

Australian government seeks to cut off disabled pensioners

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In one of its first measures of 2004, the Australian government has unveiled another attempt to strip tens of thousands of disabled and injured people off Disability Support Pensions and force them into low-paid work.

On January 11, Employment Minister Kevin Andrews announced a “voluntary” pilot scheme in which 12 job placement agencies will be rewarded for contacting pensioners on disability support and placing them in some kind of employment. He estimated that as many as 150,000, or nearly one in four of the 668,000 disabled pensioners could be moved off welfare. It is estimated this will save the government \$1 billion a year in payments.

Virtually no details of the trial have been released. All that is known is that the government is offering 12 Job Network providers a total of \$840,000 to run advertising campaigns and employ staff to contact and enrol disability pensioners in the scheme. The agencies will receive a “commencement fee” of between \$800 and \$1,200 per enrollee and between \$1,100 and \$6,600 for each disabled person they place in work.

Despite numerous phone calls by this reporter, government and ministerial officials refused to provide further information. The only document available is a scanty one-page press release. As far as can be ascertained, the plan will have no specific rules or guidelines to protect disabled workers from exploitation or exposure to unsafe workplaces, no provision for special facilities to assist them and no minimum wages or conditions. Nor will there be assurances against victimisation or harassment, or guarantees against unfair dismissal once the recruitment agencies have secured their fees.

Andrews’ office refused to comment further when asked how his target of 150,000 pensioners had been reached, other than to say, “the Minister feels that this should be the amount”. This indicates that the figure is either an arbitrary one, selected for budgetary reasons, or the government has decided to conceal which types or groups of disabled people it has targetted. Whichever is the case, the official response points to the fraud of the government’s claims that the aim is simply to assist the disabled to find productive employment.

Disability support pensioners are among the most vulnerable and impoverished members of society. One third of pension recipients suffer from muscular and skeletal disorders—usually men over the age of 45 whose health and fitness have been wrecked by decades of work in heavy industry. Another third, in the fastest growing

category, have psychological and psychiatric conditions such as schizophrenia.

A recent Australian Council of Social Services (ACOSS) report found that the number of disability pensioners doubled during the 1990s primarily because of government policies and the collapse in the job market, as well as the ageing of the population. It cited the abolition of widows’ pensions and other social security entitlements, which forced older and disabled women onto the disability pension, and the downsizing and restructuring of industry, with older workers and those with disabilities the first to be laid off.

Disability organisations have pointed out that disabled people face serious disadvantages and barriers in finding and maintaining employment. In a paper entitled *Employment, Unemployment and Welfare Reform*, the Disability Council of New South Wales listed some of the obstacles, including inappropriate housing, inaccessible transport, unsuitable building facilities, lack of access to education and training and inadequate support services.

“Employers are often unwilling to bear the significant costs that may be required to modify workplaces,” it said, noting particular reluctance to employ people “who have significant but not visible disabilities who may require modified or more flexible working arrangements”.

For these reasons, many disabled workers are likely to be placed in the worst and least secure jobs. They will be at the bottom of the job market, the first to be retrenched when there is a downturn, bankruptcy or restructuring. They will then face waiting periods of up to eight weeks before receiving unemployment benefits. If they leave their jobs because of harassment, low pay or poor conditions, they could be forced to wait even longer for benefits.

The government and the media have depicted the disabled as “work shy” individuals who, in the words of one editorial, see the disability pension as “a better paying alternative to the dole.” This is despite the fact that the single adult pension rate is just \$206 per week, far below the official poverty line. If single recipients are transferred to unemployment benefits, their income would fall by \$26 to \$180, and they would lose concession cards for discounts on gas, electricity and public transport.

The Howard government’s latest scheme follows its failure to cut recipients off the disability pension by legislation. In its May 2002 budget, the government revealed plans to tighten eligibility for the pension, restricting payments to those unable to work 15 hours per week, half the present level of 30 hours. However,

widespread hostility to its open attack on the disabled led to the plan being rejected twice in the Senate in 2003.

Now the government is attempting to carry out its offensive in a camouflaged form. It is offering cash-strapped job assistance agencies financial incentives to carry out the government's dirty work. Andrews told the media: "There's no proposal by the government whatsoever to make this a mandatory scheme, it is entirely voluntary." He claimed disabled people would "value very much" the government's "extra assistance" in finding work.

His claims are a sham on a number of counts. First, there are currently eight unemployed people competing for every available job, even according to the official jobless statistics, which seriously understate the real levels of unemployment and under-employment. Secondly, real wage levels have plunged so far over the past two decades that having a job is no guarantee against poverty.

Thirdly, it is clear that the government is acting under pressure from business and the major media outlets to continue slashing the welfare budget in order to reduce corporate taxes and provide employers with greater access to low-cost labour. The disabled, together with older workers who are also being coerced into remaining in the workforce, will swell the labour pool, helping to drive down wages for all workers.

Department of Employment and Workplace Relations deputy secretary Bob Correll indicated that the government's scheme followed a policy direction from Treasury Secretary Ken Henry calling for an increase in the proportion of the population taking part in the labour market.

Fourthly, the government has by-passed existing specialist disability employment agencies with the expertise needed to assist the disabled. These agencies, funded through the Family and Community Services department, have growing waiting lists and have unsuccessfully requested that the government create additional places in recent years. They are paid fees of up to \$15,000 because of the intensive support required by disabled clients. In 2002-03, they assisted more than 60,000 job seekers with moderate to severe permanent disabilities to find employment.

The peak body representing these agencies, the Association of Competitive Employment (ACE), expressed outrage at the government's announcement and warned that the government's scheme would deny the disabled "the benefit of receiving support from an agency that is accredited against national disability service standards".

Finally, Job Network providers will be under intense financial pressure to push the disabled into work. As part of a fully privatised job assistance network, they are required to tender for contracts with the government and can lose money if their clients do not accept jobs or later quit them. Last month, one major provider, Options Community Enterprises, collapsed, closing its seven offices in NSW. There are indications that the government is attempting to bail out failing Job Network agencies. According to the ACE media release, the pilot scheme "is seen by many as simply a 'propping up' of the troubled Job Network".

By beginning with a supposedly voluntary program, the government is utilising the modus operandi it adopted in imposing

its "work for the dole" regime on the unemployed, herding them into low-paid and part-time work. In 1997, the government announced a pilot "work for the dole" scheme for youth. At first, it claimed the program would be so beneficial that no one would be forced to take part, but dropped this pretense a year later and began cutting benefits for those who refused to participate.

Work for the dole schemes, consisting of unskilled drudgery, poorly supervised jobs, with little or no training and often under dangerous conditions, have since been extended to all jobless workers. This has helped to create an economy increasingly based on an insecure, casualised, part-time and low paid work with poor working conditions and safety on the job, not only for youth but for all working people.

Under the misleading banner of "mutual obligation," this regime has since extended to sole parents and mature age workers. From last September, single parents with teenage children and unemployed workers over 50 have faced financial penalties of between \$700 and \$1,700 if they fail to comply with "participation agreements." Their welfare benefits are completely or partially cut if they refuse to take a job under any conditions or to engage in unpaid community work.

"Mutual obligation" is a cover for scrapping any notion of a fundamental social responsibility to provide for the security and well-being of all. Its purpose is to deliver the jobless into the hands of rapacious business operators.

In keeping with its wholesale embrace of new leader Mark Latham's anti-welfare stance, Labor has supported the government's objectives. Latham merely said it was "sad" that the government viewed disabled pensioners as an opportunity to save money.

His record shows that he advocates going far further than the government. In a speech to the Brisbane Institute in 1999, in which he claimed that "welfare dependency" had become a major blight on society, he backed calls for the disability support pension to be restricted to 150,000 people. "The rest are active and able to move from welfare into the workforce," he declared. In a sweeping attack on the disabled, he described the numbers receiving the pension as "an abuse of the system" that was "adding actively to the problem of welfare dependency".

Disabled and injured people should be afforded every opportunity and assistance to live the fullest possible lives, including paid employment if they wish. Whether Howard or Latham leads the next government, however, the opposite will be the case. For tens of thousands of the disabled, social security benefits will no longer be paid according to their medical condition. Instead they will be subjected to constant monitoring and harassment, forced to comply with a battery of work and "activity" tests and pushed into the most oppressive conditions of employment.



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