

Labor pledges new assault on the jobless and welfare recipients

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In a document entitled “Modernising Australia’s Welfare System,” the Labor government yesterday announced far-reaching measures designed to punish the unemployed and dismantle welfare entitlements.

Labor’s welfare plan, released 10 days before the August 21 federal election, makes clear that one of the central agenda items of a re-elected Gillard government will be to force jobless workers off benefits and into low-paid work, and to give employers a green light to slash pay and conditions.

The announcement is the first instalment of deep cuts to social spending that will follow the election, regardless of whether Labor or Liberal forms the next government, in order to lower corporate taxes and repay the debt incurred through the government’s bailout of the banks and major corporations in 2007-08.

The blueprint was released jointly by Prime Minister Julia Gillard, welfare minister Jenny Macklin and employment participation minister Mark Arbib. Its most draconian measure is the immediate cutting off of all income support payments to unemployed workers who fail to attend an interview or other “work test” activity.

Even for a first “failure,” the penalty will apply instantaneously, although it can be reversed if a jobless worker contacts the government’s Centrelink agency and undertakes to attend another scheduled appointment. For a second failure, there will be no back pay, and payments will only re-commence if the unemployed person “re-engages” with Centrelink.

Under the current “work test,” most unemployed workers are already required to look for up to 10 jobs and report to Centrelink every two weeks, meet regularly with their assigned employment service provider, adhere to “agreed activities,” such as training or job search, and accept job offers, including unskilled positions.

Long-term unemployed workers will receive payments of up to \$6,000 to cover some of the costs involved in relocating to take up a job or apprenticeship in another area. While this scheme is supposedly voluntary, refusal to accept a job offer is grounds for being cut off benefits for eight weeks. If a person leaves a relocation job placement within six months “without good cause” the penalty period will be increased to three months.

Employers will be offered subsidies of \$2,500 for each relocated worker they employ. This incentive could be used to dismiss unwanted employees, or pressure them to quit, in order to replace them with other relocated workers.

A third measure openly discriminates against welfare recipients.

Families receiving income support will be punished if they have a four-year-old child who has not undergone a government-specified “Healthy Kids” medical check-up. Their penalty will be the loss of an annual \$726.35 family tax benefit. Other families who receive the tax benefit, but are not on income support, will not be required to obtain such certification from a doctor. This is yet another measure that will withdraw entitlements from parents who do not fulfill certain requirements. The government is already testing the stopping of payments to parents whose children do not attend school.

Labor’s welfare document also confirms that the government plans to impose its “income management scheme” throughout the entire country. The scheme deprives welfare recipients of 50 percent of their fortnightly benefits and redirects those funds onto “BasicsCards” or direct debit arrangements for approved purchases, such as food, clothing, rents and utility bills. The Rudd/Gillard government had already extended the “welfare quarantining” measure—which the previous Howard government initially introduced to 75 Aboriginal communities in the Northern Territory (NT)—to all welfare recipients, indigenous and non-indigenous alike, in the NT.

The measures against the unemployed constitute the Labor government’s second wave of attacks on the young jobless. In May 2009, it imposed an “earn or learn” scheme that cut 16- to 20-year-olds off youth allowance payments unless they remained at school, enrolled in an accredited training program or attained a Year 12 school certificate. As an added penalty, their parents lost the associated family tax benefit.

The Liberal Party’s shadow treasurer, Joe Hockey, accused Gillard of stealing the opposition’s policy. Last April, opposition leader Tony Abbott advocated that all people under 30 should have their dole payments cut if they refused to relocate to take up a job offer. Gillard dismissed Hockey’s accusation, saying, “Mr Abbott’s all talk and no action.” She derided Abbott’s “track record of reform” as “zero”: “He writes books and chatters away about these things but in terms of getting anything done, this is the government that has stepped up to welfare reform.”

Her remarks underscore the thrust of Labor’s entire election campaign—to seek to demonstrate to the corporate and media establishment that the Labor government is a more ruthless and reliable instrument for imposing its “reform agenda” on the working class.

Back in April, Abbott’s proposal quickly disappeared from

view. It met objections from major mining companies, which indicated they wanted workers with skills, not unskilled young economic conscripts from devastated working class suburbs. Gillard's plan is designed to overcome that flaw by providing the mining giants with greater control over the recruitment process. The response of the mining industry was immediate support, with Queensland Resources Council chief executive Michael Roche telling the *Australian Financial Review* that the measures were "worthwhile".

A Labor campaign spokesman also emphasised that the relocation plan was more coercive than an earlier trial conducted by the Howard government to move jobless workers to mining towns in Western Australia. "This initiative is backed up by stronger compliance. If a job seeker leaves a job without good cause, they will incur a harsher penalty than in the past," the Labor spokesman boasted.

In making the announcement, Gillard effectively accused the jobless of being lazy. She declared that the tougher measures were about driving home the message that "people who can work, should work". "We expect compliance," she said.

In reality, the ongoing recession in major sectors of the economy, including manufacturing, service and retail, has left hundreds of thousands, particularly young workers, facing mass unemployment and "under-employment". They have been forced into casual, temporary or part-time work, invariably on insecure and inferior conditions. Last week, the welfare umbrella organisation, the Australian Council of Social Service, released a report showing that teenage unemployment (15-19 year-olds) had hit 30 percent in 17 regions around Australia, peaking at 52 percent in north-western Melbourne and 49 percent in metropolitan Perth.

The official jobless statistics, which show a national figure of just over 5 percent, mask the toll in major working class areas, where decades of factory closures and de-industrialisation has been followed by a deep slump since 2008. According to the latest available Small Area Labour Markets data from the federal employment department, during the first quarter of this year, the jobless rate was several times higher in Brisbane suburbs like Woodridge and Kingston (both 21 percent), Inala (17.6), and Acacia Ridge (17.3), Sydney suburbs such as Parramatta South (13.6), Fairfield East (12.2) and Bankstown (11.9), Melbourne suburbs such as Broadmeadows (14.9), Dandenong (13.3) and Sunshine (11.3), and Perth suburbs like Kwinana (9.7).

On every front, Gillard Labor is striving to outdo the Liberals in rolling out right-wing policies to win the backing of the financial elite. Its "welfare reform" is intended to assist employers in mounting yet another assault on wage levels and basic workplace rights. As intended, yesterday's announcement won a tick of approval from the Murdoch media, with today's editorial in the *Australian* calling it a "Smart mix of carrot and stick". The newspaper commented: "The subsidies were a good idea when Tony Abbott flagged them in April and Julia Gillard, shrewdly, has turned the idea into good election policy... A bipartisan consensus on welfare-to-work serves the nation's economic and social interests."

At the core of Labor's program are the reactionary doctrines of

"blaming the victim", "individual responsibility" and "user pays" that have been employed in Australia and around the world over the past four decades to systematically wind back social rights and entitlements. Labor's "Modernising Welfare" document emphatically embraces the "mutual obligation" concept that was elevated to centre stage by the Howard government. It declares that this was first introduced by the Hawke Labor government in the 1980s "through attaching training or community work obligations to unemployment benefits".

In fact, Labor's track record goes back to the global recession of 1974, when the Whitlam government's treasurer Bill Hayden and labour minister Clyde Cameron coined the term "dole bludger" to insinuate that the jobless did not want to work. The Hawke and Keating governments went further, introducing a "Working Nation" scheme that pushed the jobless into low-paid "training" positions, funded by subsidies to employers. That, in turn, laid the basis for the Howard government's "work for the dole" program, which the current Labor government has retained. That scheme requires young people to work without pay, in exchange for meagre unemployment benefits, which today stand far below the poverty line, at a maximum of \$231 a week for single jobless people and \$103 a week for under-18s.

Like Gillard Labor, each of this government's predecessors claimed that their plans were driven by a desire to assist the jobless in grasping the "opportunities" provided by employment. The reality has been the opposite: an increasingly punitive regime to give unemployed workers no choice but to accept cheap labour jobs.

Against this bipartisan consensus, the Socialist Equality Party has intervened in the election campaign to advance a socialist program that defends the interests of the working class. The SEP's election statement advocates a massive public works program to provide decent employment for all, and build urgently needed social infrastructure, including public transport, hospitals and schools. It insists that a living wage, adequate to cover all needs, must be guaranteed to everyone as a basic right, including those unable to work. This program requires nothing less than the establishment of a workers' government to fundamentally reorganise the economy on the basis of social and human need, not private profit.

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