Australian government announces poverty-level welfare boost

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With the Coronavirus Supplement to Australia's JobSeeker scheme set to terminate at the end of March, the federal government has announced a paltry $50 per fortnight increase to the unemployment welfare payment.

In reality this "increase" represents a further cut to the current sub-poverty "supplemented" payment of $716 per fortnight.

A senate inquiry into the proposed changes received more than 500 submissions from charities, individuals, and think tanks, all calling for a genuine increase to the Jobseeker rate.

The slated $3.57 per day increase will bring the payment to just $616 per fortnight, almost $298 below the poverty line.

Prior to the Coronavirus Supplement, unemployed Australians received, on average, 38 percent of what they earned while working, the lowest of any OECD country. The proposed increase would shift the country up only one place, above Greece, and far short of the OECD average of 68 percent.

In return for this pathetic boost, welfare recipients will be forced to comply with increasingly punitive "mutual obligations," including applying for at least 20 jobs each month (beginning in July), in circumstances where there are currently nine applicants for every advertised job.

With the onset of the pandemic last year, a sudden wave of job cuts forced the Morrison government to introduce the Coronavirus Supplement in April, initially at a rate of $550 per fortnight, almost doubling the income of Australian welfare recipients.

As a result, the number of Australians living in poverty fell from 3 million prior to the pandemic, to 2.6 million, despite at least 600,000 workers losing their jobs, and a similar number having their hours drastically reduced.

The reduction of the supplement to $250 per fortnight at the end of September, along with lower payments and tightened eligibility for the JobKeeper wage subsidy, condemned another million people to poverty.

While the federal government and corporate media have proclaimed a strong economic recovery, only 200,000 people have stopped receiving JobSeeker since the peak of 1.6 million in August last year.

Economist Jeff Borland estimates that between 125,000 and 250,000 jobs will be lost when the JobKeeper wage subsidy is terminated at the end of March, meaning that peak will likely be surpassed.

Already, "real" unemployment, as measured by survey firm Roy Morgan, was at 13.2 percent in February, the highest level (excluding last year) since January 1994.

Despite this stark reality, the federal government, big business, and the corporate media are attempting to justify the slashing of welfare payments with claims of a supposed labour shortage.

Prime Minister Scott Morrison told the *Australian Financial Review* (AFR) Business Summit on Tuesday that "unemployed Australians are simply and regrettably not filling" 54,000 vacant jobs in rural areas.

Aside from the fact that this represents one job for every 36 unemployed workers, the reality is that any regional labour shortage is a product of pay and conditions so poor so poor that they only attract backpackers and temporary visa holers, who are compelled to work in regional areas by draconian immigration laws and desperate poverty.

Despite this, 10,500 unemployed Australian workers *did* accept fruit picking jobs in the last six months, and 3,500 more applied for this work but were not hired.

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Morrison suggested that JobSeeker recipients may be forced to move to rural areas for work, or face being cut off from welfare entirely.

"If there is a job available, and you are able to do that job," he insisted, "then it is reasonable for taxpayers to expect that you will take it up, rather than continue to receive benefits. And if you don't, then payment should be withdrawn."

The reality is, while the impact of the COVID-19 pandemic on jobs has been sharpest in major cities, long-term unemployment remains higher in rural areas, meaning such a move is likely to leave workers worse off.

This heightened form of "mutual obligation" will be enforced through a hotline allowing businesses to "dob in" job applicants who do not accept positions they are offered.

This is typical of the ruling elite's attitude to the working class. Speaking in September 2019, Federal Minister for Families and Social Services Anne Ruston said, "Giving people more money will do absolutely nothing … probably all it will do is give drug dealers more money and give pubs more money."

In fact, submissions to the Senate inquiry contain numerous accounts of what "luxuries" JobSeeker recipients were able to afford when the payment was temporarily increased last year.

One Queensland resident wrote: "With the Covid 19 supplement I have been able to pay my bills, get my life preserving medication, and buy fresh fruit and vegetables. Life on $44 a day will mean I have to go back to eating packets of pasta and sauce, two minute noodles, and rice with frozen vegetables."

Another JobSeeker recipient said: "The supplement allowed us to get new clothes for our daughter and we were both able to get some dental work done. … As the months rolled by, our home life in lockdown was at least secure, we were in front with our rent, we had food, were able to afford internet service, prepaid phone credit and pay our licence and rego."

Labor leader Anthony Albanese did not criticise Morrison's plan at the AFR summit, instead stressing his support for business "growth," which means further job cuts and attacks on wages and conditions.

The latest changes to welfare are a continuation of a decades-long offensive against the unemployed, presided over by Labor and Liberal-National governments.

Pitiful though it is, the $50 per fortnight JobSeeker increase is the largest in more than 30 years. In real terms, welfare payments were not increased under the Labor governments of Keating, Rudd or Gillard or by Liberal-National leaders Howard, Abbott or Turnbull.

Because the payment is indexed to inflation, rather than wages, it has fallen, in real terms, from 35 percent of the average wage in 2001, to 27 percent in 2019.

In the same period, housing prices have outstripped wage growth by a factor of five, meaning even workers with steady employment are struggling to keep up with rent or mortgage payments.

A December report, by Equity Economics, estimates that 7,500 more Australians will be homeless by June. Almost 880,000 households will experience housing stress, an increase of 24 percent.

In stark contrast to the government's callous approach to the working class, Morrison announced yet another handout to big business on Thursday, in the form of 800,000 subsidised airfares to a handful of tourist hotspots.

The $1.2 billion package will primarily benefit major airlines Qantas and Virgin, which have stood down or sacked tens of thousands of workers in the last year, despite receiving billions of dollars in government aid.

The message from the Australian ruling elite is clear. The time has come for the working class to pay for the unprecedented upward transfer of wealth carried out during the pandemic.

Millions of workers are now presented with the choice of a life of abject poverty on JobSeeker, or a desperate scramble for whatever poorly-paid, insecure work they can find.

The alternative is for workers to join the struggle for a socialist program aimed at transforming society to meet social need, rather than the profit interests of the corporate and financial elites.

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