

Australian government threatens to jail “overpaid” welfare recipients

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13 December 2016

Facing economic contraction and a widening budget deficit, the Turnbull government is targeting vulnerable welfare recipients, issuing sweeping and unsubstantiated claims that they have fraudulently claimed or been overpaid about \$4 billion in recent years.

In a new drive to intimidate and demonise people relying on pensions, family tax benefits, unemployment benefits or other welfare payments, the government is threatening to jail them unless they can produce documents to disprove any alleged over-payment.

Under the banner of “welfare fraud,” the government is seeking another pretext for gutting the entire welfare system, including disability programs and aged pensions. Having barely survived the July 2 election, the Liberal-National Coalition government is trying to demonstrate to big business that it can deliver its requirements.

According to information leaked to the *Australian*, the government is issuing debt notices worth \$4.5 million every day, supposedly “in a bid to rein in the ballooning welfare bill.” A new automated system that matches a welfare recipient’s details with information from the Australian Taxation Office is generating 20,000 “compliance interventions” a week, up from 20,000 a year before the latest crackdown began in July.

Already, debt notices worth almost \$650 million have been issued in the past four months, creating anxiety for thousands of working class households. The stress is compounded by the difficulties involved in trying to contact Centrelink, the chronically understaffed agency that administers the welfare payments regime, to clarify or challenge any accusation of over-payment.

Human Services Minister Alan Tudge last week used an appearance on the television program “A Current

Affair” to threaten to jail those deemed to owe money. “We’ll find you, we’ll track you down and you will have to repay those debts and you may end up in prison,” he declared.

Earlier this year, a mass mail campaign by police and Centrelink threatened welfare recipients with jail if they provided inaccurate information. The letters warned that the government’s welfare fraud taskforce was “currently working in your community” and that providing wrong information could result in a “criminal record or a prison sentence.”

This marks a further escalation by the government of an offensive to push people off welfare. In March, Prime Minister Malcolm Turnbull’s government introduced a raft of measures associated with welfare “debts,” including imposing an interest rate of 9 percent, removing a six-year limit on recovery and preventing recipients from leaving the country if they allegedly owed money to Centrelink.

At that time, Social Services Minister Christian Porter told parliament: “One percent of Australia’s population have received money they are not entitled to and owe a debt to the other 99 percent of Australians, a debt that in too many instances they are making no effort to repay.” That is, he was castigating the poorest one percent of society, not the wealthy layers that have benefited from the slashing of social services over the past four decades that helped to provide massive tax cuts.

Assisted by the corporate media, which incessantly witch hunts welfare recipients as “dole bludgers” and “welfare cheats,” successive Labor and Coalition governments have already substantially cut the proportion of the working age population receiving income support payments, from 25 percent in 1994 to 16.6 percent in 2015.

This has been achieved by eliminating sole parent payments once the youngest child turns 8, imposing harsh “work tests” on dole recipients and increasingly blocking access to disability pensions. By one measure alone, in 2012, the Greens-backed Gillard Labor government ended Parenting Payments for 100,000 single parents and forced them onto Newstart unemployment benefits: an average cut of about \$120 per fortnight.

Turnbull’s government has touted varying figures that it claims it will recoup from welfare recipients. During this year’s election campaign, Treasurer Scott Morrison claimed that \$2 billion would be recovered. Suddenly, that figure has been doubled.

The actual breakdown of the so-called debts is revealing. One-fifth of the supposed “overpayments,” comprising 39 percent of the total amount, involves people who have not lodged a tax return. Thus a nightmare of “debt” can be imposed on recipients simply for not filling out a tax return.

Other households have inconsistent income, which could result in “over-payment” if a member of the household secured some temporary work. This group comprises 13 percent of the “overpaid” and 10 percent of the alleged debts.

Official statistics show that that last year just 0.018 percent of those receiving payments were investigated for fraud. Only 996 cases were referred to prosecutors and just 29 cases resulted in indictable charges.

Hailing the new compliance campaign, the corporate media again railed against welfare recipients, diverting attention from tax cuts for the rich and the escalating military budget. An *Australian* editorial announced: “Cheats are on notice.” It declared that welfare spending had to be gutted to slash the budget deficit and stop the global credit ratings agencies ending Australia’s AAA rating on financial markets.

This effort was immediately endorsed by anti-immigrant One Nation leader, Senator Pauline Hanson, whose group’s four senators helped Turnbull’s fragile government pass a number of key bills in parliament last week. Hanson, who has a long record of demonising welfare recipients, as well as refugees, Muslims, Asians and Aborigines, said Australia’s entire welfare system was “wrong.”

In the name of cracking down on welfare fraud, Hanson proposed a police state-style national identity

card, proclaiming: “The whole fact is you need to stop them getting welfare in the first place if they’re not entitled to it.” Hanson boasted that she had recently spoken to Turnbull about the idea.

True to its own pro-business record, the Labor Party opposition has criticised the government for not being ruthless enough in tackling so-called welfare fraud. Shadow human services minister Linda Burney said minister Tudge was trying to “sell the massive failure of his department as a victory.”



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