

Australian government cuts thousands of welfare recipients off benefits

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During the last six months of 2006, nearly 5,000 Australians were cut off unemployment benefits for the maximum period of eight weeks. The figure is the sharpest indication of the thrust of the Howard government's new "welfare to work" system, which began on July 1.

Since that date, according to a report in the *Australian* newspaper, the number of jobless workers stripped of all income for a two-month period has jumped by almost 250 percent—from 3,800 over 12 months in 2004-2005 to 4,653 over six months in 2006.

Denying recipients any assistance for eight weeks is designed to give them no choice but to accept cheap-labour work under any conditions. People deemed to have broken so-called work test rules three times suffer the automatic and immediate loss of payment. Breaches can include refusing a "suitable" job offer, resigning from a job without a reasonable excuse, "engineering their own dismissal" and failing to participate in full-time "work for the dole" activities.

Previously, those who committed such "breaches" were penalised more frequently—at an average rate of 11,000 per month, compared to the current average of 815 per month—but the punishments were less severe, such as a 16 percent reduction in income support for three months.

The new, far more draconian, system also affects single parents and the disabled, many of whom have been placed on Newstart Allowances (unemployment benefits), rather than Parenting Payments or Disability Support Pensions, for the first time from July 1. Those now being subjected to the "work test" include single parents whose youngest child has turned eight, partnered parents when their youngest child turns six, and disabled people deemed able to work between 15 and 29 hours per week.

Taken as a whole, the Welfare to Work measures are designed to force more than 200,000 benefit claimants into low-paid and sub-standard work or "work for the dole" schemes, paving the way for the abolition of welfare altogether.

In a revealing comment, Employment Minister Kevin

Andrews said the higher level of two-month cut-offs showed that the new system was working efficiently. He predicted that within the next six months, the program would meet its target of fully "breaching" 14,000 people. That is, the scheme was specifically designed to reduce thousands of jobless people to a state of abject poverty.

Andrews claimed that breach penalties had been reduced overall. But the end result has been a sharp rise in the numbers made destitute. National Welfare Rights Network spokesman Gerard Thomas explained: "More people are being left without a cent and fewer than expected are getting help to pay their bills. In the last year of the old penalty system, 316 people a month lost all their Centrelink benefits for eight weeks, while under the tough new rules the numbers who have lost all income for eight weeks has surged to 815—an increase of almost 160 per cent."

Thomas gave the example of a person suffering an undiagnosed mental health condition. He or she could be denied payments for eight weeks without any assistance, and there was no way for welfare agencies to even know how frequently such things were happening.

The Australian Federation of Homeless Organisations warned that up to 14,000 people could become homeless as a result of the new regime. While the government claimed it would fund a "case management" program for up to 4,000 of those most at risk, the new figures show that only 288 people out of the 4,653 cut off were case managed.

The case management scheme is so punitive and demeaning that some church-based charitable organisations have refused to participate. Under the scheme, the government pays charities or welfare contractors \$650 to assess and organise the payment of essential bills for those cut-off, supposedly to prevent them and their children from starving, being evicted from their homes, or having their electricity, phone or water services axed. Agencies can also make moral decisions, such as whether funds can be used for cigarettes or contraceptives.

In addition to these measures, Family Services Minister Mal Brough recently unveiled a planned voucher scheme to

restrict welfare benefits where the government alleges that children are being neglected.

Up to 40 percent of payments will be denied to drug and alcohol addicted parents, parents who allegedly gamble and parents whose children regularly skip school. Instead they will receive vouchers that can be used only on food, rent, clothing and essential bills. Brough said discussions with retailers and software companies had come up with a plan to issue a debit card that could not be used to buy certain items such as junk food or cigarettes.

This system will lead to discrimination and public humiliation, with those on vouchers assumed to be neglectful or drug-addicted. The federal Liberal-National government is also counting on the state Labor governments, whose participation is needed to implement the program.

Charitable and welfare organisations have criticised the measure. St Vincent de Paul national council CEO John Falzon said: “You don’t help children by making their parents feel like third-class citizens. You don’t help children by using their income security as a bargaining chip.”

National Council of Women and Children convenor Elspeth McInnes said: “Punitive responses to people with addictions tend to push them away from getting help and drive problems further underground, but of course they can’t even begin to get effective help if the services aren’t there in the first place.”

Apart from penalising its victims, the government is trying to divert attention away from the social impact of its own policies, which have impoverished wide layers of society and destroyed the limited support programs that used to exist for those with addictions. Australian Council of Social Services (ACOSS) statistics show that the average waiting period for drug and alcohol rehabilitation programs was 12 months last year.

After two decades of “economic restructuring,” hundreds of thousands of Australian families are living on the edge. Wesley Mission released a report late last year which estimated that more than one in seven families in western Sydney was on the brink of insolvency. Forty percent did not have enough savings to meet an unexpected \$2,000 expense and one in three was anxious about their ability to meet expenses in 2007.

Even more people—58 percent of the city’s population—said financial stress had had an impact on themselves, their family or the broader community. Just over 80 percent reported facing some level of financial stress over the past six years.

In November, the police-state aspect of the welfare-to-work program was highlighted when the government announced it would give Centrelink (the welfare and benefits agency) powers to raid the homes and seize the

property of single parents and aged pensioners suspected of living in unreported marriage-like relationships.

People on benefits lose about \$130 per week in payments and rent assistance if they declare they are living as a couple. Under the proposed measures, Centrelink will be able to apply to a magistrate for warrants to raid homes. The current procedures require Australian Federal Police officers to be present.

Warrants can be obtained on the most spurious grounds and Centrelink is notorious for its lack of consideration of claimants’ privacy. It reported recently that 585 staff members had been sanctioned for unlawfully obtaining information about claimants, and 19 staff had been dismissed and another 92 had resigned as a result of investigations.

The Welfare Rights Network said house raids were “highly sensitive, personal, intrusive and largely subjective”. It noted that Centrelink had a history of errors, with the National Audit Office finding faults with 45 percent of randomly selected records. The likelihood of claimants falsely being denied benefits, accused unfairly of cohabitating or identified as neglectful parents is extremely high.

This relentless assault on the most vulnerable sections of society has proceeded without a murmur of opposition from the official political establishment. In fact, the groundwork for it was laid by the Labor Party during its 13 years in office between 1983 and 1996. It is therefore not surprising that Labor has dropped its previous criticisms about sole parents and the disabled being incorporated into the new regime.

Labor’s spokesman, Chris Evans, said aspects of the voucher plan “would not work” because “while this may be part of an answer, it’s not really going to the major causes of the families’ problems.” But he failed to provide any explanation himself of the causes of these problems, or any policies to address them.



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