

Australian government rejects any dole increase

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Bill Shorten, the Gillard government's recently promoted employment and workplace relations minister, this week dismissed calls by sections of business and welfare groups for increases in the poverty-line levels of unemployment benefits.

Shorten admitted that he could not live on the dole, which forces jobless workers to exist on \$243 a week or \$35 a day, but said it was deliberately set at a low level to provide "an incentive for people to take up paid work." He added: "Participation in the workforce is a priority that the Gillard government is passionate about. Work is at the core of our beliefs."

Speaking to the WSWS, disgusted unemployed workers denounced Shorten's declaration and described the near-impossibility of living on such levels of income amid soaring rents, utility prices and other everyday expenses (see: "Unemployed workers denounce Labor's poverty-line benefits").

Shorten's attitude toward the unemployed sums up the Labor government's agenda: to make life unbearable for welfare recipients in order to force them to compete for lowly-paid and insecure jobs, thus driving down wages and conditions throughout the working class.

Far from decent employment opportunities, the unemployed and school leavers face the ongoing destruction of full-time jobs—more than 100,000 jobs in the past year—spearheaded by the steel companies, Qantas, the banks and retail chains. Officially, over 635,000 workers are unemployed, with another more than 700,000 wanting full-time work but employed only part-time or as casuals.

The job losses have already resumed in 2012 with Wednesday's axing of 250 jobs by two aluminium smelter operators. This week also, the Australian Bureau of Statistics reported the biggest annual fall in job vacancies for nine years, leaving an average of 3.5 jobless workers vying for every vacancy.

Shorten sought to justify his stance by saying Labor had permitted recipients to work part-time and earn up to 77 percent of the national minimum wage before losing their basic payment. This only underscores the government's purpose—to create a greater pool of increasingly desperate job seekers who can be readily exploited as casual and temporary labour.

Shorten also cited the government's pledge to deliver a surplus in the May budget for 2012-13 through "fiscal discipline." This highlights Labor's commitment to the financial markets, which have insisted that working people must pay for the global financial crisis.

Successive Australian governments have systematically cut the real value of Newstart unemployment benefits, and the even lower \$193-per-week Youth Allowance paid to jobless workers under 21. Different inflation indexation systems have been used to push these payments well below the meagre aged and disability pensions. Fourteen years ago, the Newstart benefit was 91 percent of the single pension. It is now 65 percent—a gap of \$130 a week—and projected to fall to 33 percent by 2050.

Shorten was responding to comments by outgoing Australian Industry Group head and new Reserve Bank board member Heather Ridout, and right-wing economist and *Australian* columnist Judith Sloan. They had backed a suggestion by the Australian Council of Social Services, which represents welfare groups, of a

\$50 rise in the dole.

These calls were not motivated by any compassion for the unemployed. Instead, Sloan, a former Productivity Commissioner and prominent company director, argued that pushing the jobless into “grinding poverty” was counter-productive because it made them less capable of actively searching for work.

Sloan said the \$130 a week gap with the Disability Support Pension (DSP) gave the unemployed an incentive to apply for a DSP, which is exempt from the continuous “work test” regime attached to dole payments. She echoed criticisms by the Productivity Commission, the government’s Henry tax review and the Organisation for Economic Cooperation and Development that the gap between Newstart and DSP only encouraged jobless workers to seek DSPs.

These objections were taken up in a January 12 *Australian* editorial, which condemned the rise in the numbers of DSP beneficiaries to 800,000—a 40 percent increase in the past decade. “This does nothing to help the jobless, acts as a drain on the budget and stifles the economic capacity of the nation,” it stated.

The editorial said the Gillard government had tightened the DSP criteria, on top of “reforms to welfare” by the previous Howard and Keating governments. “But, overall, recent reform has been piecemeal and does not constitute root-and-branch reform of the welfare system. Mr Shorten should use the rare unity of these groups calling for change to reinvigorate the reform agenda.”

What the *Australian* means by “piecemeal” and “root-and-branch” can be gauged by the deep inroads that the Labor government has already made into the welfare system. As of January 1, DSP eligibility has been sharply restricted, with the aim of disqualifying almost 40 percent of new applicants, effectively shoving them back onto dole payments and forcing them to try to find work despite injuries or disabilities (see: “Australian government moves to cut thousands off disability pensions”).

In last year’s budget, the government announced plans to push at least 50,000 single parents off sole parenting payments and onto unemployment benefits, stripping them of \$56 a week; and to move jobless workers aged under 21 onto Youth Allowance, a cut of

\$43 a week. “Work for the dole” obligations were also doubled to working two days a week, and “welfare reform” and “quarantining” trials were announced to coerce young sole parents into the workforce in major working class areas (see: “Australian government budget cuts welfare”).

To further harass the jobless, the Gillard government had already introduced “no show, no pay” legislation to immediately suspend benefits to anyone who fails to attend a job agency appointment—as many as three per week—or “participation activity.”

Shorten, a former trade union leader and an architect of the June 2010 backroom installation of Gillard as prime minister, has been handed the super-ministry of employment and workplace relations as a test of his capacity to deliver the “root-and-branch” agenda demanded by the Murdoch media.

“Welfare reform” is an integral part of a wider offensive. Amid worsening global economic turmoil, Gillard’s government is under escalating pressure from the corporate and financial elite to slash social spending and bring wages and welfare levels into line with the cuts being imposed internationally, including across Europe and North America.



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