Australian government hails New Zealand's brutal welfare system

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17 October 2016

Australian Social Services Minister Christian Porter last month announced a far-reaching assault on the country's welfare recipients. Legislation will be introduced next year, essentially seeking to push impoverished beneficiaries off welfare into low-wage and insecure jobs. Porter singled out students, young carers and parents as the initial targets, but the government has made clear that this is only the beginning.

The attacks are part of a broader austerity agenda supported by both the ruling Liberal-National Coalition and the opposition Labor Party. Since the July 2 election, the major parties have already worked together to cut spending on welfare, pensions and tertiary education and remove tax concessions for working families. The entire political establishment agrees on making the working class pay for the deepening economic crisis, while protecting the fortunes of the super-rich.

Prime Minister Malcolm Turnbull's government, assisted by the corporate media, is engaged in a cynical propaganda campaign to present its welfare cuts as a means to help people "trapped" in welfare "dependency" find work and improve their lives.

The brutal reality of what is being prepared can be seen in New Zealand's welfare system, which Canberra has touted as its model. Australian Human Services Minister Alan Tudge visited New Zealand this month to consult Prime Minister John Key's government.

Tudge wrote in the *Australian* on October 5 that Key and Finance Minister Bill English's so-called reforms had "made most ground in two cohorts that have particularly high future costs: single parents and under-18s who enter the welfare system. I was told that there are 40 percent fewer sole parents under 20 on welfare than seven years ago." He claimed that New Zealand's approach was "about changing lives for the better" and "not driven by cost savings."

The truth is that New Zealand's welfare system is extremely punitive. Over the past six years tens of thousands of people pushed off benefits, forced into insecure work or simply left to fend for themselves. The National Party government has overseen the destruction of the tens of thousands of jobs since the 2008 financial crisis, including mass layoffs in the public sector and state-owned companies.

Poverty and inequality have increased sharply as a result of austerity measures, accompanied by an increase in the sales tax in 2010, and the encouragement of rampant financial speculation in the housing market, driving up the cost of living.

During 2010, then-Social Development Minister Paula Bennett launched a raft of attacks on sole parents, sickness beneficiaries and young people. Seeking to demonise the poor, she provocatively declared, without any evidence, that "too many people view welfare not as a last option but as a way of life" and were trying to "milk the system."

From September 2010, sole parents with children aged 6 and over were forced to look for part-time work or have their benefits cut by Work and Income New Zealand (WINZ). In April this year, the work obligation was extended to parents of children aged over three.

In 2011, the government announced "intrusive" monitoring of benefits for 16- and 17-year-olds not employed or studying, and single parents aged 18 and under. Payments were largely replaced with "payment cards" that must be used at a limited number of stores. The delivery of welfare to these young people was outsourced to "community and other organisations," which were offered financial incentives to reduce the number of 18-year-olds going onto a benefit.

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Data released in October 2013 showed that in the first two years of the new sole parents regime, benefits were suspended or cancelled for nearly 13,000 people. In October 2015, Radio NZ reported that on a given day there were roughly 2,000 children living in households where already miserably-low benefit payments had been cut, mostly because a parent had missed an appointment.

Following decades of welfare cuts by successive National and Labour Party governments, child poverty has soared. According to Unicef, about 28 percent of New Zealand children, or 305,000, are living in poverty after housing costs are taken into account, up from 24 percent in 2013 and 15 percent in 1984. In August, Otago University reported that out of 41,000 homeless people in New Zealand, 53 percent were families with children, compared with 42 percent in 2001.

Support has also been stripped away from thousands of disabled children. In March 2015, figures showed that the number of people receiving child disability allowances, a payment of $46.25 a week, had fallen by more than 11,000 since 2009, from 45,800 to 34,500 in 2014. According to the *New Zealand Herald*, the cut was "achieved both by tightening criteria and by simply not publicising the allowance."

The government's offensive escalated in 2013, despite numerous reports of people in need being systematically denied welfare. Over the previous two years, unemployment rose from 144,500 to 170,000 people or 7.3 percent of the population, but those on the unemployment benefit dropped by almost a quarter from 65,281 to 50,390.

The government declared it was determined to "save" $1.6 billion by 2016–17 through further cuts. In mid-2013, nine existing benefits were replaced with three new benefit categories: Jobseeker Support, Sole Parent Support and Supported Living (previously the Invalid's Benefit).

The Sickness Benefit was scrapped and those receiving it, 58,000 people, forced to look for work. Last year, the Cancer Society condemned the government for placing hundreds of cancer patients on the Jobseeker payment and threatening them with cuts.

Harsh new sanctions were introduced. Newshub reported in May that since the 2013 changes a total of 165,177 benefits had been reduced or cancelled, mostly for failing to attend an appointment. A small number were also punished for failing a drugs test or refusing to accept a job offer.

As a result of poverty-level benefits, combined with increasingly draconian sanctions, tens of thousands of welfare recipients are in debt to the government. Many homeless families in Auckland and other centres have borrowed heavily, in some cases tens of thousands of dollars, to stay in hotels and motels due to the lack of affordable housing. Figures released in August showed that 60 percent of beneficiaries nationwide owe WINZ an average debt of $2,584 per person, compared with 49 percent in 2008 who owed an average of $2,021.

Like its Australian counterpart, the New Zealand Labour Party has no fundamental disagreement with the government's attacks. The 1999–2008 Labour government presided over growing poverty and inequality, and refused to reverse the 1990s National government's savage cuts to unemployment, sole parent and sickness benefit levels. In its 2014 election campaign, Labour accepted the policy of pushing tens of thousands of single parents off welfare and praised the government's austerity policies.

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