

# Australian government slashes pandemic payments to workers after suspending parliament

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Despite a worsening COVID-19 surge in Australia's two most populous states, the Liberal-National government yesterday announced the slashing of its pandemic wage subsidies and welfare benefits, as part of its drive to "reopen the economy."

Under conditions of mass unemployment, this will impoverish more than five million unemployed or underemployed workers and welfare recipients. The blatant purpose is to give workers no choice but to go back into unsafe workplaces regardless of the danger of infection.

"JobSeeker and JobKeeper are not do—nothing payments," Prime Minister Scott Morrison declared, saying they were not designed to prevent people "from going out and seeking work." Treasury had reported that the payments to workers "potentially blunted their incentives to work, or to take on additional hours of work."

With the agreement of the Labor Party opposition, Morrison unveiled the cuts just three days after cancelling the next two-week session of parliament, due to commence on August 4. As a result, there will be no discussion in parliament on the austerity measures for at least a month, even if parliament is reconvened as scheduled on August 24.

To satisfy the demands of the corporate elite for continued bailouts, JobKeeper wage subsidy payments will be extended beyond the original September cut-off date, at least for some businesses. The spreading global pandemic and its resurgence in Victoria and New South Wales, which account for about half of Australia's economic output, has demolished the government's claims that it would deliver an economic "snap back" from the impact of COVID-19 by September.

The new JobKeeper payments, however, will be at a rate reduced from \$1,500 to \$1,200 a fortnight for the following three months, and then to \$1,000 for the next three months to March 30. There will be even steeper cuts to \$750, and then \$650, for part-time or casual employees.

This means that the 3.5 million workers currently

receiving a bare minimum wage of \$750 a week, via subsidies handed to their employers, will have their incomes reduced to just \$500 a week by the end of the year, and to only \$325 a week for part-time or casual workers. These amounts are not enough to live on.

At the same time, the 1.6 million jobless workers now receiving \$1,115 fortnightly JobSeeker unemployment allowances will have these pittance cut by \$300 a fortnight to \$815. That is barely above the starvation level of \$556 a fortnight for the pre-COVID Newstart jobless payment. And this level may be cut further after December 31, Morrison foreshadowed.

In the meantime, recipients will be compelled to actively search for work, starting with four job applications a month and then rising, despite the lack of jobs—there are an estimated 17 unemployed workers per vacancy. Workers will be cut off payments if they reject any job, no matter how poor the pay and conditions.

Together with the imminent end of moratoriums on evictions, and mortgage and bank loan repayments, these cuts will propel millions of working-class households into financial stress, destitution and homelessness. A report by the Australia Institute think tank, issued before Morrison's announcement, warned that a cut in the JobSeeker payment to around the level proposed would push another half million people below the austere Henderson poverty line.

Even before the COVID-19 pandemic, about 3.7 million were living below this line. And households of two adults and two children living on unemployment payments were about 20 percent below the poverty line, after years of cuts to dole payments in real terms by successive governments, both Liberal-National and Labor.

According to the Treasury's calculations, the number of workers on JobKeeper subsidies will fall from 3.5 million to 1 million by March. That means another vast rise in unemployment, which is already at the levels of the 1930s Great Depression, throwing many more workers onto sub-

poverty JobSeeker payments.

Treasury's advice to the government also predicted that many businesses, especially small family-run enterprises, will go to the wall, even as large corporations reap higher profits, making them ineligible for the wage subsidies. Treasury declared that JobSeeker subsidies were keeping unviable "zombie firms" afloat.

Treasury said the JobKeeper program "hampers labour mobility and the reallocation of workers to more productive roles." In other words, the scaling back of payments is part of an offensive to exploit the pandemic to further restructure workplace relations in the interests of the corporate oligarchy.

Far from opposing this ruthless drive, the Labor Party fully agrees with forcing workers back into worksites, in order to help boost corporate profits and pay off the ever-expanding mountain of debt incurred by the governments via their business "stimulus" handouts, which now exceed \$300 billion.

Leader Anthony Albanese voiced support for the JobKeeper cuts, having previously criticised the subsidies for supposedly paying some casual and part-time workers more than they earned before the pandemic. He said the government should permanently lift JobSeeker benefits above the pre-pandemic level, but refused to say what that rate should be.

In suspending parliament last Saturday, Morrison said he had consulted Albanese, who told the media he accepted the decision. Morrison said the government was acting on the advice of acting Chief Medical Officer Paul Kelly regarding the "increased community transmission of COVID-19."

Given that the government has told the population to expect virus outbreaks for months to come, after lifting most safety restrictions, the same logic could see parliament shut down indefinitely.

Yet, the government, purportedly acting on the advice of the same health officials, is insisting that school teachers, staff and students must return to classrooms, regardless of the growing infections erupting in schools.

Moreover, there is no legal reason for parliament not to meet online. When the pandemic erupted in March, both the House of Representatives and the Senate voted to be able to meet in "a manner and form not otherwise provided in the standing orders," clearing the way for video-conferencing sessions.

Parliament has not sat fully for months already. During the first phase of the pandemic, the government convened rump sittings, with reduced quorums, to pass legislation for its business stimulus packages.

Some state and territory parliaments have shut down as well. The Victorian state Labor government of Premier

Daniel Andrews has suspended parliament indefinitely.

In effect, the country is being ruled, via biosecurity emergency powers, by a "national cabinet" of the federal, state and territory government heads. This body has no constitutional or statutory basis and is not formally accountable to any parliament.

No precedent exists for this formation, except during World War II, when the Curtin Labor government decreed that decisions by the bipartisan Advisory War Council would automatically be decisions of the government's "War Cabinet."

Likewise, the current "national cabinet" has become a de facto national unity government between the Liberal-National Coalition and the Labor Party, with five of its eight members representing Labor. All the work of this self-proclaimed cabinet has been declared confidential and protected from Freedom of Information laws, blocking any public scrutiny.

These secrecy protocols have been extended also to the chief medical officers' group, known as the Australian Health Protection Principals Committee, and the "National Co-ordinating Measure," which runs the Crisis Coordination Centre, a police-intelligence-military command operation.

So, even the "health advice" that the government leaders cite constantly to justify their measures is being kept secret, along with the preparations inside the state apparatus for combatting crises, especially the eruption of working-class unrest.

These preparations include the growing use of the armed forces to reinforce the police in enforcing quarantine measures and state border closures. Almost 3,000 military personnel are now deployed, including in contact tracing operations. As during the summer bushfire crisis, this mobilisation is intended to acclimatise the population to the presence of troops on the streets and in civilian capacities.



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