

Australia: Labor's "welfare quarantining" trials target unemployed

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In May, the Labor government of Prime Minister Julia Gillard announced a series of punitive measures targeting the unemployed as part of its federal budget. Alongside more onerous workforce "participation requirements" for welfare recipients, trials are to commence next year of compulsory income management, or "welfare quarantining."

These measures will make life increasingly unbearable for welfare recipients and force them to accept whatever work is available, no matter how insecure, temporary or low-paid. Under the cynical guise of turning Australia's mining boom into "opportunities for all," the underlying thrust of Labor's agenda is to satisfy the demands of the employers and financial markets for new sources of cheap labour, in order to drive down wages across the economy.

Two trials were unveiled in the May budget. In 10 local areas—Playford in South Australia; Hume and Shepparton in Victoria; Burnie in Tasmania; Kwinana in Western Australia; Logan and Rockhampton in Queensland; and Bankstown, Wyong and Shellharbour in New South Wales—teenage sole parents will be forced to attend "participation" interviews with the government welfare agency, Centrelink, beginning when their youngest child is just six months old. Jobless parents under 23 and those who have been unemployed for more than two years will face the same requirements.

A further trial will also operate in five of the ten areas—Playford, Shepparton, Bankstown, Rockhampton and Logan. "Welfare quarantining" will apply to two categories of people. Jobless parents referred by child agencies will have 70 percent of their benefits withheld for "income management". Access to those funds will be via demeaning BasicsCards, which can only be used for authorised purposes at registered retail outlets. Other unemployed people deemed "financially vulnerable" by Centrelink or social workers will have 50 percent of their payments placed on BasicsCards. Given the low level of benefits, the "financially vulnerable" category could encompass many welfare recipients. The maximum fortnightly payment for a single adult without children is \$474, which is less than the median rent for a

single bedroom unit in Sydney.

Welfare quarantining was first introduced by the previous Howard government in Aboriginal communities in the Northern Territory four years ago, as part of the so-called emergency intervention. As the WSWs warned from the outset, indigenous people were made a testing ground for measures that would be imposed throughout the entire working class. The Gillard government's trials are another step toward delivering that regime.

BasicsCards can only be used in selected stores to purchase certain items, limiting the services available to the jobless and forcing them to travel greater distances for basic necessities. Store managers hold the final decision on whether a person may purchase items that are not explicitly allowed under the scheme.

Like the Howard government before it, the Labor government claims that "welfare quarantining" is designed to protect children from neglect. In reality, it is to deflect attention from the cutbacks to the welfare budget by blaming those who are forced to try and survive on inadequate, poverty-level welfare payments.

Child neglect and other ills, including gambling, alcoholism and drug addiction, are social, not individual, problems, caused in large part by disadvantage, financial distress and insecurity. As in the Northern Territory, the Labor government's measures will exacerbate these problems as they make life ever-more difficult for the unemployed (see: "The Aboriginal 'intervention' in Australia: four years on").

Last week, the WSWs interviewed unemployed people in the Sydney suburb of Bankstown, which will be subject to both the income management and increased participation requirement trials. According to the latest small area labour market statistics from the federal employment department, the official unemployment rate in parts of Bankstown stood at 12.1 percent last December—worse than 12 months earlier, and more than double the national figure of 4.9 percent. The narrow definition of joblessness, which excludes anyone who works more than one hour a week, hides the real state

of unemployment. Even on the official figures, youth unemployment in Bankstown is 25.1 percent, significantly higher than the national average of 22.1 percent.

Those who spoke to the WSWS described the difficulty of surviving on meagre welfare benefits, as well as the continual frustration of making long trips to Centrelink for job placement interviews that offered either no work or low-paid, precarious jobs.

Abergail, who has been unemployed on and off for two years, and plans to return to TAFE [Technical and Further Education] this year to complete her certificate in community services, said: “There is no chance you could live alone. I receive \$510 per fortnight, but that includes \$70 for rent assistance and \$10 for pharmaceutical assistance, because I have diabetes. After paying rent, I spend most of my money on medical equipment. They give me a few dollars a fortnight for prescriptions; I use about eight times that for my medication.”

The young woman explained the impact on her standard of living: “I find that I get through the first week alright with good, healthy food every day. By the time the second week comes, you’re on the last of your money. After you have paid for electricity, water, rent, medical expenses and transport, it is not as easy.”

Abergail continued: “I am pregnant now, and the payment you receive when you become a single parent is approximately \$670 per fortnight. That is about \$160 more than I earn now. There is no chance you can raise a child with that sort of money. You only start getting the money once you have given birth. How am I going to buy a cot, nappies and baby bottles in the first week after giving birth when I am sick, and still in a hospital bed?”

After hearing about the government’s planned income management trial, Abergail noted: “I would like to see Julia Gillard and the government try to live with a disability for two weeks and see how they cope. Let’s get them to try and find somewhere to live in this area, or any area, when they have no job, credit history or work history. I don’t have a credit history because I haven’t had to purchase a car, or put down a home loan. Even to come up with a bond equates to four weeks’ rent, plus two weeks’ rent in advance payments.”

Zuher, a 53-year old man originally from Palestine, had worked as an electrical engineer in the United States. He characterised Gillard’s compulsory income management as “a turn towards food stamps.” He explained: “In America, when I was there between 1979 and 1984, the government issued food stamps to the unemployed and poor.

“When I came to Australia in 1992, it was called the land of opportunity. But I studied at university for five years in America, and those years are now useless. I had all my

qualifications and now I have nothing.”

Zuher continued: “I receive the parenting allowance—it is around \$430 per fortnight. I have three children, and my wife receives a pension, so we are struggling. We pay \$390 per week in rent. I am glad I quit smoking six years ago, but electricity bills and water bills make it impossible.”

Sam, who has been unemployed for three months, outlined the onerous requirements placed on him to qualify for welfare payments. “I come to this job agency at Centrelink three times a week, which takes more than half an hour one-way, and they can’t find me a job. If I don’t come, they end my payments.

“I have applied for over 100 jobs in 12 weeks. Out of them, I have been offered two interviews. That was through my own work, as well as my job agency. I found my last job myself, where they offered me \$10 an hour. I kept doing that for a month, but I had to tell them that I couldn’t do the job for the wage of a 15-year-old—I’m 32. Now I receive \$260 a week. Without living with friends or family, you can’t survive while paying for rent, food and bills.”

Crystal, a single teenaged mother, said: “I was 16 when I had my daughter. It took three months before Centrelink started giving me payments, and the same for the initial lump sum that is supposed to be provided when you give birth. Now I need to get my payment type reclassified, because they reduced my payments when I was in a relationship, even though my partner didn’t support me. Now we have had a falling out, and for the last two weeks I have been looking for a place to stay.

“I was receiving \$202 a week. When you don’t have a supportive partner it is very hard to support a child with that sort of money. Before moving out, I paid \$150 per week for rent.”

Crystal explained the difficulties in escaping the cycle of unemployment, poverty and lack of education: “I was studying information technology and computer programming at TAFE in Padstow, but I wasn’t able to finish because I didn’t have enough money. I just finished a similar course today through Mission Australia and hopefully I can get a job from that. I don’t think I’ll do any other courses. I get two days per week of childcare provided, which makes it a little hard to attend any courses.”



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