

Australia: Labor government implements new onerous welfare requirements

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1 July 2022

Further onerous new requirements on the unemployed have come into effect with the new financial year. The imposition of the punitive regime by the new federal Labor government further underscores how quickly its sham election promises of a “better future” have given way to demands for sacrifices, and attacks on the most vulnerable sections of the working class.

The new “Points Based Activation System” (PBAS) mandates a series of tasks and criteria for the unemployed to receive their sub-poverty level JobSeeker payment.

The PBAS expands on the former mutual obligation system which required 20 job applications per month. The new system now requires those on welfare to accumulate 100 points per month by completing a range of activities. More than 30 such activities are listed. If someone does not meet the monthly points target, they can be punished with demerits and the suspension of their payment.

The points-based system has been implemented at the direct behest of big business. While supporting the victimisation and harassment of the unemployed, corporate lobbies have complained that the previous job search requirement had resulted in businesses being inundated with job applications, including from those not qualified for the position.

The PBAS was passed through parliament in March this year under the former Morrison Coalition government with the bipartisan support of Labor as part of the Social Security Legislation Amendment Bill 2022. This followed localised trials of the points-based regime beginning in 2019.

Despite Labor having passed the measure, Labor employment minister Tony Burke cynically declared last month: “It’s actually too late to not have a points system at all.” Burke added, “We want to make sure...

that we can have a system that’s designed to get people into work.”

In other words, the PBAS scheme aims to make it harder for unemployed young people and workers to remain on welfare benefits. Its purpose is to force them into low-paid, temporary and casual work on whatever terms and conditions employers demand.

Burke also declared that Labor supports “mutual obligations,” that is the idea that the unemployed must perform services to society in return for their payments. This is directed against any conception of a social safety net, or welfare as a fundamental social right.

An indication of the pro-business character of the program can be gleaned from the activities and points distribution on the PBAS. If a person is a part of the government’s PaTH (Prepare, Trial and Hire) internship program, they will accumulate 25 points per week (100 points per month).

The PaTH program forces young people under the age of 25 into compulsory “pre-employment” training courses and has pushed thousands of unemployed young people into menial work for private employers. The program pays the equivalent of \$4 an hour on top of the unemployment payment.

The scheme was introduced by the Abbott Coalition government in 2016 with the bipartisan support of Labor allowing businesses to hire people on ultra-cheap wages. Under the program there is no guarantee that you will be covered by workers compensation if you are injured on the job.

Full-time work-for-the-dole or full-time study (25 hours per week) would still not be enough to obtain the required 100 points in a month. In both, participants only get 20 points per week and will still be required to carry out other activities such as job searching (5 points for every 5 jobs) to meet monthly obligations.

Those forced on to the work-for-the-dole program are effectively prevented from studying or seeking full-time employment. Instead, they must perform menial labour merely to receive their unemployment allowance.

Work-for-the-dole was introduced by the 1998 Howard Coalition government, as a rebranding of the Keating Labor government's "New Work Opportunities" program. The scheme was continued under the Rudd and Gillard Labor governments.

Work-for-the-dole denies employee status under occupational health and safety, workers compensation and industrial relations laws, meaning that those workers have virtually no legal protections. Underscoring the dangers of this forced-work program, Josh Park-Fing, an 18-year-old unemployed youth from Meringandan, Queensland died in an accident in 2016 while on the program.

Immigrants who are learning English full-time (25 hours per week) will also receive only 20 points a week for that activity, forcing them to look for low-paid, part-time work.

Thousands of people have expressed their opposition to the new PBAS system on social media.

One comment which is indicative of the general discussion said, "this is a system designed to increase profits for the providers. Do not let anyone tell you otherwise. It is about private business access to even more welfare recipients and ticking the payments for services rendered box... What it is not designed to do is help anyone. It is designed for the business to increase their own profits. It is not a thought-out social policy and it does not provide a social service... Stop the roll out!"

The new PBAS scheme threatens the 949,940 people who subsist on JobSeeker and the Youth Allowance with even further hardship. Unemployed workers and young people are constantly harassed by job providers and Centrelink over mutual obligation requirements.

According to the Australian Council of Social Services (ACOSS), in a typical month more than 200,000 people have their JobSeeker payment suspended. This is nearly one in four of people using JobActive services. Around half of these suspensions were because people could not meet the job search requirements that they had been set, in many cases because there simply were not enough jobs.

The Roy Morgan Institute estimated the true jobless figures at 8.5 percent or 1.2 million workers in February, plus an "underemployment" level of 7.8 percent, approximately 1.12 million workers. That totals 16.3 percent, or 2.35 million workers who are looking for work or more work.

The PBAS is a step towards the abolition of the last remnants of the welfare system. The new Albanese Labor government has made it clear it has no intention of lifting the JobSeeker rate, which sits at roughly \$46 a day or \$642.70 per fortnight, well below the poverty line of \$852 a fortnight.

The points-based system is part of a broader austerity agenda. In its first month in office, Labor signaled that it would impose deepgoing cuts to social spending, to pay for the almost one trillion dollars of national debt, accrued primarily through massive handouts to big business over the past two years. Areas nominated for the chopping block include health, aged care and disability services.

This program is being rolled out, under conditions of a major social crisis, intensified by soaring inflation, with skyrocketing prices for petrol, rent, childcare, fresh food and other essentials.

The Reserve Bank of Australia (RBA) inflicted the largest interest rate hike in 22 years of 0.5 percentage points last month in a deliberate move to suppress growing demands by workers for wage increases. The RBA has indicated that further interest rate rises are on the horizon. With Australia having one of the largest ratios of household debt to income, the ongoing rate rises threaten hundreds of thousands of mortgage holders with financial catastrophe.



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