

The Canberra Times

The latest lazy welfare con

Jack Waterford
Canberra Times
24 September 2016

The latest lazy welfare con Australia's social-service payments are far from costly, whatever shock jocks say.

Social Services Minister Christian Porter has probably done everyone, even the poor, a favour by reminding us all that the main reason the poor tend to become dependent on welfare is because they don't have jobs, or houses, are sick or disabled, or have responsibilities for others which inhibit their capacity to earn an income.

It's not a profound revelation.

Nor is the fact, trotted out at no-doubt-fabulous cost as a discovery by PricewaterhouseCoopers actuaries, that the cost of sustaining people in welfare dependency often much more than the cost of actually providing housing, creating real jobs, helping people address illness and disability, and providing some help with looking after children or elderly relatives.

Indeed, that one can "invest" in those on welfare by "intervening" at some critical point of their interaction with the welfare system.

This can ultimately reduce the overall welfare bill which, as all Australians know, is enormous, getting more enormous and will ultimately swallow us all up.

Porter was out marketing some of these insights this week, picking up on policy initiatives in New Zealand, the urgings of the McClure report into the welfare system, and some earlier gurglings about welfare "reform" coming from now Treasurer, Scott Morrison, during the brief Abbott period in which Morrison was Porter's immediate predecessor at social services.

(Morrison's sincerity on real reform can be judged by the alacrity with which he picked up on a cue this week from his shock-jock mate Ray Hadley to promise further scourgings of some unemployed girls who expressed distaste about working for McDonald's.)

Porter seemed to be promising something else. A well-financed investigation for out-of-left-field ideas about critical interventions, or "investments", in welfare that just might get people into secure jobs, or at least placements that could stop them from a life of dependence on the public purse. Investments that might pay off in the medium term if they actually succeed in changing people's lives or, at least, in reducing the drain on the public purse. Restricted to the sensible, of course. Let's not have too much talk of actually providing houses, or creating real jobs.

There is a whole industry of self-reliance and work-ethic "experts" paid a good deal of public money to encourage the idea that the victims are to blame. They talk loudly of heritable transfer of welfare dependence.

Of families in which no one has worked for generations.

Where children not only fail to learn splendid habits of getting up early, recognition of the virtue of industry and independence, and taking work as an incident of life, but also fail to attend schools, suffer poor health, and develop ingrained habits of sloth and dumb insolence. Feckless folk, often cunning but less than honest and ambitious, all too often additionally burdened by habits of drug and alcohol abuse, and violence in the environments in which they live.

The accepted wisdom of these experts was acquired from experience of dealing with the London criminal classes and hopeless poor, and Irish Catholics in 19th century Britain and Australia. These insights, particularly at the political level, have not much developed and have a distinct whiff of 19th century Methodism. They hold that second and third generational welfare dependence virtually dooms one to life on the scrap heap, albeit at high cost to the taxpayer.

Over time, these insights have been visited upon migrants and Lazy welfare solutions looking for problems From Page 1 Trump's rednecks often see welfare as their right, even as they proclaim the virtues of limited government.

Public policy leans to the stick rather than the carrot, but often with wild swings between, on the one hand, punitive regimes and, on the other, well-meaning but ill-conceived packages of incentives and bribes, almost designed to fail.

Porter is proposing to give the experts industry about \$100 million to brainstorm fresh and original ideas about forms of intervention and "investment" against those at risk of long-term welfare dependency. They will look for the "moments" at which some seem to succeed in weaning themselves from benefits but others seem to become more dependent.

It's at such a point that an investment is to be made.

One shouldn't get too excited on behalf of the poor, or even on behalf of the poor taxpayer.

It seems already clear that the scheme is more a public relations confection than a genuine attempt to address the real problems of welfare dependency. That this is so can be seen by the way its Australian proponents focus on "nice" cases, rather than serious problems of chronic and grinding poverty. Poverty and indignity made worse by policies of demanding arbitrary, pointless activity for no purpose as the price of humiliation. So far as real welfare is concerned, Australia already has one of the most targeted systems in the world. There's not much scope for cuts, and critical benefits, especially for unemployment, are, if anything, far too low.

Our system is also one of the most discretionary, in the sense that bureaucrats can and do suspend payments even when there has been no change in a person or family's situation.

More likely than not - and New Zealand precedents seem to confirm this - the failure of well-meaning interventions will be used to compound impressions that those being experimented on are incorrigible and to be marked for punishment.

Australian families in which at least one person is working have long been encouraged to resent families in which no one is employed.

There's an active media obsessed with the idea that such people - even those on benefits as single mothers, disability or invalidity - are bludgers, shirkers and scroungers, unless they are in clear and quick transit between jobs. Only the receipt of middle-class welfare, such as family-tax benefits, student allowances, and tax

expenditures such as superannuation concessions, are automatically reasonable forms of government spending.

That, after all, goes to those who are lifters, not leaners, strivers and not skivers.

Some of the sleight of hand was apparent even during Porter's warm, caring-and-sharing speech at the National Press Club on Tuesday. The PwC investigation had suggested three groups who might be saved by long-term welfare degradation by skillful (though unspecified) interventions at the right stage of their interactions with Centrelink. One group were young carers: the 11,000 people, according to PwC calculations, receiving some aid because they look after an invalid relative. Another were the 4380 (single) parents under the age of 18. Then there was a subset of students getting some welfare to study but at risk of not successfully transiting into the job market.

Some are seemingly doomed to have their hand out to government until they reached the age of 65, after which they go on to the age pension. Philosophers, perhaps, or TV repair-folk.

The report had some breathtaking figures about the long-term cost of welfare dependency, though these were very generously bulked up by the cost of the aged pension, various aged-care subsidies and assistance, and Howard-era family-tax benefits, eligibility for which extends well into the middle classes.

Nor do the PwC calculations, which are based on various Bureau of Statistics and welfare roll figures, suggest either that long-term welfare dependency is actually an enormous problem, a growing one, or that it is striking particularly among the groups that PwC has suggested for helpful intervention or investment.

A proportion of those who have no jobs or non-government income are unemployable without massive intervention at individual, family and community level.

They lack the skills and education to get available jobs, anywhere.

About a third of the underclass are Indigenous (though these represent fewer than a half of the Indigenous population). Many of these face discrimination and disadvantage going beyond mere poverty, a want of physical and social capital, and poor health profiles. Their situation is buried in the PwC data; they don't even rate a mention. How welfare might be better tailored to their needs or to the needs of others in similar situations seem to have eluded the PwC actuaries and the PR gloss about really meaning to make a difference this time. By doing something. Or other.

Naturally, Labor is on-board, in principle at least. Thank heavens there are some professionals, such as in the St Vincent de Paul Society, who can speak for, rather than of, or to, the poor. Otherwise we might get overexcited about the discovery of answers to questions not even asked.

Jack Waterford is a former editor of The Canberra Times.