

Australian government slashes benefits to single parent families

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The Australian Labor government will cut welfare payments to single parents, resulting in increasing levels of hardship and financial stress for thousands of the country's most vulnerable families.

The move is in line with Labor's pledge to the financial elite to bring this year's budget and subsequent ones back to surplus. The measure gives a glimpse of the savage austerity measures that the government is now preparing as the global economic crisis worsens and the outlook for the Australian economy deteriorates.

The changes pushed through parliament last week will see 100,000 single parents, mostly women, who are caring for children aged between 8 and 15, forced off the Parenting Payment and onto the poverty-level Newstart unemployment benefit from January 1.

The income, for example, of those on Parenting Payment Single—\$648.50 per fortnight—will fall to \$529.80, a drop of \$118.70. This could mean the difference for single parent families in being able to pay rent or put adequate food on the table.

Single parents will also be subject to Newstart's harsh compliance requirements, under which thousands of unemployed recipients are denied payments for failing to attend interviews, participate in training programs or meet other "work test" requirements.

Prime Minister Julia Gillard declared that her government was "creating the right incentives for getting people back into work", and insisted that this would be "better for the parent and ultimately for the child." Her claim to be lifting sole parents out of

poverty by placing them into work is a cruel fraud that demonstrates the government's utter disdain for some of society's most disadvantaged people.

What do single parents transferred to Newstart really face? Recent National Centre for Social and Economic Modelling research shows that 90 percent of single people on Newstart payments and singles with dependent children are in poverty. Even before the latest measures, more than half of the 500,000 children currently living below the poverty line were to be found in single parent families.

These levels of poverty make job training and searching extremely difficult. Many single parents have few qualifications. Half have less than a Year 12 education, giving them little chance of securing a decent paying job. To make matters worse, moving them onto Newstart renders them ineligible for an education supplement payment available under the Parenting Allowance.

Moreover, they are being dumped onto an increasingly tight labour market, under conditions of rising unemployment and rapidly shrinking job opportunities, forcing them to compete for low-wage, casual and dead-end jobs, mostly in retail, services and hospitality.

The official jobless rate leapt from 5.1 percent in August to 5.3 percent in September, because more people were looking for work and there has been an avalanche of job cuts in recent months, now spreading to mining as well as the public sector.

The Gillard government's assault on single parent

families is designed to push down wages and other labour costs for the corporate elite, by producing a bigger pool of jobless workers. It is also central to the government's drive to slash public spending in a bid to turn a \$44 billion budget deficit into a surplus this financial year.

Shifting people off the Parenting Allowance was first announced in the May federal budget, and estimated to generate savings of \$728 million over four years. Since then, however, sharp falls in export commodity prices, the implosion of the mining boom and the renewed downturn in the world economy have made clear that the government will have to cut billions more off social programs to produce the promised surplus. The attack on sole parents is a warning of even more vicious cuts to come.

The Liberal-National parties provided bipartisan support for the welfare-cutting legislation last week, underscoring the lack of any fundamental differences between Labor and the opposition coalition. Both are equally committed to carrying out the demands of the corporate and financial elite for an offensive against the working class.

The Gillard government is deepening the assault on single parents begun under the former Howard Liberal government's "welfare to work" policy in 2006. Prior to "welfare to work," single parents could receive the Parenting Payment until their youngest child turned 16. After 2006, all new claimants were transferred to Newstart and required to look for work when their youngest child turned 8.

Those already receiving the Parenting Payment before 2006 were exempt from the shift until their youngest child turned 16. However, over the past four years, the Labor government has steadily imposed stricter eligibility requirements, culminating in the latest abolition of all exceptions to the 2006 change.

Fearing an electoral backlash, a Senate inquiry, which had a Labor majority, recommended in August that the move against single parents be delayed until after the completion of a parliamentary investigation into the adequacy of Newstart allowances.

Driven by the same concerns, MPs from Labor's so-called Left faction reportedly backed the postponement call in a federal caucus meeting earlier this month. However, none crossed the floor in parliament last week to oppose the legislation.

Likewise, the Greens, whose parliamentary support is essential to keep the minority government in office, moved an unsuccessful amendment in the Senate to delay the starting date to July 1, that is, by just six months.

On the same day as the legislation was passed, Gillard postured in parliament as a defender of women's rights in a 15-minute tirade against the "sexism" of opposition leader Tony Abbott. Neither Gillard, nor her middle class admirers, made any reference to the new socially-regressive measure that had just condemned 100,000 single parents, overwhelmingly women, to worse financial hardship.



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