

Coalition squeezes welfare lemon again

Written by Michelle Grattan, Professorial Fellow, University of Canberra

A \$2 billion welfare crackdown is the main contributor to new savings announced by the government to improve the budget by \$1.1 billion across the forward estimates.

A total \$2.3 billion in fresh savings cover the additional \$1.2 billion spending the Coalition has announced in the campaign, plus enabling the government to underline a contrast with Labor.

The social security measures do not hit benefits but are aimed at tightening compliance. They extend earlier compliance initiatives from the Coalition government and include:

-

improving engagement with welfare recipients to better ensure they meet their obligations (saving \$285 million);

-

ensuring greater income data matching (\$661 million) and enhancing non-employment income data matching (\$527 million); and

-

ensuring welfare recipients properly disclose assets and investments (\$527 million).

Labor announced at the weekend that across the forward estimates its collective deficits would be \$16.5 billion more than the deficits announced in the Pre-election Economic and Fiscal Outlook, prepared by officials and released early in the campaign.

Treasurer Scott Morrison and Social Services Minister Christian Porter said in a statement that at any one time, there was about \$3.5 billion of welfare debt to the government due to fraud, non-compliance or misreporting. They said that “no-one who genuinely needs social welfare support and who is honestly disclosing their employment income will be worse-off” under the

Coalition squeezes welfare lemon again

Written by Michelle Grattan, Professorial Fellow, University of Canberra

initiatives.

Morrison told a news conference that the move addressed those trying to do the right thing “and equally it also deals with those who are not trying to do the right thing”.

The Australian Council of Social Service (ACOSS) warned that the welfare integrity policy “could lead to significant hardship for vulnerable people affected if it results in more automated or aggressive debt recovery approaches”.

ACOSS CEO Cassandra Goldie said: “Australia’s lowest income earners and most vulnerable households have borne the brunt of Coalition savings measures in three successive budgets and enough is enough.”

The government’s final costings come as the Essential poll, released on Tuesday, shows Labor still leading the Coalition 51-49% in two-party terms.

Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond the academic appointment above.

Authors: Michelle Grattan, Professorial Fellow, University of Canberra

Read more <http://theconversation.com/coalition-squeezes-welfare-lemon-again-61759>