

Welfare jobs cut in Australia

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16 December 1998

Just five weeks after its re-election, the Howard government last month announced the destruction of 5,000 jobs—one-fifth of the entire workforce—in Centrelink, its primary agency for delivering welfare payments to around 7.8 million people in Australia.

Some 2,700 jobs are to go by the end of this year and the remainder over the next two years, at the end of a new agreement that is currently being negotiated with the Community and Public Sector Union (CPSU). This is in addition to the destruction of hundreds of jobs already since the Howard government first came to office in 1996. Moreover, Centrelink's chief executive officer, Sue Vardon, has refused to rule out further cuts.

Centrelink itself was established as a semi-private agency in July 1997. It was awarded a short-term contract to take the work of departments that formerly administered the payment of social security, pension, unemployment and education benefits. The largest of these were the Department of Social Security (DSS), which supervised welfare and dole payments, and the Department of Employment, Education and Training and Youth Affairs (DEETYA), which administered Austudy, a scheme for providing student allowances.

In May 1998 Centrelink also took over some of the functions of the Commonwealth Employment Service (CES) which was privatised through the awarding of contracts worth \$1.5 billion to commercial job placement agencies. In the future Centrelink may also take over the administration of Medicare, the agency that handles payments under the government's subsidised health care system. This would lead to further job cuts in the public sector, as well as increased workloads for the remaining staff of Centrelink.

These moves have grave implications for all welfare recipients and for public servants.

The government's announcement coincided with the release of the Commonwealth Ombudsman's annual report, which revealed that its office had received 10,000 complaints about Centrelink in 12 months. In Centrelink's first year of operation it generated more complaints than any other federal government department or agency. Centrelink customers (the new terminology for welfare recipients) reported feeling 'frustrated', 'bewildered' or 'lost' within the system.

The Ombudsman reported that in July this year, following the abolition of Austudy and the introduction in its place of a

stringent Youth Allowance, more than a million callers tried to telephone Centrelink for information or assistance, but 90 percent received the engaged signal. In other words, 900,000 people were denied help.

This was far from an isolated occurrence. The Ombudsman's Office, itself a government-appointed agency whose budget has been slashed, reported the following:

'At certain times of the day, Centrelink's Teleservice Centres cannot cope with the level of enquiries. At peak times, even though the Teleservice Centres have a call queuing system, the caller gets a busy signal because the queues are already full. This is particularly worrying because Centrelink has deliberately chosen to do much of its business by telephone and requires clients to make personal appointments before they can visit their local Customer Service Centre to discuss problems.'

In May the introduction of a new computer system resulted in many people not getting their payments. The Ombudsman's report describes a bureaucratic nightmare. It cites many cases where welfare recipients tried to comply with Centrelink's rules but were forced to repay overpayments that they had unwittingly incurred. One pensioner was cut off twice because he had trouble understanding the letters that were sent to him. In other instances, reviews of cases of people who had been denied welfare took eight months.

The new cuts will immeasurably worsen the situation. People seeking assistance will have to wait hours, if not days, to even contact the organisation by telephone and then perhaps speak with someone who cannot give them an answer. They may have to wait many weeks for an appointment, often enduring real hardship.

As for Centrelink staff members, they are already working under enormous pressure. A further 20 percent reduction in numbers will make conditions intolerable. They are forced to implement unpopular measures introduced by the government such as the 'work for the dole' scheme and the requirement that all unemployed workers keep a 'dole diary' detailing their efforts to find work. These measures are designed to force the unemployed into low-wage, casual, part-time or unsafe jobs under threat of incurring financial penalties or eventually being cut off benefits altogether. Staff members regularly have to deal with verbal abuse from people who feel desperate, frustrated and helpless.

In addition, the computer system used by Centrelink is

extremely complex, resulting from the amalgamation of a number of different schemes that interface with one another. The system often produces unexpected results that are then simply put down to 'system error'.

The replacement of Austudy with the Youth Allowance was an ordeal for the staff. They received little or no preparation for the dramatic change and were suddenly called upon to deal with complex inquiries from thousands of people whose payments had been stopped or changed, or who simply wanted information about the new system.

Two years ago an appointment system was introduced that allows only 15 minutes for each inquiry. This does not allow for the complexity of many inquiries. Staff members often miss out on their breaks because they are behind with their appointments. This system was introduced with the union's agreement. Even the taking of leave under the Flexitime system is subject to 'operational requirements'.

One of the main reasons for people entering the Public Service in the past was the prospect of a secure job. This has now ended with the establishment of agencies that are contracted for the delivery of services. When Centrelink was established, the management told workers that if the new agency became efficient it would be awarded the next contract and that their jobs would be secure. They would make themselves 'indispensable' by boosting output and undercutting the cost levels of competing private firms.

Although Centrelink chief Sue Vardon denies that the latest cuts are paving the way for the privatisation of Centrelink, or that services may be outsourced to the banks, the privatisation of welfare is a process already underway worldwide. Under a fully privatised welfare system, the companies that win the contracts to supply welfare services have a direct financial interest in discouraging or cutting off as many people as possible, so as to deliver a greater profit return.

In the US state of Florida, IMS (Information Management Services), a subsidiary of Lockheed Martin, has been awarded the administration of all state-funded welfare services. Lockheed is better known as the manufacturer of military hardware such as the Stealth Bomber. Now it is bringing its precision methods to bear in determining who qualifies for benefits such as food stamps, child support and unemployment payments.

According to Gerry Miller, its senior vice-president who was interviewed on the Australian Broadcasting Corporation's Radio National, Lockheed shareholders benefit because the company runs the welfare system more efficiently and at a lower cost. Apparently the Blair Labour government in Britain has expressed interest in Lockheed's services. Miller said he was about to talk to somebody in the United Kingdom about the delivery of services there. Furthermore, his corporation would definitely be interested in competing with Australia's Centrelink, if given the opportunity.

The CPSU called stopwork meetings after the Howard

government's announcement, followed by half-day protest stoppages in various states. This is only to let off steam. The union has no intention of mounting a campaign throughout the working class to defend all services and jobs. In fact, the Centrelink jobs are already disappearing--2,100 staff members have agreed to take redundancy packages.

The union's position has been that it supports the 'right' of its members to take voluntary redundancy. This reduces the social issues at stake to supposed individual choices. In reality, most workers who take redundancy do so because of the continual erosion of conditions and services and because they have no confidence that the union will defend them or lead any fight.

More than 60,000 jobs have been destroyed in the federal public sector over the past 10 years through such so-called voluntary redundancies. Not only has the union facilitated that process, it has worked with successive governments, Labor and Liberal, to impose sweeping productivity and efficiency measures, helping to slash budget expenditures.

The government claims that Centrelink will be able to provide a better service to welfare recipients, despite the massive job cuts, through the establishment of electronic kiosks where people can obtain information, together with the increased use of Teleservice Centres and the Internet. The truth is that the government's first aim is to save \$150 million a year immediately by eliminating jobs and providing a lower level of service. Its second aim is to take a crucial step toward the complete privatisation of welfare--part of a wider process driven by the demands of the banks and corporations for cheap labour, tax breaks and greater profits.

See Also:

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[14 November 1998]



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