Minister's discussion paper then goes on to discuss three particular groups of people on Social Security –older unemployed people, people with disabilities, and lone parents on Parenting Payment (Single) – and puts forward a number of options for reform under the heading of “Matters for Further Consideration...that could be addressed by the review committee”. It is these options, including the possibility of reducing the age of a Parenting Payment (Single) qualifying child from 16 to 12- [although these ages were not mentioned], that have received the bulk of the attention from the media.

For discussion of, and comment on the welfare review and the Minister's discussion paper, see article below. ▲