Australia: COVID-19 leave payments scrapped amid cost-of-living crisis and rising infections

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Last week, pandemic leave payments were officially ended by the federal Labor government. The payments provided up to $750 per week for people who missed work after testing positive for COVID-19, while isolating as a close contact or caring for an infected person.

The payments have been scrapped amid a mounting wave of Omicron cases, with re-infections increasingly likely due to the prevalence of the highly infectious and vaccine resistant BA.4 and BA.5 subvariants.

Across Australia, official reports indicate there are more than 325,000 active cases of COVID-19, although health experts estimate the real figure is at least twice as high. On average, almost 40,000 new infections are recorded each day.

Since the pandemic began, more than 10,500 people have died from COVID-19, including over 8,300 this year alone.

The federal Labor government's decision to axe pandemic leave payments will leave many workers with no choice but to work while infectious, endangering the health and lives of themselves and their co-workers and further accelerating the spread of the virus.

This pressure will be most sharply felt by those whose work does not provide them with paid sick leave. This includes over 2.4 million casual workers, almost a quarter of all employees in Australia, as well as more than 1 million independent contractors.

Workers without sick leave entitlements also tend to be those least able to afford an unexpected absence from work. While 90 percent of workers earning more than the median income have access to paid sick leave, just 43 percent of those earning incomes in the bottom 25 percent, and 24 percent of those in the lowest 10 percent of earners have paid sick leave.

Labor's ending of pandemic leave has drawn the ire of state governments, forcing Prime Minister Anthony Albanese to call a "snap" meeting of the "National Cabinet" on Monday. The same state governments are also refusing to reinstate mask mandates, against the advice of health authorities and medical experts.

Australian Council of Trade Unions secretary Sally McManus criticised the move for the negative impact it would have on the continued operation and profitability of business. She said: "When everyone in a workplace gets COVID, it takes that workplace out. We know what effect that has on the whole economy."

McManus' statement is entirely hypocritical. At every stage, the union bureaucracy has supported the lifting of restrictions and has forced workers back to work in every sector and industry.

Health Minister Mark Butler insisted on Channel 9's "Today Show" on Monday: "with a trillion of dollars in debt and eye watering deficits as far as the eye can see, we can't continue to borrow money to fund emergency payments forever."

The claim that there is no money for workers struck down with COVID-19 makes clear the priorities of the Labor government, coming just one week after Albanese's announcement of a further $100 million in military aid to Ukraine for the US-NATO proxy war against Russia.

The clawing back of payments occurs at the same time as the imposition of new requirements on the unemployed, forcing them to satisfy a monthly "points target" in order to receive the below poverty-level "JobSeeker" payment. The onerous new scheme is designed to force people into low-paid, insecure, casual work under whatever conditions the employer demands.

As is the case globally, runaway price rises for food, fuel, housing, education and other essential services are pushing millions of Australians to the brink of financial ruin.

Many have been forced to take up additional work to keep their heads above water. According to figures from the Australian Bureau of Statistics (ABS), 867,000 Australians now work two jobs, more than at any other time since 1994, when the ABS started collecting these figures.

Over the 12 months to March 31, prices for many regular goods rose more rapidly than the overall inflation rate of 5.1 percent. According to the ABS, the cost of vegetables increased by 12.7 percent, beef and veal 12.1 percent, oils and fats 8.6 percent and cereal products 7.3 percent.

Frugl, an online service that tracks grocery prices, provides an even starker indication of the massive increases in the prices of regular pantry items. From the start of the pandemic to May this year, the price of instant coffee increased 47 percent, olive oil 30–50 percent, pasta 30 percent, baked beans and canned tomatoes 20 percent, porridge 17 percent and white bread 4–10 percent.

The ABS figures show that fuel prices reached record levels, with the cost of automotive fuel rising by 11 percent in the March quarter, due in part to the oil price shocks caused by the ongoing US-NATO proxy war against Russia in Ukraine. In the year ending March 31, the price of automotive fuel increased by 35.1 percent.

In June 2020, the average price of unleaded petrol in Australia was 92.3 cents per litre. By March 2022, this had increased to 213.22 cents per litre. Petrol prices are set to rise again in September when a 50 percent cut to the fuel excise ends.

Millions will also be hit by an increase in electricity prices this month. In one indication of broader industry trends, Joel Gibson, campaign manager for the One Big Switch consumer group, said that Discover Energy had advised customers of a 285 percent increase.

This comes after the federal Labor government authorised compensation payments of an estimated $1.5 billion to electricity generators to avoid blackouts caused by the companies' refusal to supply power due to soaring coal and gas prices. The costs of these payments will be imposed on regular people via more costly energy bills.

Adding to the financial stress, the Reserve Bank of Australia (RBA) last week increased interest rates a further 50 basis points to 1.35 percent, following a 50 point rise in June and a 25 point increase in May.

This will take the total increase in mortgage repayments since May to about $500 a month on a $750,000 mortgage. The impact of this will be most sharply felt in working-class areas, where there are already high levels of mortgage stress and record levels of household debt.

The chief aim in raising interest rates is not to rein in inflation but to trigger a recession, drive up unemployment and attempt to force back workers' demands for higher wages.

Once again, the working class is being made to pay for the escalating crises of global capitalism. The inflationary spiral gripping the world is primarily the result of the pouring of trillions of dollars into financial markets and corporate bailouts since the 2008–09 global financial crisis, a process that was vastly accelerated with the onset of the COVID-19 pandemic.

The second major factor is the profit-driven refusal of governments to take the necessary measures to contain and eliminate COVID-19, leading to mass infections and breakdowns in worldwide supply chains.

In Australia, the impact on food prices has been intensified by the impact on crops and agriculture of this year's catastrophic floods in New South Wales and Queensland, connected to the refusal of capitalist governments to address climate change.

The social crisis has triggered a movement in the working class against the mounting assault on their living and working conditions and wages. Workers are beginning to fight back against the claims of corporations and governments, backed up by the trade unions, that there is no money to provide workers a decent standard of living. In Australia, this has found initial expression in recent months in mass strikes by teachers, healthcare workers and other public sector workers, and growing levels of industrial action among transport workers and the broader working class.

This upsurge must form the basis of a broader political struggle against the austerity agenda and "let it rip" COVID-19 policies of Labor, the Liberal-Nationals and the corporate elite.