

Unemployed forced to “work for the dole” in Australia

Zac Hambides
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As of July 1, everyone under the age of 50 who has been on unemployment benefits for more than six months is being forced to participate in the Australian government’s “work for the dole” scheme in order to continue receiving poverty-level payments. The expansion of the punitive scheme paves the way for private businesses to exploit “work for the dole” labour.

When the \$14.9 million scheme was first announced in May 2014, Employment Minister Eric Abetz and Assistant Minister Luke Hartsuyker said it was part of the government’s Economic Action Strategy “to build a strong, prosperous economy and a safe, secure Australia.” Thus, they linked the issue of forcing the jobless to perform unpaid work to national security.

A trial period from July 2014 to July 2015 was announced for 18 locations throughout the country—six in New South Wales, five in Queensland, four in Victoria, and one each in Western Australia, South Australia and Tasmania.

By August 2014, over 1,600 people aged between 18 and 30 had been coerced into working for various charities, not-for-profit and government organisations. Unemployed workers were engaged in all manner of menial and skilled work, such as “hairdressing, grounds-keeping, IT, administration and maintenance,” according to a Department of Employment media release last October.

The previous “work for the dole” scheme, which was rolled out in 1998 by the conservative Howard government and maintained by the Rudd and Gillard Labor governments, was limited to the long-term unemployed. Under the new regime, almost all unemployed people have to spend six months every year “working for the dole.” People aged under 30 must perform 25 hours’ labour per week and those

aged between 30 and 49 must do 15 hours. Unemployed workers aged over 50 can “volunteer” to take part.

Hartsuyker told ABC TV’s “Lateline” program in May: “From July we’ll have around 100,000 people over the year involved in work-for-the-dole. It’ll obviously ramp up. We are moving from phase one ... It will go nationwide. So, no matter where you live, you’ll have the opportunity to benefit from a work-for-the-dole placement.”

The Department of Social Security’s figures on welfare recipients give an indication of how much the scheme will “ramp up.” In May this year—the latest figures available—343,735 people under 50 were classified as “job seekers” or on unemployment benefits. Of those, 217,829 had been out of work for 12 months or more. Anywhere between 200,000 and 300,000 people could potentially be thrown into “work for the dole.”

The government has spent \$6.8 billion to replace the previous Job Services Australia providers with “jobactive” organisations, which will administer and police the “work for the dole” placements. Large amounts of money are at stake for Australia’s burgeoning “welfare industry.” Fifty-one “work for the dole” coordinator positions were announced last year, with each worth \$380,000 annually, according to the *Saturday Paper*.

Hartsuyker said the government received tenders from 184 organisations and over 1,400 individual bids. The greatest beneficiary, with 14 contracts, was MAX Solutions, a wholly-owned subsidiary of US company Maximus, which recorded annual revenue of \$US1.7 billion last year.

The *Saturday Paper* reported that MAX Solutions had at least two former senior government officials

under their employment in 2009—the same year the company became the largest recipient of government contracts. One now works for Advanced Personal Management, another of the private companies that won jobactive contracts this year. During the past five years, MAX Solutions took in \$800 million from government contracts.

The next highest winner of “work-for-the-dole” contracts was Mission Providence, a joint venture between Mission Australia, a Christian charity, and Providence Service Corporation, a US company that posted a “modest” rise in revenue to over \$US1.1 billion in 2013.

From June 2016, unemployed youth under 25-years-old will be forced into a four-week “rapid activation strategy.” They will be required to perform “a number of additional job search activities” on top of applying for five jobs a week before receiving their first welfare payment.

Non-compliance with jobactive requirements in the four-week period—such as failing to update a resume, agreeing to a “jobs plan” or refreshing a “job seeker” profile on the JobSearch web site—will result in the cancellation of payments. Those cut off will receive no income support and must re-apply. Currently all welfare recipients have a minimum one-week pause on their first payment.

The “No Show No Pay” policy, due to be implemented from July next year, will see unemployed people docked a day’s worth of benefits for every day they do not show up for their “work for the dole” shifts, miss an interview or appointment, or fail to participate in any other activity deemed compulsory by their jobactive organisation.

In addition, payments can be suspended for not conducting “adequate” job seeking, as defined by the jobactive organisation.

The logical next step is the expansion of the draconian and humiliating “work for the dole” scheme to allow private businesses to exploit unemployed workers. This was proposed in this year’s May budget, but has not yet been enacted.

At a meeting of the Queensland Chamber of Commerce on May 20, Prime Minister Tony Abbott declared employers would soon be able to “try-before-you-buy,” referring to unemployed workers. “Job seekers” over 18 would be able to “volunteer” to do 25

hours a week for employers at no pay. In reality, there would be nothing “voluntary” about this scheme amid rising youth unemployment, a scarcity of secure, full-time work and growing desperation among young people.

Abbott’s remarks followed calls in February by Australian Chamber of Commerce and Industry chief executive Kate Carnell for the expansion of “work-for-the-dole” to small businesses. Carnell said: “It needs to be easier for small-to-medium businesses to employ people but that means it needs to be easier for them to downsize as well.” Her remarks made clear that the proposal is aimed at using the unemployed as a battering ram against the wages and conditions of the working class as a whole.



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