

# Australian government welfare report prepares brutal assault against disabled, unemployed

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Prime Minister Tony Abbott's Liberal-National government last month released a report into the Australian welfare system that outlined measures aimed at slashing billions of dollars in public spending by denying welfare payments to hundreds of thousands of disabled, unemployed and other vulnerable people.

The report's chief author, Patrick McClure, has been chief executive officer for both large charity organisations Mission Australia and St Vincent de Paul. He authored an earlier report in 2000 into the welfare system that paved the way for the further privatisation of social services and extension of punitive "mutual obligation" responsibilities for unemployed workers and others receiving welfare payments.

McClure's latest document, titled "New System for Better Employment and Social Outcomes," is a carefully concocted fraud. Like the government's "Intergenerational Report," it is aimed at bolstering efforts to justify a permanent austerity regime on the basis that current public spending is "unsustainable." McClure declared that a "fiscally sustainable" system was being challenged by an "ageing population," combined with a [deteriorating] fiscal environment, uncertain world economic outlook and longer term challenges."

Social Services Minister Scott Morrison amplified these bogus claims in a speech to the National Press Club. Morrison insisted that "unless there is major structural change that is made to our welfare system over the next decade and beyond, over a generation, our social services expenditure will swallow the budget."

In reality, there are ample resources to ensure that every citizen has a living income and access to high quality social services. Vast wealth is controlled by the

ultra-wealthy at the top of society. Australia's richest 200 people are worth almost \$200 billion between them, while two and half million Australian residents are already impoverished, because of sub-poverty line welfare benefits and low wages. The purpose of "welfare reform" is to transfer even more wealth to the wealthiest 1 percent through a social counter-revolution eliminating every social concession granted to the working class in the post-World War II period.

The assault on welfare aims to give many recipients no choice but to accept low-wage employment in insecure and super-exploitative conditions. It dovetails with the drive by the corporate elite to reduce the minimum wage, abolish penalty wage rates and cut pay levels across the board.

Morrison gave short shrift to the McClure report recommendation that no current welfare recipient be made worse off under the "reforms." He contemptuously declared: "If we're going to take an 'are you better off or worse off in the next five minutes' approach to every single policy announcement, I'm not sure what people think that does to improve the quality of debates and policy reforms that are important over a generation."

Under the guise of simplifying the welfare system, the report advised that existing entitlements be amalgamated into five payments: age pension, carer payment, child and youth payment, supported living pension (replacing the disability support pension), and a tiered working age payment covering everything else, including Newstart (unemployment), Austudy, and parenting payments.

The McClure report was premised on another lie that there are enough jobs for those who want to work.

Under the subheading, “Where are the Jobs,” it referred to the Abbott government’s “commitment” to create one million new jobs within five years. The worsening crisis of the global capitalist system is in fact producing an accelerating onslaught against jobs, especially affecting manufacturing-dependent working class areas where many welfare recipients are concentrated. Nearly 800,000 workers are currently jobless and hunting for work, even according to the vastly understated official statistics.

To boost “workforce participation,” the welfare report proposes a series of draconian measures, including:

- \* All welfare payments will be denied to adults under 22 years. This will leave thousands of young people at the mercy of family and charity assistance.

- \* Public housing residents will no longer have rents set as a proportion of income, as this supposedly creates a “disincentive to work.” This measure would hike living costs for those in public housing, now overwhelmingly comprised of the most vulnerable layers such as refugees, women escaping domestic violence and those with serious mental health problems and drug and alcohol addictions.

- \* Income “quarantining”—a measure restricting the expenditure of welfare payments to approved items, which was first trialled on Aboriginal welfare recipients—is to be more widely imposed.

- \* The new “supported living pension” is to be accessible only to those people who are assessed to have a disability that prevents them working for eight or more hours a week—and where this situation is expected to last for at least five years. “Permanent disability” is to be re-defined in relation to “how long an individual is limited in their capacity to work, not the permanence of the impairment itself.” In other words, people with serious mental and physical health problems will be denied the disability pension if it is alleged that they will be capable of working a few hours a week at some point in the next five years.

The entire report is in line with what Treasurer Joe Hockey described as the “end of the age of entitlement.” Far from being a social right, income payments will be provided only to those judged unable to be pushed into low-paid work. McClure declared that “engaging with employers” was a major “pillar” of his proposed measures, with government subsidies boosted

for corporations that hire disabled and long-term unemployed people.

Mindful of the wide opposition in the working class to this agenda, Morrison appealed to the Labor Party for support. In his National Press Club address, the minister admitted that “my concern is that right now there seems to be no appetite [in the community] for the change that is necessary.”

Morrison called for an “upgrade [to] the political debate when it comes to areas of important change for the country” and pointed to the Liberal Party’s support for several of the previous Labor government’s policies that undermined the welfare system, including on aged care and the disability insurance scheme. In office from 2007 to 2013, Labor began the dismantling of welfare by cutting off sole parent benefits to all those with school-age children and raising the retirement pension age from 65 to 67.

Labor Party leader Bill Shorten two-facedly declared he did not want to see a “blame the victim debate” on welfare, while eagerly accepting the offer to work with the government: “[W]e always need to be making sure it’s sustainable,” he said. “We’ll work on welfare reform with the government if that’s what they want to do.”



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