

Report shows Australian welfare recipients are struggling to survive

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Australians relying on welfare payments such as JobSeeker and Youth Allowance face a life of deprivation and isolation, well below the poverty line, according to a recent report by the Australian Council of Social Service (ACOSS).

The dire situation for recipients of JobSeeker, Youth Allowance and other income support schemes is part of a deepening social crisis confronting the working class as a whole, amid soaring inflation and rising unemployment.

ACOSS's Raise the Rate Survey 2024, released last month, paints a disturbing picture of vulnerable Australians struggling financially, physically and mentally as a result of the Labor government's miserly welfare system.

Australia's unemployment payment, JobSeeker, amounts to just \$55 per day, less than half the minimum wage, while Youth Allowance is lower still, at \$45 per day. Late last year, the Organisation for Economic Cooperation and Development (OECD) recommended that Australia's unemployment payments be increased, noting they were among the lowest of OECD countries and "remain below the relative poverty line."

A growing number of Australians are having to rely on these paltry payments as unemployment rises. The official unemployment rate in August was 4.2 percent, meaning 625,000 workers were out of a job, according to the Australian Bureau of Statistics (ABS), while youth unemployment is far higher at 9.8 percent. A further 6.5 percent of the workforce is underemployed.

These figures have been increasing steadily since mid-2022 and are expected to continue rising. Moody's economist Harry Murphy Cruise anticipates the official unemployment rate will increase to 4.5 percent by the middle of 2025.

ACOSS surveyed 760 people who receive JobSeeker, Youth allowance and other related payments, which are relied upon by more than 1.4 million workers and young people. One respondent spoke of having to choose between food and fuel. Others spoke of the dread they feel for their future, of being prisoners in their own homes, or of severe

health deterioration due to being unable to afford medication, dental care or surgery.

The report's "key findings" relate to housing costs, food as a discretionary item, physical and mental health issues, the high cost of energy bills, and trying to run a car on a low income, which traps people even more into poverty and unemployment.

The ACOSS report states: "Australia currently has the worst rental affordability on record and one of the highest rates of homelessness among wealthy countries. Australia's supply of social housing is at a four-decade low."

Ninety-four percent of those surveyed who rent privately are experiencing housing stress, having to pay more than 30 percent of their income in rent. Fifty-two percent pay more than half of their income in rent, defined as severe housing stress. With budgets already stretched, any increase in rent or an unexpected emergency expense can have severe implications, increasing people's risk of homelessness.

The report shows that government rent assistance (an average of \$211.20 per fortnight for a single person), is totally inadequate to cover the exorbitant cost of private rental. In its 2024-2025 Federal Budget, the Albanese Labor government proclaimed that a million vulnerable Australian renters would reap the benefit of a \$1.9 billion rental assistance package for those on welfare payments. This amounts to a dismal saving of around \$22 per fortnight.

The 2024 Anglicare Australia Rental Affordability Snapshot confirms that rental affordability is in a state of crisis for those on low incomes and welfare payments. Out of the 45,115 rental listings surveyed in the Snapshot, only 289 (0.6 percent) were affordable for a person earning a full-time minimum wage, while just 160 (0.4 percent) were affordable for a couple with two children relying on JobSeeker.

A recent report by Suburbtrends shows that almost three-quarters of Australian suburbs are in "extreme rental pain," and that this crisis is most acute in working-class areas. Rents across Australia surged 8.5 percent in the 12 months to May 2024.

Labor governments at the federal and state level, despite claiming to be addressing the cost-of-living crisis, are in fact spearheading both the decline in real wages and the soaring price of housing, together with the chronic underfunding of social and affordable housing. This is putting more Australians at risk of homelessness, including those who are employed.

The ACOSS report revealed that decent meals have become a luxury for many relying on income support. More than two-thirds of respondents have had to reduce their intake of fresh fruit, vegetables and meat, or even skip meals entirely.

“I usually eat twice a day, but sometimes once,” one respondent said, while parents reported skipping meals so that their children could eat. Those with special dietary requirements are forced to sacrifice their health, while many are having to rely on food banks or churches for food.

In its 2022/2023 Hunger Report, charity organisation Foodbank revealed that 3.7 million Australian households were experiencing moderate to severe food insecurity. In total, the report concluded, “48 percent of the general population now feels anxious or struggles to consistently access adequate food,” up from 45 percent in 2022. More than three-quarters of food-insecure households had experienced this for the first time within the past 12 months.

This is a shocking indictment of the capitalist system, which prioritises the profits of corporate and finance capital over the health, wellbeing and rights of the working class. While more Australians across all demographics are finding it increasingly difficult to afford basic essentials such as food, massive profits have been recently recorded by the two major supermarket chains in Australia, Coles (\$1.1 billion) and Woolworths (\$1.7 billion).

Respondents to the ACOSS survey said that the inadequacy of the JobSeeker payment made it even more difficult to find work. This was sharply felt in regional areas and on the outskirts of major cities, where job opportunities are few and far between and public transport is essentially non-existent. Even getting to a job interview is a significant challenge without owning a car, a major expense for those reliant on welfare payments.

One worker surveyed said: “I’m unlikely to be able to get a car again, with no savings or other way to get a loan to buy a car—having no car rules out many jobs that are not on public transport routes, or start at 6:00 a.m. or are shift work, or require transport of tools or such.”

More than 80 percent of respondents said that relying on sub-poverty welfare payments harmed both their physical and mental health, with numerous respondents revealing they had contemplated taking their own lives.

One respondent said: “The rate of income support is

obviously designed to drive us off the planet. It hurts when your leaders treat you as if you don’t deserve to live.”

Another said: “I can’t begin treatment for osteoporosis until I have my teeth fixed and, because of the length of the waiting list, that could be two years. My bones are deteriorating because I can’t afford dental treatment.”

As well as the inadequate level of welfare payments, this reflects a public health system in a profound state of crisis, due to decades of deliberate underfunding by both Labor and Liberal-National governments. This has been exacerbated by bipartisan “let it rip” COVID policies, responsible for tens of thousands of deaths and a large increase in hospitalisations.

The *World Socialist Web Site* recently spoke with public sector striking nurses and midwives in New South Wales about the dire conditions they confront. Their anger is part of a broader growth of hostility towards Labor governments, which, together with the unions, are imposing deepening cuts to real wages and the funding of the public health system, along with other vital social spending.

This assault on the living and working conditions of the working class is being carried out by the federal Labor government to protect big-business profits and fund growing military expenditure. Health, education, housing and a decent welfare system are of no concern to a government that is preparing for war with China, while supporting Israel’s genocidal war in the Middle East and the US-NATO war against Russia in Ukraine.

The fight for fundamental social rights, including those of the unemployed, is thus part of a broader political struggle. It requires the development of a socialist movement of the entire working class, aimed at reorganising society to meet the social needs of ordinary people, not the profit demands of the banks and corporations and the vast sums expended on preparing for catastrophic wars.



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