Australian government intensifies punitive drive against welfare recipients

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Prime Minister Scott Morrison's government has announced a draconian new income reporting regime for welfare recipients, hoping to gouge out $2 billion in "savings" over the next four years. Draft legislation is to be released this week, the first week of parliament for the year, making it a top government priority for 2020.

This is despite the computerised "robo-debt" system that clawed back hundreds of millions of dollars from welfare recipients being ruled unlawful last November by the Federal Court. Before even paying back the money wrongly taken from unemployed and under-employed workers and some of society's most vulnerable people, the government is moving to punish them again.

Last April, in its 2019–20 budget the Liberal-National Coalition government flagged the use of new data-matching technology to automatically report employment income using a single touch payroll system. Welfare recipients will have to report any income fortnightly, to be checked against business payroll data held by the Department of Human Services.

Social Services Minister Anne Ruston unveiled the new "income compliance" plan last week. It will gut welfare spending at the behest of the corporate elite and will have the effect of forcing thousands of welfare recipients off benefits and into lower-paid employment.

At present, 1.2 million welfare recipients are required to report their income each fortnight to Centrelink, the government's monitoring agency. They are permitted to earn small amounts before their welfare payments are progressively reduced by 40 to 50 cents per dollar earned. A job seeker on Newstart benefits, for example, can earn a pittance of $104 a week, to supplement the poverty-level welfare payment of $555 per fortnight.

Centrelink reporting periods often do not match workplace pay cycles, so welfare recipients are left having to estimate or predict their earnings. Casual work and unpredictable hours can make a nightmare of this requirement to report, leaving welfare recipients exposed to accusations of understating their income.

The robo-debt system largely utilised automated income averaging to clawback alleged overpayments. The Federal Court outlawed the averaging, yet the new system uses much the same methods. The Australian Council of Social Services (ACOSS) commented: "We still don't know how much the government owes people who have paid false robo-debts over the past three years."

Government Services Minister Stuart Robert told parliament last year that "data matching" would continue, even though the government was forced to pause the use of the robo-debt technology for new alleged debts. The government is also still enforcing existing robo-debts through debt collectors and garnishee orders.

That is, the overall drive is continuing to impose the dictates of the banks and corporations on the welfare recipients, most of whom are struggling to survive. Ordinary people are framed as dishonest, while the banks and insurance companies that have defrauded customers of millions of dollars have escaped virtually scot free, with minuscule penalties compared to their profits.

For some time the government has been working with the big four banks and two major supermarket chains, Coles and Woolworths, on new technological measures to extend "cashless welfare cards" to a national rollout. Since 2016, trials in regional and remote areas have imposed stringent controls on social security payments, especially for indigenous people, restricting nearly all

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spending to authorised essentials.

Ruston recently boasted on Twitter of visiting the Northern Territory to “consult” remote communities on the “Cashless Debit Card.” Her travels relate to the plans for wider use of the card, and proposals to widen and extend the existing trials from June 2020 to June 2021.

Ruston also has hailed “quite successful” work with the banks and supermarket chains on payment systems that could enable trials to impose the cashless card on welfare recipients in the major cities. As the WSWS has long warned, the initial trials were directed against the most oppressed sections of the working class, in preparation for a frontal assault on all welfare recipients.

This offensive is well underway. As at November 2019, at least 104,480 people were no longer receiving Newstart or the Youth Allowance because of suspensions. This is intensifying a process that accelerated under the last Labor government. It was kept in office by the Greens from 2010 to 2013 as it cut thousands of sole parents off parenting payments, imposed harsh eligibility tests on injured and disabled workers, and privatised disability services via the National Disability Insurance Scheme.

Opposition to these measures must be based on the socialist perspective that welfare itself is a fundamental democratic right, required to protect workers and the most vulnerable members of society from the brutal drive for capitalist profit at any cost.

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