

Australia: “Welfare to work” Bill will enforce cheap labour

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Legislation that will impoverish the most vulnerable sections of society—single parents and the disabled—is due to be pushed through the Australian parliament this week. Faced with ongoing opposition to its measures, the Howard government gave a Senate committee just a few days last week to make final cosmetic adjustments.

Prime Minister John Howard and his cabinet are determined to have the “Welfare to Work” Bill, together with their new industrial relations and “anti-terrorism” laws, on the books before Christmas. Due to come into effect next July 1, the welfare package puts the final nail in the coffin of the welfare state provisions that working people won during the post-World War II period.

The measures give employers a free hand to exploit the unemployed by forcing more than 200,000 benefit claimants on to cheap labour and work-for-the-dole schemes over the next three years. Despite several minor adjustments in the past two weeks, the essential features remain unchanged.

Single parents will be forced to find part-time work of 15-30 hours per week when their youngest child turns 6. Once the child turns 8, they will be placed on a lower payment, the Newstart Allowance or Austudy, instead of the Parenting Payment, which will soon be phased out altogether.

Single parents can seek exemption from the job search requirement only if they cannot find suitable child care or if its cost is considered too prohibitive. This was a concession by the government in response to its failure to honour pledges to provide sufficient child care and after school care for working parents.

People on unemployment payments (Newstart) face extremely punitive measures. They can lose payments for eight weeks if they refuse a minimum wage job, quit a job, miss three job centre interviews or do not meet work-for-the-dole requirements.

In another small concession, job seekers can refuse a job

offer if they live more than one hour’s travel distance from a workplace or if travel costs exceed 10 percent of their gross wages.

New disability claimants who are deemed able to work 15 hours a week, instead of the existing 30 hours, will also be put onto a lesser benefit from July 2006. Their capacity to work will be determined by a panel set up by the Federal government made up of doctors appointed by the government’s Centrelink agency and Centrelink officials.

Welfare lobby groups had urged that homelessness and mental illness be considered exemptions, but this was rejected.

Despite the last-minute changes, the Australian Council of Social Services (ACOSS) said 85 percent of the people originally estimated to be worse off under the package would still stand to lose. Many single parents would lose \$20 a week and people with disabilities about \$40. A sole parent with two children over six years of age would lose \$29 a week if jobless, and \$60 if a full-time student.

A study by the National Centre for Social and Economic Modeling (NATSEM) found that, after allowing for these losses, welfare recipients could be forced to work for as little as \$2.27 an hour.

The social ramifications will be staggering. Thousands more children are likely to be pushed into poverty, as well as coming home to empty houses after school. There are 700,000 children in jobless households, with two-thirds of them from single parent households.

Over the past 20 years, the number of single parenting claimants has doubled—itsself an expression of the tremendous social and family strains produced by the economic restructuring pursued by both Labor and Liberal governments.

It is no coincidence that draconian measures aimed at press-ganging the unemployed into work were tabled in parliament on the same day as the “Work Choices”

industrial relations legislation, which is designed to force workers onto individual contracts that will rip up wages and conditions. The two go hand in hand. Having no choice but to accept substandard jobs, the unemployed, single parents and disabled will be used to undermine the conditions of existing workers.

Bev Kilger of the Victorian Council of Social Services drew attention to the connection: “If they find jobs at all, they will almost certainly be low paid, insecure and casualised—the very jobs which will have lost most of their protection under the government’s industrial relations changes.”

John Falzon of the St Vincent de Paul Society told the Senate inquiry that single parents and disabled pensioners could be more than \$90 a week worse off if they find work for 15 hours a week, under the new regime. “It takes away hope for the people who will be driven into exploitation at the low-end of the labour market,” he said.

Another St Vincent de Paul representative, Anthony Dalton, said sole parents would be forced to sacrifice family time to look for work. He said he had advice that it could be illegal to force sole parents into work if that results in a breach of their duty of care toward their children.

Australian Federation of Disability Organisations chief executive Maryanne Diamond said: “Together with the industrial relations bill, the welfare to work legislation is the biggest attack on the rights and welfare of people with disability in our history. If passed, the changes will leave people with disability as second class citizens.”

Although they were announced in this year’s May budget, the welfare to work measures have been at least five years in the making. Faced by opposition from charities and broad sections of the working class, the government commissioned reports by welfare officials to try to give its plans a “caring” veneer. The pretence was that the package would encourage disadvantaged people to “participate” in society.

But these claims are exposed by the fact that the vast majority of those affected live in areas with high unemployment. Their chances of finding jobs are not only extremely limited, but they will be dragooned into a never-ending competition for jobs with poverty wages and sweatshop conditions.

Some government MPs sought to soften the legislation, concerned that the anticipated levels of poverty would inevitably produce social ruptures. There were also immediate electoral considerations, as coalition MPs feared losses in marginal seats.

A seat-by-seat analysis produced by ACOSS pinpointed the federal electorate of Lingiari—encompassing the whole of the Northern Territory minus Darwin, plus the Christmas and Cocos-Keeling Islands—as the hardest hit. It has the highest Aboriginal population in Australia.

Number five on the list was the seat of Leichhardt, which covers the Torres Strait islands and Cape York Peninsula from Cairns northward, and thereby dozens of Aboriginal towns and communities. Eight of the 10 worst hit electorates are in Queensland, and include almost every outer-metropolitan Brisbane seat.

The Labor Party has accepted the modified Bill’s passage as a *fait accompli* and said it will mount no campaign against it. While warning that aspects of the Bill could fuel resentment, and possibly reduce its effectiveness, Labor’s representatives have signalled their agreement with the legislation’s underlying thrust: that of shifting people off welfare and into employment on whatever terms are demanded. The opposition’s family spokeswoman Tanya Plibersek said: “Labor supports welfare to work, but we support measures that help people move from welfare to work.”

In office from 1983 to 1996, Labor initiated the dismantling of welfare by abolishing benefits for under-18s, imposing draconian work tests and restructuring the benefit system. Labor’s measures were part and parcel of its economic restructuring program, designed to make Australian capitalism “globally competitive” by driving down labour costs, cutting corporate taxes and boosting profit rates.

Like its industrial relations laws, the Howard government’s welfare legislation will take this endless process to a new level, at the direct expense of the living conditions and basic rights of millions of working people.



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