

Fair-Go for the unemployed

United call for increase to unemployment benefits and improved jobs assistance

Australia's community sector is calling on the Federal Government to make improving the income and job prospects of unemployed people a top priority for 2012.

There is a growing consensus in the wider community, ranging from business organisations, economists, the union movement, and the broad community and social services sector that the current rate of single Allowance payments is simply not enough for people to live on and is hindering their efforts to find paid work.

With no employment growth last year, and the profile of unemployed people becoming more disadvantaged - for example, people with low skills, long periods out of paid work, disabilities, and of mature age - many will find it hard to secure a job without more help from employment services.

Australia will need to employ more of its unemployed workers as the population ages and labour shortages increase over the medium term, but we don't do enough to prepare them for employment. Job Services Australia providers are typically funded to offer an interview every two months and \$500-\$100 worth of training or work experience for each long term unemployed person.

If labour shortages become more widespread in the next few years, Australia has a unique opportunity to meet economic and social needs at the same time by dealing with the problem of entrenched unemployment.

The signatories urge the Government to increase Allowance payments for singles by \$50 per week as recommended by the Henry Report and to strengthen its investment in employment services. Far from being a disincentive to find work, increasing the level of allowance payments will help lift a great many out of poverty and put them in a better position to participate in paid work.

Currently more than 600,000 people are living on the Newstart Allowance which is as low as \$35 a day for a single adult, and 60% have lived on this payment for over a year. Altogether, over one million people rely on this and similar 'Allowance' payments.

By implementing the following measures, the Government will reduce the high social and fiscal costs of long-term unemployment and strengthen its employment participation agenda.

As a group, the signatories to this Statement call for:

- **Increase Allowance payments** - Increase the single rate of allowance payments by \$50 per week. These include Newstart Allowance, Youth Allowance, Parenting Payment, Widow Allowance, and Abstudy.
- **Improve employment services for long term unemployment people** – The JSA system should be reformed to make it more responsive to the needs of individual job seekers and employers, including by increasing the resourcing of Job Services Australia providers.
- **Expand wage subsidy schemes** - Double the number of places in the new wage subsidy scheme for long term unemployed people to 20,000 in the program's second year, and introduce a scheme that fully subsidises up to 6 months of paid employment for the most deeply disadvantaged jobseekers (including through social enterprises).
- **Make VET work for jobseekers** - Earmark a substantial number of training places under the new national VET scheme for jobseekers, together with new incentives and resources for training organisations to adapt training to the needs of jobseekers and work more closely with employment services.
- **Lock in supports for jobseekers in deeply disadvantaged areas** - In areas of high and entrenched levels of unemployment, the Government should negotiate with States and Territories to supplement funding for employment, health, housing and community services to encourage them to work together to build pathways to employment for those with multiple social disadvantages.