



Dignity and Work:

1. Calling for a 'New Start' on Unemployment Allowances

The Church has always held a special concern for unemployed and vulnerable workers and their families. This concern was clearly stated by Pope John Paul II, in 1981, when he spoke on the broad subject of 'Human Work':

... the 'poor' appear under various forms; they appear in various places and at various times; in many cases they appear as a *result of the violation of the dignity of human work*: either because the opportunities for human work are limited as a result of the scourge of unemployment, or because a low value is put on work and the rights that flow from it, especially the right to a just wage and to the personal security of the worker and his or her family.

[*Laborem Exercens* n.8]

He said that the Church's solidarity with poor and vulnerable workers is part of 'her mission, her service, a proof of her fidelity to Christ, so that she can truly be the "Church of the poor"'.

The dignity of work is seen in the personal fulfilment that comes to the worker, the wages and conditions that meet the needs of families, and the wealth and relationships of solidarity that support the broader life of the community. The employment relationship involves more than the worker and employer – it involves all those who depend on the worker and the society that relies on the hard work and productivity of the worker. That is why society as a whole has a responsibility to address the causes of unemployment and share the burden carried by people who are denied the opportunity to work.

The Church regards the provision of unemployment benefits as a fundamental responsibility of society:

The obligation to provide unemployment benefits, that is to say, the duty to make grants indispensable for the subsistence of unemployed workers and their families, is a duty springing from the fundamental principle of the moral order in this sphere, namely the common use of goods or, to put it in another and still simpler way, the right to life and subsistence.

[*Laborem Exercens* n.18]



Dignity and Work Calling for a 'New Start' on Unemployment Allowances

For years now, Australia has been failing in this duty. Payments like the Newstart Allowance are falling far behind community living standards and a majority of recipients experience great poverty and hardship. The single rate of Newstart is \$263.80 – a paltry \$37 a day. The Allowance is less than 20 per cent of average weekly earnings and far less than half the National Minimum Wage, which itself is characterised as poverty inducing pay. There has been no significant increase in Newstart since 1994. Over that time, the Allowance has fallen in value from 54 per cent to just 40 per cent of the minimum wage.

Three-quarters of the 770,000 people on Newstart have been on the payment for more than a year. The poverty they experience impedes their chances of winning a job in a highly competitive market. Currently there are only around 170,000 job vacancies Australia-wide.

The Australian Council of Social Service estimates around 55 per cent of recipients are living below the poverty line. Most are in financial stress. Many are unable to pay bills and often people simply live in debt. In a recent survey of over 75,000 rental properties around Australia, Anglicare found only 21 properties were affordable for single adults on Newstart, and just one for recipients of Youth Allowance.

Agencies like Catholic Social Services Australia and the Society of St Vincent de Paul have been calling for an increase to Allowance rates for decades. We are calling on our political leaders to lift the base rate of Newstart and other Allowances and to index them to average wages. We owe job seekers a genuine job creation strategy supported by decent training and wage subsidies. This is not the time to 'crack down' on people whose right to the dignity of work has already been broken. Increasing punitive requirements or imposing waiting periods is not the way to go.

Find out more

Read the ACOSS Poverty Report: <http://www.acoss.org.au/poverty-2/>

Read the Anglicare Rental Affordability Snapshot:
<http://www.anglicare.asn.au/research-reports/the-rental-affordability-snapshot>

Read the 2013 Pastoral Letter – Time for a New Start:
<http://www.socialjustice.catholic.org.au/publications/pastoral-letters/278-2013-time-for-a-new-start-a-call-to-increase-allowance-payments>

Read the encyclical *Laborem Exercens*:
http://w2.vatican.va/content/john-paul-ii/en/encyclicals/documents/hf_jp-ii_enc_14091981_laborem-exercens.html



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