

Australia: Christmas period highlights mounting social crisis

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Christmas 2012 is providing a glimpse into the deteriorating situation facing working class people in Australia. The sharp economic downturn, compounded by deep federal and state government cuts to welfare, health, education and other social programs, is creating greater hardship. More people are turning toward charities to provide financial and material support; but these organisations are experiencing substantial falls in donations, and are increasingly unable to keep up with need.

The WSWs interviewed several charity representatives, as well as some of the people confronting a bleak Christmas and New Year. Bill Crews, CEO and founder of the Exodus Foundation, said: “Anyone will tell you that demand is increasing, because they want more money, but this year it really is true! These last two months we have had a 20 percent increase in demand. We are seeing more working poor. There is a definite split occurring. Some people are surviving but some people are left with no hope.”

Crews pointed to the impact of rising utility prices and high housing costs. “People are in a panic,” he said. “When the carbon tax was put through, the [federal] government said it would provide lower income people with a rebate, but people on pensions or low incomes are always behind in their payments, and they pay the most pressing payment first.”

Asked about the fall in donations, Crews answered anecdotally, saying: “Where people would previously give, say \$200, they now give \$70. Confidence is low. It’s not ill-will, but people are holding on more, because they can see bad times are coming.”

In the weeks leading up to Christmas, the federal Labor government rejected calls to increase the poverty-level unemployment benefits. It also refused to delay the January 1 starting date for its decision to scrap

welfare payments for sole parents once their youngest child turns eight, and shift them on to unemployment benefits. Both measures are designed to coerce people into poorly-paid work, under conditions of rising unemployment.

Janine Jones, Anglicare Sydney’s public affairs manager, also reported increased demand for its services and a shortfall in donations. “We are significantly down. People have been generous but I think everyone is feeling the pinch and working in a tighter framework. We need to raise \$2.4 million for next year or we will need to turn away 12,000 people.”

As causes for the greater need, Jones cited the government’s sole parent and unemployment benefit decisions, as well as high electricity prices, the low level of all pensions and welfare payments, and the costly private rental market. She commented: “The vast majority of people we see are on Centrelink payments. They don’t have the same kind of financial security, so when bills pile up or an unexpected expense occurs they need to see us urgently.”

Jones explained: “Unexpected bills make a strain on the family. Going without food also means that some families are choosing not to buy the same quantity or freshness of food as they would before.”

Julie McDonald, St Vincent de Paul’s community and corporate relations manager for New South Wales, said a new face of poverty had emerged in recent years. “Families who would never have dreamed in the past of being in difficulty, are now seeking assistance.” She continued: “We are seeing more people homeless, two-parent families with nowhere to go and living in cars. These pressures can also lead to more domestic violence.”

McDonald said: “As a guideline, from January to November 2011 we helped 120,000 people, including

17,000 for the first time. The reports are that this year it is even worse.” She added: “The drop in donations is hugely concerning. We are over 50 percent behind our target, and 20 percent behind this time last year. People are watching their dollars more carefully, and are concerned about what is happening in Europe and the US.”

Outside the Bankstown Centrelink office in Sydney’s south-west, Dennis said his meagre welfare payments were reduced by the government whenever he managed to obtain temporary work. “I do casual work for an agency. When anybody calls me, in I go. I’m not getting paid from anywhere else and Centrelink payments are not enough ... It’s about \$400 a fortnight but I hardly get it anyway [because] if the agency has paid me, then Centrelink won’t.”

Dennis explained his situation: “I have tried so many times to find another job. I have a degree in health science, and I’ve looked everywhere. As someone with a degree, I expected to have a job by now, with good pay. I went to Centrelink and they just sent me to an agency. Centrelink is not helping in any way. All they want is for you to tell them what you did this week.”

Dennis commented: “All the choices and the options are made by the top persons. Ordinary people don’t have a say. No-one speaks in my interest in parliament.”

Putri, who was with her daughter Aaliyah, said: “I’m unemployed with two kids, so I can’t work, because who will look after the kids? I’m struggling to pay the bills. The electricity bill has gone up. Just with everyday stuff I’m getting by, but I don’t think it will last very long, so I’ll need to work again. I think for those with kids, it’s hard.”

Putri added that if she went back to work, “childcare would be expensive—it’d work out at \$400 a week. Depending on what I get for my income, it’s not worth it. There’s no profit.” Putri concluded: “I’m getting by. I live really humbly, but I can’t live like this, it’s very hard. I don’t think the politicians know how people are struggling.”

Cassi, who was with her daughter Kitanya, said that as a single parent with three children, she was lucky to be living in public housing, which reduced her rent. She explained: “I’ve made lots of sacrifices. The kids aren’t getting anywhere near what they would like. I would like to give them more definitely”.

Cassi was bitter about the lack of support from the government. “My eldest son is type-1 diabetic. As soon as I’m back into work, I’m hoping my employer is generous with family difficulties. I’ve been struggling for years [to manage the illness]. I’ve had no support and have done everything myself. I only just found out about the carers’ allowance last year, even though I had reported the illness [to Centrelink]. No-one told me I was eligible for the allowance.”

These comments show some of the reality behind the media hype at Christmas. They also expose the Labor government’s claims that ordinary Australians are doing fine, relatively shielded from the global economic breakdown. The truth is that millions of people are already experiencing serious hardship and the impact of Labor’s austerity program, with worse to come as the mining boom unravels and the financial elite demands far deeper cuts to social spending.



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