

Welfare lobby meets with Australian Treasurer Joe Hockey

Richard Phillips
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Anyone expecting the Australian Council of Social Services (ACOSS) to seriously challenge the Abbott government's social assault on the working class would have had their hopes dashed at the peak welfare group's "post-budget luncheon" with federal Treasurer Joe Hockey last Wednesday in Sydney.

Not a single voice was raised in anger against budget measures that will seriously impact on low-paid workers, pensioners, unemployed, the disabled and youth and drive up poverty, homelessness and other social evils. Attended by about 200 senior community and welfare sector officials, the \$110 per head luncheon in a New South Wales parliamentary function room was like a congenial gathering of business colleagues politely exchanging differences over future economic strategy.

ACOSS chief executive Dr Cassandra Goldie welcomed Hockey, declaring that although ACOSS was "pleased to see" some aspects of the budget, there were others that "seem to divide us."

Hockey told ACOSS members that the budget was based on "equality of sacrifice" and insisted that federal MPs, including the prime minister, would even have to "suffer" as a result of a short-term freeze on politicians' pay. The government's austerity measures, he claimed, would provide a "better future" for the next generation. No one in the audience objected.

Every budget since the late 1990s, he continued, had produced a "feeding frenzy in Canberra ... Everyone comes to find what Santa Claus is going to give them." The Abbott government, he said, were determined to end this process.

Hockey's comments were followed by a series of polite appeals from ACOSS members. A question from National Council for Single Mothers and their Children chief executive Terese Edwards was typical.

Edwards respectfully asked the treasurer to "hit the pause button" on the budget. "I would really like to hear from you that you may reconsider." Hockey responded, "I would love to be able to pay people to stay at home. But we can't."

Questions on affordable housing and youth unemployment were treated with the same contempt. The federal government should get out of public housing and unemployed youth should be prepared to travel to find work, Hockey replied.

The Q&A session concluded with Hockey hailing ACOSS members as the "unsung warriors for goodness."

Goldie profusely thanked the treasurer, making clear that ACOSS was prepared to negotiate with the government and employers and impose whatever was decided. "We want to be at the table with the government and the business community ... We are here to help," the ACOSS chief declared.

All-in-all it was a submissive response from a lobby group that describes itself as "the national voice for the needs of people affected by poverty and inequality" and despite the fact that its affiliates are desperately struggling to meet increased calls for their services.

According to ACOSS's 2013 community sector survey, 66 percent of housing and homeless services were struggling to meet demand with a 16 percent turn-away rate, and youth services turning away 17 percent of their clients, an 8 percent increase on the previous year.

Established in 1956, ACOSS encompasses a wide range of welfare and community groupings. These include health, welfare, disability and other community workers' organisations but also faith-based charities, such as the Salvation Army, the Brotherhood of St Laurence, Anglicare, Mission Australia, and other not-

for-profit entities.

The charities and not-for-profits, which rely on low-paid or volunteer employees for much of their frontline workforce, have benefitted handsomely from the growing privatisation and contracting out of job placement and training, disability support, aged care and numerous other services by consecutive federal and state government, Labor and Liberal alike over the past two decades. In fact, direct government funding of the so-called not-for-profit sector was estimated at \$25.5 billion in 2010, with nearly five million volunteers contributing an additional \$14.6 billion in unpaid work.

Mission Australia, a leading ACOSS affiliate, typifies the growth of these “welfare providers.” The Christian community organisation exploited the Howard Liberal-National government’s privatisation of the Commonwealth Employment Service in 1998, to become the government’s largest provider of employment services.

Headed by Patrick McClure, Mission Australia transformed itself between 1997 and 2006 from a state-based entity, with an annual revenue of \$50 million, to an international organisation with more than \$300 million in annual revenue, providing employment and training, housing, youth, family, children and aged care services. It currently employs 3,800 people and over 2,000 volunteers.

Mission Australia CEO McClure also headed the then Howard government’s social welfare review, which recommended further privatisation of government welfare services. In addition he was a member of the government’s Community Business Partnership, which increased corporate sponsorship of the welfare sector.

Welfare privatisation continued under the Rudd and Gillard Labor governments, its National Disability Insurance Scheme (NDIS) being the most recent example.

NDIS, which is being continued by the Abbott government, is being trialled in several Australian states. It will operate on the basis of so-called care “packages” which are rationed and provided by both public and private sector disability service providers that competitively tender for the contracts. This, like other welfare contracts will inevitably lead to cost-cutting and declining levels of service. The NDIS scheme is also aimed at driving 400,000 disabled people off pensions and into the workforce.

The Abbott government’s budget is a direct assault on the basic foundations of the post-World War II social welfare system and one prepared by previous Labor and Liberal governments. At the ACOSS luncheon, Hockey repeated his mantra that the “age of entitlement” is over—the unemployed, the aged, the disabled, the sick can no longer expect government assistance.

The budget is just the first stage. In January this year, Minister for Social Services Kevin Andrews announced a wide ranging review of the current welfare system, which he declared was too costly and responsible for “a debilitating cycle of endless welfare dependence.” Significantly, Andrews appointed former Mission Australia CEO Patrick McClure to head the review, which is expected to release its findings late this year. The involvement of charities and church groups allows the government to perpetrate the illusion that the most vulnerable layers of society still have somewhere to turn.

The respectful tone displayed towards Hockey at ACOSS’s post-budget luncheon is not an accident but the political response of organisations that have done well from the privatisation of welfare services, understand that more opportunities are opening up, and are seeking more direct involvement in the government’s agenda. As ACOSS CEO Goldie told Treasurer Hockey, “We are here to help.”



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