

# Australian government launches far-reaching assault on welfare

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Under the fraudulent banner of “investing” in welfare recipients to “improve” their lives, the Australian government yesterday unveiled an ideological offensive designed to satisfy the demands of the financial and corporate elite for the dismantling of welfare entitlements.

The government is trying to put new window dressing on measures designed to coerce some of the poorest layers of the working class into low-paid jobs. This is under conditions of mounting job losses, driven by the collapse of the mining boom and the global slump, and growing numbers of workers already being forced into insecure and poorly-paid work.

At the same time, the government is targeting the entire welfare system, including disability programs and aged pensions, in a bid to lower taxes further for corporations and the wealthy. Having barely survived the July 2 election, the Liberal-National Coalition government is anxious to demonstrate to big business that it can deliver its requirements.

Addressing the National Press Club, Social Services Minister Christian Porter declared a “revolution” to eliminate “welfare dependency.” It was a “moral imperative” to assist individuals supposedly “trapped” in a welfare cycle. In reality, the proposals take to a new level the “welfare to work” drive by successive governments, both Coalition and Labor.

Porter rejected criticism that unemployment benefits—kept at below-poverty levels for two decades (currently \$38 a day for single adults)—push people into poor quality, part-time and low-wage jobs. “These types of jobs are far better than 40-odd years inside the welfare system,” he declared. Young people were being deprived of the “dignity and purpose” of employment under such super-exploited conditions.

Porter boasted of the punitive “success” of the

welfare system. By making it “challenging to subsist off Newstart (unemployment benefits),” the government was already pushing off within six months 96 percent of those relying solely on the benefit. Only 1,500 people remained on the base rate for a long period. The government intended to go further, he insisted, by compelling applicants to wait four weeks before payments began.

Porter’s cynical declarations about the “dignity and purpose” of work are based on a false premise—namely that there are jobs available for those who want them. Even according to the under-stated official statistics, more than 720,000 workers are unemployed and there are 18 jobseekers on average per vacancy. Roy Morgan surveys estimate that the real level of unemployment is twice as high as the official 5.7 percent. A total of 2.3 million workers (17.5 percent) are either unemployed or under-employed, a rise of nearly 1 percent over the past year.

Many of those who are driven off unemployment benefits are condemned to a desperate hand-to-mouth existence relying on friends, family and welfare agencies. Others who do manage to find a job—often casual and poorly paid—are frequently little better off. In 2014, one-third of those living below the poverty line were “working poor”—that is, living in households with wages as their main income.

As the government’s initial victims, the minister singled out three vulnerable groups—students, young carers and young parents—but made it clear that his initiatives would not stop with them. Citing statistical analysis commissioned by the government from accounting firm PricewaterhouseCoopers, Porter produced the misleading claim that the “lifetime cost” of welfare payments for those currently on benefits would total a colossal \$4.8 trillion.

This calculation reveals the actual purpose of the government's plan—drastic budget-cutting—beneath the veneer of concern for the wellbeing of welfare dependants. It is also a confected figure. First of all, the data focusses on alleged forecasts of the future plight of relatively small groups of young recipients. For example, of the 4,370 teenage parents, 12 percent—just 525 people—were expected to access income support for the rest of their lives.

Secondly, the biggest and fastest growing categories of welfare dependants are aged pensioners, people on National Disability Insurance Scheme programs and disability pensioners. In other words, it is the basic social right to welfare itself, including retirement pensions, that is being declared “unsustainable.”

Assisted by the corporate media, which constantly demonises “dole bludgers” and “welfare parents,” governments, Labor and Coalition, have already dramatically lowered the proportion of the working age population receiving income support payments, from 25 percent in 1994 to 16.6 percent in 2015.

This has been achieved through punishing measures such as eliminating sole parent payments once the youngest child turns 8 and imposing harsh “work tests” on dole recipients. By one measure alone—cutting off sole parent benefits—a process completed by the Gillard Labor government, the proportion of households receiving those payments halved from 5 percent in 1998 to 2.4 percent in 2015.

Porter signalled an intensification of this offensive. He outlined a new era of “mutual obligation” for every “working age” payment. Among his proposals were obligations to refrain from alcohol or substance abuse, attend “work appointments” on time, ensure children attend school and pay debts owed to the government.

Porter went beyond simply seeking to repackage the “welfare to work” drive. He advanced an underlying agenda of redefining “fairness” and dismissing inequality as a social indicator. “Fairness” now consisted of stopping “the mere transfer of money from one group to another.” Inequality was just a “measure of difference,” not of “comparative wellbeing.” These “ideological fixations” had to be pushed aside.

Similar nostrums are being brought forward to declare the failure of expenditure on education and health, which is decried as “throwing money at the problem.” This means nothing less than the gutting of

all social spending in order to boost corporate profits and widen the gulf between the wealthy elites and the working class.

According to the most recent estimates by the Australian Council of Social Service, by 2014, 2.5 million people, or 13.9 percent of all Australian residents, were already living below the internationally accepted poverty line of 50 percent of median household income. Among them were 603,000 children, or 17.7 percent of all children in Australia.

By presenting its measures as “investing in people,” the government is aiming to secure the political assistance of the charities and other groups that vie for ever-dwindling government grants to provide basic social services once delivered by governments themselves. As an initial step in “revolutionising” welfare, \$96 million will be allocated to a “Try, Test and Learn Fund” to enable such groups to compete with corporate consultants for funding to experiment with programs to “create a path out of the welfare system.”

Interviewed on Australian Broadcasting Corporation's “7.30” program last night, several representatives from such organisations, including Mission Australia CEO Catherine Yeomans, expressed “cautious optimism” about the government's agenda.

As for the Labor Party, it demonstrated its basic agreement by last week helping the government push through the first post-election legislation, an Omnibus Bill to cut public spending by \$6.3 billion over the next four years. More than half the cuts will come from welfare, including payments to families, students, the young unemployed, newly-arrived immigrants and aged nursing home residents.



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