

# COVID outbreak in Australia intensifies financial stress and class divide

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A report by the Australian Council of Social Service (ACOSS), released this week, has pointed to the severe financial deprivation and social crisis that are being inflicted on working class households as the COVID-19 pandemic worsens in Australia.

The ACOSS report reveals that requests for food parcels, inquiries about financial assistance and online searches for emergency relief have soared since the beginning of the current outbreak of the Delta variant, centred in Sydney, Australia's most populous city.

The corporate media has imposed a virtual blackout on the report, which shows that those most affected are people thrown out of work, especially casualised low-paid workers, the households trying to survive on sub-poverty-level welfare payments and international workers and students, who have been denied all government income support.

Thus far, the Delta outbreak has risen to above 200 new infections daily in Sydney, with smaller numbers in other states, not the many thousands of cases in other countries. No less than elsewhere, however, governments are imposing on the working class the full burden of the disaster that they have created by refusing to take the necessary measures to protect the population from the pandemic.

For ten days, after infections were first recorded in Sydney on June 16, the New South Wales (NSW) government refused to impose any shutdown measures, in line with the demands of the corporate elite for no restrictions that could affect profits, only expanding some mask mandates.

The subsequent "stay at home" orders exempted a wide range of non-essential retail, manufacturing and other business operations. As a result, the outbreak continued to spread across the Greater Sydney region and into the neighbouring states of Victoria and South

Australia.

The ACOSS report shows that between the start of the partial Sydney lockdown on June 26, and July 14, online searches for emergency relief services rose by more than 800 percent through Ask Izzy. This is a mobile website that connects people in need with housing, a meal, health and wellbeing services, family violence support and counselling.

Searches for financial assistance on Ask Izzy doubled in Sydney during the same period. Foodbank, which provides food relief, was processing as many hampers a day as it did in a week, before the limited lockdown began—2,500 to 3,500 daily.

International students, many of whom normally work part-time but are excluded from government income support, had made 20,000 requests for food hampers since July 6.

The impact has gone beyond Sydney because infections have spread to other areas and because the economic slump in Sydney, a major industrial and logistics hub, affects the entire country. By July 19, Foodbank had a backlog of over 10,000 food relief requests across the state of New South Wales and the Australian Capital Territory.

As at July 22, Foodbank reported that over 12,163 emergency relief hampers had been distributed to lockdown areas across Greater Sydney, the Blue Mountains, the NSW Central Coast and Wollongong, an increase of 160 percent compared to the previous level of need. Foodbank also reported an overall 37.5 percent increase in food parcel distribution.

Similar signs appeared in Victoria during a COVID-19 lockdown from May 27 to June 10. There was a 120 percent increase in searches for emergency relief, with almost one in four searches relating to food relief. Searches for financial assistance rose by 76

percent.

At the end of March, the federal Liberal-National Coalition government scrapped its JobKeeper wage subsidy scheme, which had earlier given employers up to \$750 a week to pass onto their employees, and cut the JobSeeker dole payments back to the below-poverty level of \$315 a week, or \$44 a day.

Young people, including students who are living independently and entitled to government support, were cast back into an even worse situation. Youth and Austudy allowances are just \$256 per week, or \$36 a day.

These “social security” payments are not enough to live on. If a welfare recipient is living in a private rental residence, they may also get Rent Assistance of up to \$70 per week. Yet median rent for a unit in Greater Sydney is \$495 per week, leaving a huge gap.

The JobKeeper and JobSeeker cuts were a deliberate drive to coerce workers into low-paid work, thus intensifying the use of the pandemic to slash the wages and conditions of workers across the board. The government has since refused to reinstate even the small JobKeeper subsidies and JobSeeker supplements.

Yesterday, in an attempt to head off mounting discontent, Prime Minister Scott Morrison announced an increase in Covid Disaster Payments for laid-off workers from \$600 to \$750 per week, and for part-time workers from \$375 to \$450 per week. People on welfare who lost more than eight hours of employment per week can apply for payment top-ups of up to \$200 a week.

All these amounts still fall far below what is needed to live in Sydney. The state Coalition government in NSW has placed a ban on evictions for now, but there is no rent relief, so many tenants confront soaring rental debts that they cannot pay off.

A related ACOSS survey produced some accounts from people affected by the crisis. Their responses gave a picture of the escalating financial and social stress.

One respondent said: “Every fortnight I have to decide whether to use the \$40 I have left after rent and bills to buy my prescription medication or food. My landlord hasn’t raised my rent since the start of the pandemic, but that’s not fair on him and his family. Even with that kindness, I still lose 85 percent of my JobSeeker allowance in rent. How is that sustainable?!”

A student who lost hospitality work because of the

pandemic, wrote: “After \$280 rent I have about \$40 a week to survive. This barely covers the cost of groceries. On top of that I have medical bills, phone bills, utility bills, car payments and so on. I also resume uni classes soon and will need textbooks, stationery supplies etc., and the costs of transport/parking. This is simply impossible on Youth Allowance alone.”

An ACOSS analysis of Department of Social Security figures also shows that the western and southwestern local government areas in Sydney with the strictest lockdown requirements, such as Fairfield, Liverpool and Canterbury-Bankstown, cover federal electorates with the highest numbers of people on welfare payments and low incomes in NSW.

In these suburbs, which have the highest levels of infection because they are home to the greatest numbers of frontline workers, only workers whose positions are deemed “critical” are permitted to leave their districts in order to work. These restrictions are being enforced by a heavy police presence, unlike more affluent eastern areas of the city, where the outbreak began.

People in these working-class areas are being doubly targeted. Not only are they being impoverished but they are also being subjected to police-state conditions, designed to intimidate them under conditions of rising social and political disaffection.



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