

# Labor government extends welfare quarantine powers across Australia

Alex Messenger  
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The Labor government's punitive new regime of "welfare quarantining" comes into force this week, allowing it to dictate how pensioners and the long-term unemployed spend their money. The legislation, passed last week with the support of the Coalition in the Senate, will be implemented throughout the Northern Territory by the end of the year in preparation for its extension nationally. The law, which has been pushed through with virtually no public discussion, blames welfare recipients for their plight and subjects their handouts to oversight and restrictions.

The *Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Act 2010* means that from July 1 the entire Northern Territory will be subject to the quarantining policies originally introduced into remote Aboriginal communities in 2007. This brings an additional 40,000 people within the "income management" regime. What has not generally been reported is that the relevant minister—currently Labor's Jenny Macklin—can now extend the measure to *any* area, including any state, in the country.

Writing in Murdoch's *Australian*, editor-at-large Paul Kelly hailed the legislation, declaring: "The welfare reform shatters 100 years of Labor tradition in the cause of mutual responsibility and attacking passive welfare. If [former conservative prime minister] John Howard were advancing this law the media would be awash with rows, denunciation and wall-to-wall ABC coverage of the controversy."

"Mutual responsibility" and "passive welfare" are catch-phrases used for subjecting the most vulnerable sections of society to restrictions designed to force them into low-paid work. Rather than lift poverty-level welfare

payments, the legislation, in the name of protecting children, transforms half of the government allowances into little more than food stamps. In announcing passage of the law, Macklin indicated the government would go further, saying: "Labor is committed to progressively reforming the welfare system to foster individual responsibility."

Under the new provisions, welfare recipients identified as either long-term unemployed, "disengaged youth" or "vulnerable" (including pensioners and single parents in "financial hardship") are prohibited from spending half their welfare payment (the "quarantined" portion) on anything other than "basics," including food and clothes. Quarantined purchases can be made only with a "basics card" at designated stores.

The definition of "disengaged youth" is anyone aged between the ages of 15 and 24 who has been in receipt of unemployment benefits or parenting payments (single parents' pensions) or an associated youth allowance for at least 13 of the last 26 weeks. A person is a "long-term welfare recipient" if they are younger than 65 and have been in receipt of benefits, including the single parent pension, for more than 52 out of the past 104 weeks. A person is deemed "vulnerable" if they are assessed as experiencing issues such as financial hardship, domestic violence or economic abuse. This can include old aged pensioners and people on disability support pensions.

Logic dictates that if the new powers are used broadly, hundreds of thousands of people would be swept into income management. As economic conditions worsen, the numbers will grow. The official national youth unemployment rate is nearly 25 percent, while in some working class suburbs and towns it is already 40 percent. As for vulnerability, miserly old age pension and

unemployment benefit payments ensure that all those who attempt to survive on such payments are already living in hardship.

Those subject to quarantining under the disengaged youth and long-term welfare categories (but not those assessed as “vulnerable”) might be able to obtain exemptions if they can show they are good financial managers, but the onus of proof falls on the income recipient.

The new powers are the culmination of the Howard Liberal government’s 2007 police-military “intervention” into Northern Territory (NT) Aboriginal communities. The original pretext for the intervention, which Labor fully backed, were lurid accounts of paedophilia in remote townships. Every newspaper in the country, especially the Murdoch press, gave blanket coverage to what the government called an “evil” stalking Aboriginal society. Police and soldiers entered townships and made dozens of arrests for low-level offences. Appealing to base prejudice, welfare quarantining was imposed under the guise of preventing welfare payments being spent on alcohol.

When Labor took office in November 2007, it expanded the incursion and by November 2008, welfare quarantining applied to 15,000 Aborigines in 73 communities across the Northern Territory. As for the original pretext, the intervention has produced not a single child sexual assault trial.

Former ALP president Warren Mundine told the media last week that extension of the quarantining would “encourage people to move to areas of work rather than stay idle. I don’t believe there’s any area where there aren’t jobs... If you live in a rural area, you find you can’t stay in one area—you work one week here and one week there.” In other words, far from assisting welfare recipients, the measures are designed to transform them into a low-paid, casual workforce to further undercut pay and conditions.

Community Services Minister Macklin has attempted to dress up what Labor has termed the “quiet revolution” as a progressive measure designed to end discrimination against Aborigines. In order to carry out the NT intervention, the Howard government suspended the 1975 Racial Discrimination Act. Now that the Labor

government is extending the regressive policy to all welfare recipients, Macklin declared Labor was carrying out its “very significant commitment” to reinstate the Racial Discrimination Act and thereby “remove what has been a blight on Australia’s reputation as the land of a fair go”. Now this “non-racist” legislation punishes Aborigines and non-Aborigines alike!

Macklin’s comments are pitched to a definite audience. >From 2007 onward, various Aboriginal leaders, the Greens and ex-radical groupings criticised the Northern Territory intervention solely on the basis that it was racially discriminatory. As recently as last week, even as the government brought nationwide quarantining powers into force, a coalition of Greens, trade unions and ex-lefts calling itself “Stop the Intervention” held rallies denouncing what it still calls “the racist intervention”.

While the NT intervention certainly targetted Aborigines, its real significance was as a preparation for a broader assault on the working class. As the WSWs explained in mid-2007: “Once again, the appalling social conditions confronting the most disadvantaged and vulnerable sections of the working class are being exploited to justify measures that will, sooner rather than later, be imposed on the working class as a whole.” Three years on, this analysis is completely vindicated.

The ousting of Rudd and installation of Julia Gillard as prime minister last week will only harden the implementation of the policy. In her first few days in office, Gillard has emphasised her record of pro-market “reform” in education and industrial relations. “It would be completely absurd to conclude that I am not prepared to stump up to hard [that is, unpopular] reform,” she declared.

Welfare quarantining is an attack on the social position of the working class as a whole and must be opposed. All workers, including the unemployed, the injured, the elderly and other vulnerable layers, should have access to a decent, living wage, as well as the necessary services, as a basic right.



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