

Australian government steps up assault on social welfare

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The Australian government is intensifying its attacks on the poor and most socially-vulnerable with plans to slash parental leave payments and calls for an expansion of the punitive “Healthy Welfare Card.”

The campaign is in line the government’s “welfare reform” measures announced in September and in response to demands from the financial elite for major inroads into social spending in order to cut corporate taxes and force welfare recipients into low-paid work.

Altogether the government is seeking to slash \$6 billion from welfare spending over the next four years, in addition to the \$6 billion in cutbacks already imposed with the support of the opposition Labor Party since July. The further measures include abolishing Family Tax Benefit end-of-year supplements, ending carbon tax compensation payments for future welfare recipients, freezing welfare eligibility thresholds and extending the time before the unemployed receive dole payments.

Last month the Liberal-National Coalition government also introduced legislation to restrict access to Australia’s state-funded paid parental leave. It currently provides 18 weeks’ pay at the minimum wage of \$672 a week and allows recipients to combine this with parental payments from their employers.

The government now claims this is “double dipping.” Under the legislation, those receiving eight weeks pay from their employer will have their government-funded entitlement cut from 18 to 10 weeks, equivalent to a loss of about \$12,000.

Social Services Minister Christian Porter said the “reforms,” which will directly impact at least 80,000 new parents, are designed to make paid parental leave “fairer.”

In bid to whip up hostility to welfare recipients, Porter last week claimed that thousands of parents

receiving welfare payments were “financially better off not getting a job.”

He cited the example of a single parent, who, he said, could receive over \$52,000 from Family Tax benefits and other government payments. This, Porter alleged, was more than the \$49,831 take-home pay of a median full-time worker. He declared the government had a “moral” responsibility to end “welfare dependency.”

Porter’s claim, which was prominently featured in the Murdoch press and on talk-back radio, was utterly bogus. His hypothetical example referred to a single parent with four dependent children—a tiny minority of the population.

According to the Australian National University’s Centre for Social Research, only 9 percent of the 6.7 million family households were single-parent homes with dependent children and only 2.5 percent of these, or about 15,000 households, had four children.

Porter omitted to mention that single parents who worked full-time for the mean annual wage can receive \$30,916 in family tax benefits, as well as their wages. Their mean annual income would be over \$80,000, not \$49,000. Current average family tax benefit payments amount to only about \$7,000 per child per year. This is supposed to cover all child-related costs, including food, clothing, education and numerous other expenses.

Porter’s calculations also did not take into account the government’s planned cuts to Family Tax Benefits. Single parent families with four children will lose about \$4,000 per year, irrespective of whether the parent is working or not.

As for government and media claims that thousands are “double-dipping,” according to the most recent data, only 48 percent of employers provided paid parental leave in 2015. Of those, 80.9 per cent offered full pay to employees and only 8.6 per cent topped up

the government scheme to full pay. The average period of paid leave was just 10.2 weeks.

Porter's assertions are part of the constant drumbeat of government and corporate media claims that welfare spending is "out of control" and that anyone receiving the below-poverty level government payments is "bludging" on society. The anti-welfare demagoguery is to divert attention from decades of tax cuts for corporations, lower rates for the rich and rising military spending.

The legislation confronts opposition in the Senate where the Coalition lacks a majority. Facing widespread public hostility to austerity measures, Labor and the Greens have postured as opponents to the changes to paid-parental leave. This is a patent fraud given that both parties have consistently supported attacks on welfare spending.

In October 2012, the Greens-backed minority Labor government cut 100,000 single parents off Parenting Payments and forced them onto the Newstart unemployment benefit, a cut of about \$120 from their fortnightly income (see: "Australian government slashes benefits to single parent families").

In June last year, the Greens made an agreement with the Coalition to impose far-reaching assets tests on the aged pension to slash \$2.4 billion from pension spending over four years.

If Labor and the Greens do not strike a deal on parental leave, the government will require the support of eight out of 10 "cross-bench" senators—that is, the small parties and "independents" that hold the balance of power. Moreover, two senators on whom the government was counting for votes are facing High Court challenges.

The anti-immigrant One Nation party, which holds four Senate seats, has already endorsed the cuts, with Senator Pauline Hanson telling the *Australian Financial Review* she would support the government "if it wanted to go harder." However, the government has yet to get the backing of the three Nick Xenophon Team senators, without which the legislation faces defeat.

Early this week, Prime Minister Malcolm Turnbull flagged further expansion of the government's cashless "Healthy Welfare Card," another punitive measure to undermine the rights of welfare recipients.

Under this scheme, 80 percent of welfare payments to

individuals are placed in a Visa-debit account that cannot be used to buy alcohol or gambling products, or to withdraw cash. Most single welfare recipients would only have access to about \$50 cash per week.

The card is being "trialled" on about 10,000 people in the remote communities of Ceduna in South Australia and Wyndham and Kununurra in Western Australia's east Kimberley region. The government claims that the cashless welfare card, which was endorsed last year by Labor, will reduce spending on alcohol, gambling and family violence.

The Healthy Welfare Card, which was devised by Fortescue Metals Group owner Andrew Forrest, in fact, is a variation on the Basics Card. This was initiated by the previous Labor government, which continued the Howard Liberal-National government's "intervention" into Northern Territory indigenous communities in 2007. The Basics Card, which has now been imposed on over 25,000 welfare recipients across Australia, places between 50 and 70 percent of an individual's welfare payments into cashless cards.

Last month, Forrest, a multi-billionaire, told Australia's National Press Club that the Healthy Welfare Card should be expanded across Australia, declaring that a "cash-based welfare system underpins laziness and rewards bad choices."

The Healthy Welfare and Basic cards have nothing to do with resolving unemployment, poverty, substance abuse but are mechanisms for destroying the right to social welfare and another means of blaming the victims for the social ills created by government policies and the profit system.

The author also recommends:

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[4 November 2015]



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