Australian government report outlines dismantling of welfare system

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The Abbott Liberal-National government released on Sunday the interim report of its Reference Group on Welfare Reform. The document—*A New System for Better Employment and Social Outcomes*—outlines the framework for dismantling what remains of the post-war welfare system. The proposed measures would see thousands of people cut off welfare, forcing them into deeper poverty and low-wage employment.

The review is in response to ongoing corporate demands that austerity measures initiated under the previous Labor-Greens government be rapidly broadened. Its release marks the start of a six-week period of public consultation and submissions, with new legislation expected to be tabled in parliament later this year.

Authored by a panel led by Patrick McClure, the former head of the St Vincent de Paul and Mission Australia charities, the document bewails the $100 billion spent on welfare in 2012–13. Previous welfare changes, the review states, "increased participation expectations [i.e., punitive measures] for income support recipients" but "a more fundamental reform of the architecture of the system is needed."

The McClure review proposes that the current 20 welfare payments and over 50 supplements be merged into four government payments: a working age payment, a child payment, a disability support pension and an aged pension.

The Newstart unemployment payment, along with benefits for carers, single parents and others, would be replaced with a tiered working age payment. The current Family Tax Benefit, Youth Allowance, ABSTUDY and other benefits for dependent children and young people would be merged into a new child payment.

The McClure review calls for the Disability Support Pension (DSP) to be only paid to those with a permanent impairment and no capacity to work. Those under 35 years old on DSP would have their "work capacity" reassessed. If they failed to qualify, under an unspecified testing regime, they would be moved onto the so-called working age payment.

The review also proposes that "income management" of welfare be extended to youth and other targeted individuals or communities. Income management was first imposed on Aboriginal welfare recipients in the Northern Territory by the Howard government in 2007. It was extended to selected non-indigenous urban communities by the Rudd and Gillard Labor governments. Under this system, welfare recipients must spend at least 50 percent of their income on government-designated items in selected stores.

Social Services Minister Kevin Andrews specifically attacked disability support pensioners on Sunday, following the report's release. The DSP, he declared, was a "set and forget payment."

In a clear indication of the brutal nature of the assault being prepared, Andrews said 30 percent of those receiving the DSP had psychological illnesses but "a lot of that is episodic." Translated into plain English, those who do not fit into whatever the government deems to be a chronic mental illness will be thrown off DSP and compelled to seek work.

Andrews called for an extension of "income management" to include those receiving child payments, purportedly to ensure parents make their children go to school.

The ruthless character of the proposed measures is also revealed in a section of the review entitled "strengthening individual and family capability" and "mutual obligations." These are code words for cutting welfare to all those who fail to meet various

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requirements, such as applying for a certain number of jobs over a two-week period.

The review calls for "tailored employment obligations" to be imposed on the jobless and a system of "timely sanctions if expectations are not met… The strongest sanctions should be reserved for serious non-compliance."

Mutual obligation, it continues, "should be broadened to include promoting parental responsibility… particularly for jobless families dependent on income support." Those determined to be "the highest risk of long-term income support reliance" should be targeted "for early intervention [because it] has the greatest likelihood of a return on investment."

The McClure review also calls for an expansion of work-for-the-dole schemes and "volunteering," so that the jobless "improve their employment outcomes." This means that the unemployed will be used, in ever-greater numbers, as a free labour force by local councils, businesses and charities.

The corporate media immediately hailed the McClure review. The *Australian Financial Review* described the proposals as a "welcome start." An editorial in Murdoch-owned *Australian* newspaper said welfare spending was an "unsustainable burden" and called on the Abbott government to implement the review's recommendations "as part of its overarching narrative to move Australia beyond the age of entitlement."

The *Australian* lauded McClure, claiming his "decades of experience in social policy and service delivery" indicated that he had the "best interests of disadvantaged families at heart."

McClure's concern, however, is not for "disadvantaged families." He speaks for the numerous charities and not-for-profit organisations that have grown exponentially from the privatisation of welfare and other social services by federal and state governments during the past two decades.

As the former head of Mission Australia, McClure transformed the small Christian charity group into multi-million dollar job placement and welfare provider, seizing on the opportunities created by the Howard Liberal-National government's privatisation of unemployment services in 1998.

In 2000, McClure was commissioned by the Howard government to draft recommendations for various welfare reforms. He called for an extension of the government's "mutual obligation" regime to all welfare recipients and further privatisation of social services. He was also appointed to the government's Community Business Partnership, which boosted corporate sponsorship of the welfare sector. Two years ago, the not-for-profit welfare industry was estimated to have revenues of $25.5 billion annually.

The Labor Party and the Greens denounced some of McClure's new welfare proposals last Sunday whilst stating that they supported the "simplification" of welfare payments.

Opposition social services spokeswoman Jenny Macklin said the review should not be used to make cuts to the "most vulnerable Australians."

Labor's hypocrisy is breathtaking. Macklin was social services minister under the Rudd and Gillard governments and responsible for implementing the National Disability Insurance Scheme (NDIS). Labor's scheme, which is aimed at driving an estimated 400,000 disabled people off DSP, is being carried forward by the Abbott government. It involves care "packages" that are provided by both public and private sector disability service agencies.

Macklin also presided over other attacks on social welfare, including the expansion of "income management" beyond the Northern Territory and throwing tens of thousands of people off the single parent pension as soon as their youngest child turns 8.

Today, legislation previously enacted by Labor to fund the NDIS by raising the Medicare levy from 1.5 percent to 2 percent goes into effect. Changes to aged-care fees, which increase the cost of healthcare support for the elderly, also begin. The new aged care fees were rammed through under the previous Labor-Greens government.

The Abbott government launched its work-for-the-dole program today, which forces all those unemployed between the ages of 18 and 30, in 18 key working-class areas, into government-initiated work programs. It plans to expand the program nationally by July next year.

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