

Australian government imposes new punitive measures on the unemployed

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Anxious to meet the demands of business for cheaper labour, the Australian government is proceeding with new attacks on jobless workers, designed to give them no choice but to accept low-paid jobs and poor working conditions.

“No show, no pay” legislation was introduced into parliament last week to immediately suspend welfare payments to anyone who fails to attend a compulsory appointment or “participation activity”. Officially called the Job Seeker Compliance Bill 2011, the measures are designed to give employers greater access to supplies of low-cost labour.

The legislation makes the unemployed one of the first targets of the cuts to social spending to be unveiled in the May budget, as the Labor government delivers on its commitment to the financial markets to eliminate the budget deficit by 2013.

Centrelink, the government agency in charge of welfare payments, already compels many unemployed workers and youth to report once per day to provide evidence of attending anywhere up to 10 job interviews per fortnight. Attending these interviews can be prohibitively expensive for someone living on welfare benefits.

Regardless of their actual job prospects, the unemployed are also forced to attend regular meetings with the government job agency, Job Search Australia (JSA). These onerous requirements have nothing to do with finding decent jobs—they are intended to frustrate and exhaust welfare recipients and push them off benefits.

Under the “no show, no pay” new rules, due to commence on July 1, failure to attend a scheduled meeting will result in suspension of payments, which will only resume once another meeting has been booked. At that time, the person will be compensated for the missed payments.

If the person misses this second meeting, however, payments will again be suspended, and will only resume once the individual “reengages” with Centrelink—that is, goes through the lengthy welfare application process. Missed payments over this period will not be recompensed.

Previously, suspension of payments could begin only at the beginning of the following fortnight’s payments.

As of April 1, Labor is also halving the liquid asset threshold for unemployment benefits, as well as for youth and study allowances. Single people will be denied welfare assistance if they have savings greater than \$2,500, while couples are limited to \$5,000.

Those whose savings exceed these limits will have to wait up to 13 weeks before receiving any payments. Previously, savings of \$5,000 and \$10,000 had been permitted for singles and couples respectively.

The lower limit will not only further impoverish the unemployed; it will also strengthen the hand of employers. Anyone working under exploitative conditions will need to think twice before quitting their job, knowing that their savings will bar them from receiving welfare benefits.

Even before the introduction of the new rules, Labor had stepped up its offensive against the unemployed. Between July 1 and September 30 last year, 3,844 people were suspended from unemployment benefits for eight weeks as a result of a “serious failure” to comply with welfare requirements. This suspension rate was more than 15 times higher than the 910 “serious failures” for the entire 2009-2010 financial year.

Over the same three-month period last year, Centrelink also imposed 15,000 financial penalties. For the year 2009-2010, just over 32,000 penalties were applied.

Introducing the Job Seekers Compliance bill in Parliament, Employment Participation Minister Kate Ellis declared: “All Australians on income support should have the opportunity of work—but with opportunity comes responsibility—and with this bill we are going to firmly expect that people meet those responsibilities.”

Contrary to Ellis’s contemptuous claims, unemployment is not the result of people failing to meet responsibilities; it has been caused by the continual destruction of full-time jobs over the past three decades, particularly in manufacturing.

The official unemployment rate in Australia stands at 5 percent. That amounts to more than 600,000 jobless workers, still about 120,000 more than before the global financial crash in 2008.

However, this figure masks the true extent of the social catastrophe facing hundreds of thousands of workers. It registers someone as employed if they worked for just one hour a week. Australian Bureau of Statistics (ABS) reports also estimate that more than 700,000 workers are engaged in casual or part-time work but would prefer to work more hours.

The official ABS jobless rate also counts only people “in the labour force,” who must be actively searching for work and be able to commence work immediately. A recent ABS report estimated that another 1.3 million people were of working age and wished to work, but were not in the labour force. More than 100,000 had given up searching because they did not believe they would find a job. Of the 100,000, 38 percent said they were considered too old for employers, while 16 percent believed there were no jobs available in their line of work locally. More than 200,000 women said they would have liked to work but had to care for their children—an indictment of the present inadequate and costly system of child care.

Despite the claims of the media and political establishment that the Australian economy has defied the global financial crisis, long-term unemployment has risen sharply since 2008, reflecting the ongoing destruction of jobs. Centrelink data has shown a 42 percent rise in the number of people who have been on benefits for more than a year, an increase of 100,000 since 2008.

The government insinuates that many jobless workers prefer to live on the dole. This is nothing but a slander designed to vilify the jobless. The poverty-level benefits—officially called Newstart allowances—provide just

\$234 per week for individuals. Rents for single bedroom apartments in most metropolitan areas exceed \$250 per week.

The long-term unemployed figure does not include the 800,000 disabled or injured workers who are paid the Disability Support Pension (DSP), and are therefore not officially looking for work. These workers, many injured in employment, are also under attack by the government, with Gillard signalling further plans to reduce what Labor officials have described as the “bloated” DSP program.

According to the *Sydney Daily Telegraph*, the cabinet’s expenditure review committee “has considered a submission on cutting access to the [DSP] after the number of recipients blew out to 800,000,” noting that this would be part of a “government... agenda to raise the numbers available for work.”

The Labor government has already moved to make it far more difficult to qualify for and stay on DSP. Under rules to come into full force in 2012, new applicants will initially be forced to find work or take unemployment benefits unless they prove that they cannot work more than 15 hours a week. This measure alone was intended to slash government spending by over \$300 million per year.

Yesterday, the Liberal opposition leader Tony Abbott underscored the bipartisan character of the assault on the jobless. He unveiled plans to suspend unemployment benefits in areas where low-paid unskilled work is available, such as cleaning or fruit picking, making “work for the dole” mandatory for people who have been on benefits for more than six months, and shifting people whose disabilities can be treated off the DSP and onto a new, lesser benefit.

In reality, Labor’s measures have already taken big strides towards delivering on this reactionary agenda.



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