

WSWS interviews charity workers and recipients

Demand for emergency welfare relief “dramatically spikes” in Sydney

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Just before Christmas, WSWs reporters interviewed charity workers and spoke to people outside a St Vincent de Paul welfare shop in Bankstown, in Sydney's western suburbs, about the growing impact of the global financial crisis on the daily lives of ordinary people.

Andy Marks, from the St Vincent de Paul Society, told the WSWs that applications for emergency relief and other forms of assistance had “dramatically spiked” during the past few months. “It is not just the financial crisis—there has been a steady build-up of a number of factors. Housing affordability has been critical for three to four years.”

Now, however, demand was running at record levels, 15-20 percent above what had been experienced previously. The most common problems were housing payments, utility bills and people falling victim to predatory lending practices, such as pay-day loans.

Marks said a significant proportion of those in need were still the traditional “welfare profile” of the unemployed, aged and disabled, and sole parents, “but we are increasingly seeing the employed—those on minimum wages. We have also started to see the jobs impact in western and south-western Sydney, where many people are employed in retail and manufacturing.”

Households in these areas had “narrow margins,” Marks explained. “The flow-on effects of losing a job are family breakdown, anxiety and domestic violence. It becomes a psychological factor, not just a matter of belts tightening.”

One officer from the New South Wales Sheriff's Office estimated that the number of evictions being policed by sheriffs in Sydney's western and south-western suburbs had risen five-fold over the past year—from about 30 a week to some 30 a day. People were being evicted from their homes for falling behind in their mortgage payments or rent, or inability to pay other bills. However, the Sheriff's Office publishes no eviction statistics.

Chris Martin from the NSW Tenants Union commented that evictions would be only part of a “much bigger dark picture” because “most tenancies don't end in evictions—many more people move out in response to a notice of termination”. He said there were no government figures on the number of termination notices either.

Martin said his organisation had received “increasing numbers of calls from tenants who are innocent victims of the credit crunch. Their landlords have been forced to sell or default on their mortgages, due to the

credit crisis and falling prices.”

None of the agencies contacted by the WSWs had yet compiled statistics for the December quarter. But **Graham Roach** from the St Vincent de Paul Society said the number of food vouchers distributed by his organisation in eastern Sydney had risen by 60 percent from 2006-07 to 2007-08, and had continued at the higher rate since then.

Roach said many families were falling behind on their rent and he expected another wave of requests in the New Year. “We haven't seen the full fallout yet. Unemployment will start to rise and then we will get the next wave.” The rental situation remained a “nightmare,” Roach said, with many landlords jacking up prices to “cash in on shortages”.

Theresa Harm from the Nagel Centre in the south-western suburb of Campbelltown said the level of “housing stress” had been rising for some time. The results could be seen in the number of houses up for sale by mortgagees, often sitting “on the market for a year”.

Over the past 12 months, more families had started seeking emergency aid. Most households depended on “two or three jobs, one part-time or casual. If one parent loses hours, or overtime, there is nothing spare,” she said.

“Their resources are over-stretched. Many already direct debit payments for rent and utilities, so they are cutting spending on food. They are hunting for supermarket specials and they cannot afford fresh fruit and vegetables. Instead, they are buying cheaper food, like white bread, which is less nutritional.”

At a November 26 summit in Canberra, the welfare peak bodies asked the Rudd government for \$900 million over the next three years to cope with the rising need (see “Australian welfare agencies warn of growing social crisis”).

A month later, the government has still given no reply. When the WSWs phoned the office of Families, Housing and Community Services Minister Jenny Macklin to ask for the government's response, its email reply refused to commit to anything. “The Government understands the impact the global financial crisis is having on those who are already under pressure,” Macklin wrote, and went on to refer vaguely to a “new partnership between government and the social service sector”.

Macklin insisted that the government's pre-Christmas economic stimulus package, featuring one-off payments of \$1,400 for aged and disability

pensioners (or \$2,100 per couple) and \$1,000 per child for low- and middle-income families, would "go some way to easing the financial pressure on Australian households".

But welfare workers said the short-term handouts had been inadequate. Therese Harm said the money would be used to pay off "immediate debts, rent payments, unpaid bills such as car registration, buy Christmas presents for children and get them ready for school next year. An overall increase would be better."

Andy Marks said the stimulus package was welcome but "many people have been left out, especially the jobless, who are equally or more in need". He commented: "The media images of a 'cashed-up Christmas' are false. These payments are a drop in the ocean. The recipients would prefer permanent rises in benefits, and better access to child care and education."

"People are hungry"

Outside the welfare shop, **Alf Kearney**, a retired worker living on an aged pension, was bitter about the way ordinary people were being left to pay the price for the global financial meltdown. "Anything that happens on the other side of the world—and in the financial markets—seems to fall back on the poor pensioner," he said.

"People don't realise what it does to us. We have to shop in second-hand stores for the rest of our lives. We get \$270 a week. I can't even afford to buy a Lotto [lottery] ticket to get rich. There's no work around for a bloke like me anymore to get a little bit of casual work. Everything has tightened up. In street-talk, there's no 'earns' no more."

Kearney was scathing about the government's pre-Christmas handout of \$1,400 to single pensioners like himself. "Instead of one-off 'bonuses', what the government should do, is put the pensioners on a basic wage. If they gave us \$14,000 I could understand. But what's \$1,400? It's nothing."

"With my \$1,400 I went out straight away and bought \$200 worth of food, so I could feel like a civilised person again. If you start putting a little food in the cupboard, \$200 is nothing. Then I had my daughter, my two sons and three grandkids, and it's Christmas time!"

Asked about official statistics showing a 32 percent rise in complaints about utility cut-offs in New South Wales in 2007-8, Kearney denounced the electricity companies for threatening to shut off power to those who fell behind paying their bills. He said he had been a victim himself.

"The power companies want to crucify you. They told me: 'If you don't pay this bill, or have \$80 a fortnight taken out of your pension, you will have your lights shut off.' Are we going to live with candles?"

Asked what would happen if the economic conditions continued to deteriorate, Kearney replied: "I came from the poor side of town when I was young, so I know what it's like to pick up coal from the railway tracks to sell it in bags, to go to shops and ask for rotten vegetables and broken biscuits, and to go down the river bank to cut up logs to sell on the side of the road. Are people going to adjust to that? I don't know."

Maria Karagiannis, a sole parent and tourism industry worker, had been out of work for three months since returning from Greece, where she lived for six years. "The last 20 years have been a corporate world, and we are all paying for it now," she commented.

"Greece has been hit hard by the world financial crisis, so we decided to move back here. Unfortunately, that country eats its children, as the saying goes—it doesn't help the children and open doors for them."

Karagiannis had thought conditions would be easier in Australia, but now, "We're one of those figures in the increased demand reported by welfare agencies. We're here to get a hamper for Christmas. A lot of people are in distress. Even people with two incomes coming in, are cutting everything. Normal families are being hit very hard, maybe being laid off from work and having to deal with that."

"There's no work, or no suitable jobs available for a person like me who speaks five languages. It's hard being a single mum. We have to be really tight. We basically provide food and shelter and unfortunately everything else, even a new pair of shoes for school, becomes a luxury."

A retrenched IT worker, who preferred not to be identified, said he had been laid off about a month earlier from EDS Australia, following the parent company's merger with Hewlett-Packard. EDS Australia dismissed 75 employees, saying it had lost millions when key customers, notably the Commonwealth Bank of Australia, outsourced their computer management elsewhere.

"I haven't been able to find work since," he said. "It is especially difficult in the Christmas period. I can't do anything without money. The Labor government has allowed the banks and billionaires to get away with all this."

Gina Bonneci, a volunteer at the St Vincent de Paul store, said she found it difficult to live on a single pension herself. "The government gave us \$1,400. That's all right for this year, but what about next year? We need extra money every two weeks."

"It's very, very hard. A lot of people walking in here with kids—they can't buy them clothes, and they can't feed them. People are hungry. You can see people on the streets around here, going to alcohol and all this because they've got nowhere to live, and can't afford the rent."

"Over recent months, I have noticed people coming in more frequently. Maybe they used to come every six or eight months to get food or pay the bill, but no, now they come every two months. I have seen it increasing every week—not just people from the streets, but people with kids and families. We have about 50 phone calls a day from people asking for help—every morning, it's non-stop."

"I really wish that something could be done about the conditions that people are finding. People are coming in here to demand food and we haven't got it. Sometimes, we can't give to them, because we don't have it. But they still expect us to give it to them. We try our best to help everybody, but we can't meet everybody's needs, and people get frustrated."

Harry Abbas, a small business owner, had come to the charity shop with his infant son to donate a clothing parcel because it was the time of year to help others. A few of his friends had been made redundant in the car industry and the building trades.

"It hasn't affected me that much yet, but the changes that I have seen around me in my business are slowly indicating that we are going to have worse times coming through. It will get worse because there's no solution. They are patching things up, not actually fixing things up. It's like when someone is sick. You give them a panadol to take the pain away, but the sickness is still there.

"It started off a few years ago, the minute they [the US] walked into Iraq. A year after that I thought it would be a disaster. No amount of oil in the Arab world can cover the amount of damage and loss of lives caused, even to the American soldiers.

"The people that are responsible, the decision-makers, make the wrong decisions, and they sit in their palaces or \$200 million houses or whatever it is, and the working class man on \$20 an hour has to go to \$15 an hour.

"You'd think we'd have learned from the Great Depression of the 1930s. With the Internet and Wall Street, and all that—how smart we have begun—yet we let it happen again. Not us, I mean, but the inventors and the governments. Where is it going to end next?"



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