

# Australian government cuts welfare payments to single parents

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From January 1, more than 84,000 Australian single parents have had their government support pensions removed and replaced by the much lower basic unemployment payment, called Newstart.

This latest removal of a section of the social security net is part of a broader Labor government agenda to force people into low-paying part-time or casual jobs and, by doing so, provide business with a larger pool of cheap labour. The changes also form part of the government's austerity program, delivering a saving of \$728 million over the next four years.

Under the changes, sole parents will be placed on the Newstart dole once their youngest child turns 8. This amounts to an average loss of \$140 in weekly income and in some cases up to \$200. Newstart pays just \$246 a week, or \$35 a day for a single adult. According to the Australian Council of Social Services (ACOSS), this figure is \$100 beneath the poverty line. Previously, single parents lost the support pension when their youngest child turned 16.

As well as suffering a drastic drop in income, the sole parents will be forced to actively search for work through employment agencies associated with the government's Centrelink welfare payment offices. Typically, this means making numerous job applications per week, even if no serious job prospects exist. The experience is demoralising, with workers forced to jump through bureaucratic hoops to prove they are looking for work while being offered little more than temporary low-paid employment, if they are offered anything at all. Even if they found a job, childcare expenses would wipe out much of the gain.

The Labor government's callous attitude toward the most vulnerable layers of society was displayed when Families Minister Jenny Macklin told reporters on January 1 that she could live on \$35 a day. Macklin

confirmed the government's intention to maintain the below poverty-line level of the payments, in order to give the unemployed an "incentive" to find work. By contrast to the jobless, she is paid \$903 a day and spends an average of \$1,577 a day on ministerial expenses, including travel and hotel rooms.

Sections of the media supported Macklin's comments, notably the *Australian*, which called for further "comprehensive welfare reform," citing disability pensions as a potential target for future cuts. A Liberal-National Party politician, Northern Territory Treasurer Robyn Lambely, claimed that she "probably used to live on less," adding, "Good on her. Go Jenny." Other outlets, including Murdoch tabloids, ridiculed Macklin for being too blunt.

In a public relations stunt, acting Greens leader Adam Bandt issued a public challenge to Macklin to join him in trying to live on \$35 a day, for one week next month. This is in line with calls by welfare groups and sections of big business for a rise in dole payments. This campaign has nothing to do with ending the poverty facing the unemployed but is aimed at ensuring that the dole recipients have the resources to effectively look for a job and join the ever growing army of cheap labour.

Notwithstanding Bandt's grandstanding, the Greens passed the government's May 2012 budget, which included the removal of single parent pensions. They have also couched their call for an increase in the Newstart allowance as a contribution to achieving the cost-cutting demands of business and the financial markets. Greens MPs argue that a rise in the dole would offset the "disguised costs of poverty" that require higher expenditure on health care and social services.

Together with ACOSS and the trade union movement, the Greens have aligned themselves with

the Business Council of Australia, which represents the 100 largest companies operating in Australia, in voicing concern that the allowance has fallen so far behind the inflation rate that unemployed workers are unable to present themselves for job interviews. This coalition is advocating a \$50 a week rise in the dole, or \$7 a day.

Even if implemented, the increased dole would still leave the jobless deep in poverty. Last November, a Senate report cited research estimating that, after paying rent, the average single Newstart recipient living in Sydney was left with just \$16.50 a day to cover all other costs of living. The report, produced by a committee of Liberal, Labor and Greens Senators, concluded that the allowance “does not allow people to live at an acceptable standard,” but recommended that it be kept at that low level to give people an incentive to work.

Prime Minister Julia Gillard’s government welcomed the report and remains unmoved on the issue. Federal Treasurer Wayne Swan this week ruled out any rise in the allowance. Health Minister Tanya Pilbersek reiterated that “the best way we can help people on income support payments is to get them a job.”

The reality is that jobs do not exist for most of the more than 650,000 people now out of work, let alone the young people who have just finished school or university. Thousands of jobs have been eliminated over the past year, particularly in manufacturing, retail and the federal and state public sectors. Unemployment is deepening under the impact of the global economic slump, with job cuts spreading to the previously booming mining sector.

Far from helping sole parents, young people and retrenched workers find decent-paying jobs, Labor’s program consists of slashing welfare entitlements, pushing recipients into poverty and coercing them into insecure low-paid work for the benefit of the financial and corporate elite.



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