



**Do Centrelink Activity Breach penalties coerce
outcomes from unemployed welfare recipients in line
with Mutual Obligation policy?**

Simon Schooneveldt

Centre for Social Change Research
School of Humanities and Human Services
Queensland University of Technology

**Paper presented to the Social Change in the 21st
Century Conference**

Centre for Social Change Research
Queensland University of Technology

22 November 2002

Do Centrelink Activity Breach penalties coerce outcomes from unemployed welfare recipients in line with Mutual Obligation policy?

Simon Schooneveldt

Introduction

The large majority of people who receive breach penalties from Centrelink are unemployed, in receipt of welfare payments under either the New Start Allowance program or the Youth Allowance program (Sleep, 2001, p.2). These programs include ‘activity test’ conditions with which beneficiaries must comply in order to avoid incurring breach penalties. Central to the whole issue of breaching penalties is the entrenched high level of unemployment (Borland, 2000; Burgess, Mitchell, O’Brien, & Watts, 1998; Edwards, Howard, & Miller, 2001; Mitchell, 2000; Quiggin, 2001), together with the political ideology of Mutual Obligation (Kinnear, 2000; Hartman, 2001; Hammer, 2002; McKenna, 1999).

This paper outlines the escalating Mutual Obligation regime implemented by the Howard Coalition Government. Breach penalties are defined and the increased usage of breach sanctions is set out, along with some reasons for that increase. A research study is introduced, including a basic methodology for *the survey*, emphasised henceforth to denote the Brisbane study under discussion. Some findings from *the survey* are outlined and evaluated in terms of the Howard Government’s stated *expectations* for its Mutual Obligation policy. Discussion follows, based on the findings of *the survey* and commentary from the literature review, concerning the ethics, morality and Human Rights aspects of Mutual Obligation ideology. Due to the impending inclusion of some people who receive Disability Support Pensions into the Mutual Obligation breaching regime (Anthony, 2002), some precognition of the future situation for such people will be included.

The quantum of the increased rates of applied breach penalties

As a consequence of expanding Mutual Obligation requirements, the number of breach penalties issued by Centrelink has trebled over recent years. ACOSS (2001b) provided an interim extrapolation of expected breach numbers for 2000-2001 in Table 1 (below).

Table 1: Centrelink breaches from 1997 to 2001.

	1997-1998	1998-1999	1999-2000	2000-2001	2000-2001
Type of Breach	(July-June)	(July-June)	(July-June)	(July-Feb)	(July-June)
Activity Test Breach	60,981	88,751	177,759	166,485	250,100
Administrative Breach	59,737	76,741	124,735	65,915	99,000
Total	120,718	165,492	302,494	232,400	349,100

Source: Sydney Welfare Rights Centre as cited in (ACOSS, 2001b, p.5).

Minister Vanstone (2002c) and ACOSS (2002) subsequently verified that the actual number of breaches issued in 2000-2001 was **386,946** (p.2), higher than anticipated. When compared with the total number of 722,000 unemployment benefit recipients in 1999-2000 as reported by Minister Newman (Newman, 2000, p.9) this number of breach penalties represents a worrying proportion.

The nature of breach penalties

Centrelink breach penalties are part of a compliance control strategy (DEWSRB, 2001), whereby Centrelink is authorised to temporarily withhold partial or total payment from a welfare recipient deemed by a Centrelink officer to be in breach of a Centrelink ‘administrative’ or ‘activity test’ requirement imposed under Mutual Obligation rules.

Activity test breaches are more often applied by Centrelink than administrative breaches (ACOSS, 2001b). Activity test breach penalty rates are more costly for recipients (Moses & Sharples, 2000; Sleep, 2001), and are applicable to benefit payments that have an activity test requirement, including Youth Allowance, New Start Allowance and Austudy (Sleep, 2001, p.2). The activity test program extends to breaches of the Job Network’s requirements, as publicly funded, privately owned employment training and placement providers (Centrelink, 2001b, p.1). There were 56 “reasons” to breach in 1998 (Moses & Sharples, 2000, p.6).

Activity test penalties can reduce payments differentially depending on whether they are first, second or third penalties in a two-year period. For an unemployed single adult in June of 2002 who received \$185 per week, the first penalty attracts an 18 per cent reduction in payment for 26 weeks, a total penalty of \$863. The second penalty attracts a 24 per cent rate reduction in payment for 26 weeks, a total penalty of \$1,151, whilst the third and following penalties mean no payment for eight weeks, a penalty of \$1,476 each eight weeks (Brotherhood of St Lawrence, 2002, p. 2; Centrelink, 2001a). ACOSS pointed out that a third time activity breach represents a total “fine” or loss of benefit of \$3,384, a higher “punishment” than is applied for many criminal offences (pp. 3-11).

Understanding Mutual Obligation policy: Government expectations

Prime Minister Howard asserted that the Government should assist those in genuine need. He also noted “it is the case that – to the extent that it is within their capacity to do so – those in receipt of such assistance should give something back to society in return, and in the process improve their own prospects for self-reliance” (Howard, 1999, p.10). ‘Giving something back to society’ could include specified volunteer work, study to improve employment prospects or participation in ‘Work for the Dole’ programs. The Howard Government developed Mutual Obligation with *expectations* about the effectiveness of a robust compliance regime, designed to ensure that unemployed people would actively seek work and move ‘off-benefit’ quickly (Centrelink, 2001a; CPC, 2002, sect.6, p. 17; DEWSRB, 2001; Gilmour, Hartman & Jennings, 2000, p. 3; Moses & Sharples, 2000).

Jennings (2001) argued that conservative forces have a common misconception: “That poverty is the result of primarily individual choice rather than as an outcome of social policies”. She argued further that the Howard Government believes people are responsible for their own outcomes, (even outcomes over which they have no control such as insufficient jobs or disability, as will be seen). Lauritsen (2001, pp. 13-14) argued that the Government, by disciplining those who fail in their obligations, shifted the accent “from one of a lack of employment to a problem with unemployed individuals” (see also Titmuss, 2000, pp.47-48; Watts, 2001, p. 5; Windschuttle, 1980). Therefore “blaming the victim allows policy makers to absolve themselves from responsibility”(p. 4), and obviates the need to provide full employment (Hartman, 2001, p.3).

Quiggin (2001) pointed out that under Mutual Obligation, “the obligations of government are discharged” simply by the payment of benefits alone, as the Howard Government “has declined to specify any full employment target” (p.12). Burgess et al. (2000) observed that “Mutual Obligation has now become a hallmark of the unemployment benefit system in Australia”. Unemployed people “are subject to more surveillance, duties, and punitive measures than previously”, in part because (citing Pike): “the means testing of benefits and tighter eligibility criteria indicate that Government sees recipients as [a] burden to the public”. Thus unemployment payments were no longer a right “but were now made conditional upon participation in employment programs” (pp. 174-186).

Government rhetoric increases acceptance of Mutual Obligation ideology and encourages a willingness to apply breach penalties

The Howard Government continues to announce initiatives, including improved computer driven, automated “paperless breach processes” (Moses & Sharples, 2000, p. 10), designed to compel people to urgently look for work and engage in workfare programs, such as Work for the Dole. These activities are politically expedient (Quiggin, 2001, pp.11-12) and Government rhetoric plays an important part in justifying and promoting the Mutual Obligation compliance process to bureaucrats and the public, by inciting opprobrium against welfare beneficiaries of working age. Windschuttle (1980) noted a similar phenomenon during the Fraser Government’s crackdown on unemployed people (pp. 218-219).

Deputy Prime Minister Anderson stated that people accepting welfare payments but not looking hard enough for work were “deliberately shirking work” which was “not the Australian way” (Parnell, 2002, p. 2). Various Ministers, using derogatory terms, implied that many welfare recipients are “welfare cheats” and “dole bludgers” (Brough, 2001; Vanstone, 2002b). Their thinly veiled “it is their own fault” and “flush out dole cheats” type rhetoric, with connotations of human bodily waste disposal, were followed up with statements implying that some of these people obviously “couldn’t be bothered finding a job” (Anthony, 2000; Newman, 2000; Odgers, 2001, p. 8;).

At a bureaucratic level, Government rhetoric influences Departmental and Centrelink staff attitudes toward the treatment of customers, as evidenced particularly by the diminution of fair treatment and due process (Ombudsman, 2002). From within the Department of Family and Community Services, Moses and Sharples (2000, pp. 11-12) conceded that “significant rises” in the breach rate had coincided with Mutual Obligation initiatives resulting from Centrelink staff becoming “more willing to impose breaches.” The Howard Government instructed Centrelink to increase compliance surveillance, and contractually obliged Job Network members to increase breach recommendations to preset target quotas (ACOSS, 2001b, p. 2; Hannon, 2002, p.5; MacDonald & Abello, 2001, p.3; Ombudsman, 2002; Pearce, Disney & Ridout, 2002). ACOSS expressed concerns about high breach rates, fairness and due process, after obtaining a copy of INTRALINK, Centrelink’s internal policy manual which included the succinct edict that “job seekers **must not** be given the benefit of the doubt” (ACOSS, 2001a, pp. 6-7, bolding in original). Nevile (2001, p. 3) observed that “penalties have come to dominate the entire system.” As a consequence the Australian compliance system is “already among the toughest in the world” (ACOSS, 2001a).

Expansion of the Mutual Obligation breaching regime to other welfare groups

Neville's observation related to penalties for unemployed welfare recipients, however the Howard Government intends to extend the Mutual Obligation breach penalty system beyond unemployed people. Deputy Prime Minister Anderson stated that people accepting welfare payments but not looking hard enough for work were "deliberately shirking work...not the Australian way" (Parnell, 2002, p. 2). Minister Brough had announced that "all jobless up to the age of 50 will be targeted for Work for the Dole programs" (Jackman, 2002, p. 5; Centrelink, 2001a; Moscaritolo & Keim, 2001). Ministers Vanstone and Abbott followed up with a Bill to extend Mutual Obligation and activity test requirements to include single parents with school age children and mature aged unemployed people up to retirement age (McKenna, 1999; Vanstone & Abbott, 2001, p.4).

Extending the net further, Minister Vanstone proposed new policy, whereby some people who have disabilities will be removed from Disability Support Pension eligibility, and have their payments cut by \$26 per week by being placed on the New Start unemployment program. Such people will be obliged to job search, and meet the activity test requirements, subject to breach penalties, mandated under Mutual Obligation (Lawrence, 2002). Due to political opposition, Minister Anthony has been obliged to introduce an amending Second Bill into Parliament, watering down the requirements of the first Bill. The Second Bill provides for existing recipients of the Disability Support Pension to keep their pension when able to work for 15 hours per week, without incurring activity test requirements under Mutual Obligation. However, future applicants will not be so protected (Anthony, 2002).

Simultaneously, Minister Vanstone continues her focus on techniques for 'catching' non-genuine job seekers. Since July 2002, Centrelink can suspend all payments totally, with power to subsequently restore them (or not restore them), from people judged to be "at risk" of being breached. Such payment suspension will oblige people to come into Centrelink to "face additional scrutiny" in tough new face-to-face psychological assessments "which will be the last thing a cheater wants". The new system will ensure that "a robust mutual obligation system still exists" (Centrelink, 2002; Vanstone, 2002a, pp. 2-4). Simply increasing the number of hoops through which a recipient must jump results in disincentive, so that some people leave the system even when fully eligible to receive payment (Goodin 2001). Moses and Sharples (2000) reported that for a "very conservative 27%...the system just becomes too hard and that they turn instead to relatives, the welfare sector or crime for support" (p. 17).

Professor Pearce, an ex-Ombudsman, also believed that being breached actually created disincentives to seek work, reduced the ability to look for work, and thereby harmed the chances of individuals finding employment, contrary to the Government's policy wishes. Noting the counter productive nature of breaching, Professor Pearce remarked that he "personally believed that you don't induce" by "beating up" but by offering an inducement of "help" (ABC, 2002).

Introduction to the methodology of *the survey* conducted

A qualitative intensive questionnaire type survey, hereafter referred to as *the survey*, was undertaken in Brisbane. Thirty-three questions were prepared, including four on demographics. Remaining questions were framed to elicit data about breaching experiences

and outcomes for individual respondents who had been breached. The literature review and data derived from Government policy publications facilitated preparation of the questions, which were designed to reflect and test Government policy statements. It was recognised that only a limited sample size could realistically be collected, without a control group, and the responses gathered are essentially people's accounts of their individual perceptions of what has been happening to them (Burns, 1990, pp. 9-11). *The survey* included an element of field research, because the researcher met the respondents, liaised with various authorities and conducted correspondence, meetings and discussions with a variety of Centrelink managers. The behaviour exhibited by Centrelink managers suggested that all staff were very aware that Mutual Obligation breach activities are resented by Centrelink 'customers', and several branch managers spoke about the "nature" of their Centrelink customers in derogatory terms.

Some findings from *this survey*

The findings of *the survey* reflect what happened to the 56 survey respondents when they were breached. Such findings, on their own, do not establish that being breached causes these things to happen to people. In Table 2, below, the numbers of people breached in *the survey* are shown from 1999 through to the first four months of 2002, enumerated by gender, age and whether breaches were issued before or after one year of receipt of benefit.

Table 2: Analysis of breach numbers from *the survey* respondents by age and gender

YEAR	TOTAL NO. OF PEOPLE BREACHED	MALES	FEMALES	AGE <30 YEARS	AGE >30 YEARS	TOTAL NO. OF BREACHES	LESS THAN ONE YEAR	MORE THAN ONE YEAR
1999	17	9	8	7	10	22	8	9
2000	17	15	2	10	7	27	11	6
2001	25	17	8	16	9	37	16	9
4 MTHS OF 2002	28	20	8	18	10	40	23	5

From the initial response tallies, a few figures stood out:

- **95%** of respondents (53 people) thought that, when breached, Centrelink was unfair.
- **93%** of respondents (52 people) felt their self-esteem had decreased after being breached.
- **91%** of respondents (51 people) did not realise beforehand, that they were to be breached.
- **21%** of respondents (12 people) needed to move into less desirable accommodation.

Findings on Government *expectations* relative to coercive breaching policy and practice

Just as the Howard Government has been obliged to amend its current Parliamentary Bills on Disability Reform legislation due to political opposition on grounds of unfair hardship (noted above), similarly in July 1997 the Howard Government had its breach penalty program passed by Parliament only after three amendments. The second reading of the *Social Security Amendment Bill* noted that the main objective was "to maintain a strong deterrence for failure to meet reasonable requirements". It was thought that rigorous application of activity test requirements would encourage active job search by beneficiaries (Moses & Sharples, 2000, p. 4). Under Mutual Obligation ideology, the coercion is intended to enhance the chances of people finding work by keeping them "active and connected" with the workplace (Centrelink, 2001a; Parnell, 2002, p.2; Richardson, 2000). The Commonwealth Productivity Commission

concurrent; “a breaching regime is an important part of ensuring that unemployment beneficiaries seriously engage in job search or measures that improve their employability” (CPC, 2002, Sect. 6, p.17).

Yet in *this survey* **32 out of the 56 respondents felt they could not look any harder for work** under their circumstances and a further 9 ‘did not know’. The Howard Government *expected* that compulsory engagement in Mutual Obligation type job search related activities would be accepted by unemployment benefit recipients, as being useful for job search as a ‘normal’ part of ‘reasonable’ job-seeker responsibilities (DEWRSB, 2000; Howard, 1999; Lauritsen, 2001; Moses & Sharples, 2000; Newman, 2000). However *this survey* found that 73% of respondents, 41 out of 56 people, believed that **they were not more likely to get paid work because of any Centrelink compulsory activity undertaken**, which would suggest the requirements were viewed as unrealistic and unreasonable.

The Howard Government also *expected* that one breach would be sufficient to deter people from being breached again (ACOSS, 2001b, p.3; DEWRSB, 2001, p. 11; Burgess et al., 2000; Moses & Sharples, 2000). In that belief, the Government has consistently tightened its breaching regime by increasing penalty costs and schedules (Atkins, 2002; Pearce et al., 2002). However the majority of respondents to *this survey* reported that getting breached was of **no help to them in avoiding further breaches**. Indeed the majority of respondents (56%) **were breached more than once**, and 14% had third breaches. This accords with the literature (ACOSS, 2001b).

Prime Ministerial statements outlined the Government’s need to exhibit “fairness” by providing “equality of opportunity” for unemployed people who comply with Mutual Obligation, because compliance improves their “prospects for self-reliance” and self-esteem (Howard, 1999, pp. 2-9). However an overwhelming majority (**95%**) **believed that Centrelink was being unfair to them**. *This survey* found that most respondents (**91%**) **did not realise beforehand that they were about to be breached**, which suggests Centrelink exhibited a lack of concern about customer rights, due process and procedural fairness.

The Howard Government had assumed that people were not trying hard enough to find work, and were therefore ‘non-genuine’ job seekers needing “coercive authority” (Atkins, 2002, p.1; Edwards et al., 2001; Kinnear, 2000, p.10; Moses & Sharples, 2000, p. 16). Therefore the Government stated its *intent* to target almost all unemployed people through Centrelink’s ‘enhanced’ activity testing and breaching program under Mutual Obligation (Centrelink, 2001a; Jackman, 2002, p. 5), because this (coercion) would “make it harder for people to choose welfare over work” (McKenna, 1999, p. 11). Minister Anthony argued that compliance with Mutual Obligation requirements would “leave people with a sense of pride and belonging” (Anthony, 2000, p.1). Those ‘not trying hard enough’ were considered ‘unworthy’ of welfare benefits, and as a further deterrent would have their self-esteem attacked through public rhetoric and Centrelink service delivery practices (ACOSS, 2001a, p.2; Bryson, 1993; Hall, 1998; Hartman, 2001; Kinnear, 2000; Schooneveldt, 2002; Tomlinson, 1999). Reflecting the ‘success’ of these particular policies, *this survey* found most people (**93%**) **reported a loss of self-esteem** and many felt Centrelink **put pressure on them to go ‘off-benefit’ permanently**.

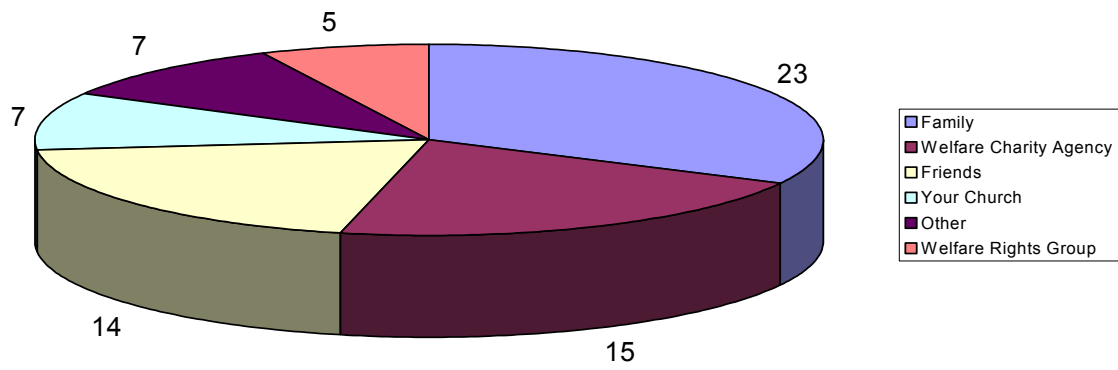
It is *unstated* Government policy that Centrelink breaching practices are intended to drive unemployed welfare recipients ‘off-benefit’, obliging them to seek support for survival

elsewhere. The literature suggests that governments with neo-liberal agendas seek to relocate responsibility for welfare back to community welfare agencies, church groups and the families of individual welfare recipients (Burgess et al., 1998; Burgess et al., 2000; Donald, 2000; Harris, 1998; Sleep, 2001; Stilwell, 1993). Government policies are often *unstated* (Bridgman & Davis, 2000).

In *this survey*, **23 people indicated that, once breached, they obtained assistance from family, 15 people indicated being helped by charities and seven indicated that their church was of help.** In each of the years 1999, 2000 and 2001, six respondents nominated ‘charity’ as a source of help. However in the first 4 months of 2002, eight people nominated ‘charity’. These increasing rates of charity support need are in line with the literature (ACOSS, 2001b; Horan, 2001; Nevile, 2001, p. 30; Stavropoulos, 2000). Figure 1, below, illustrates the categories of assistance sought by the respondents to *the survey*.

Figure 1:

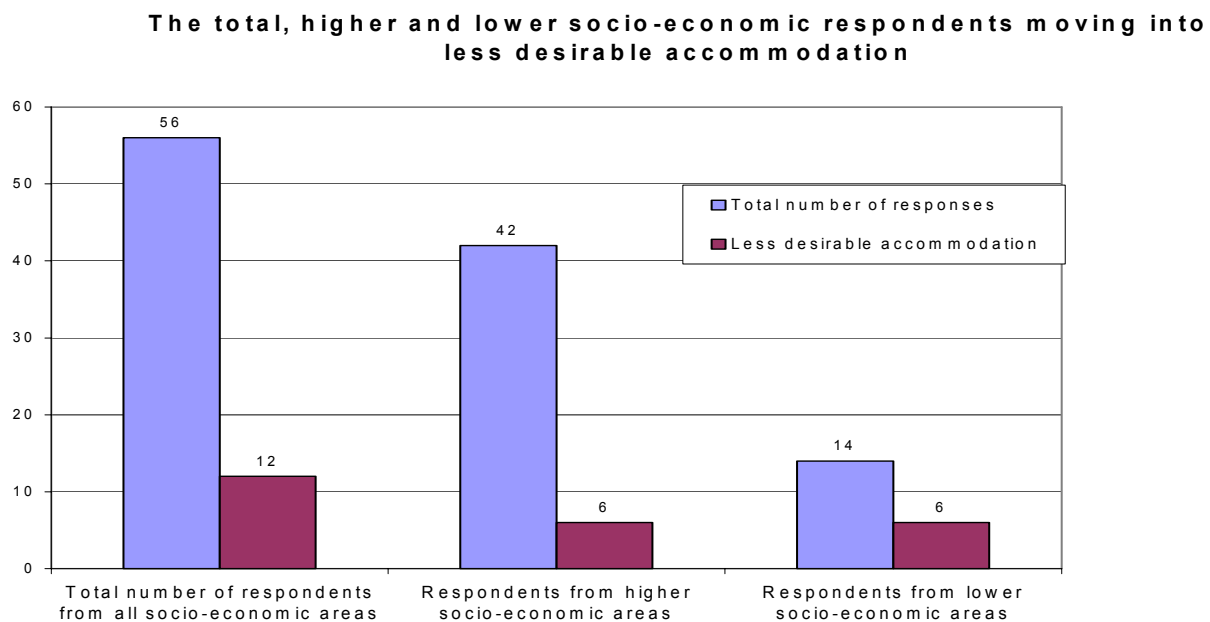
Categories of assistance sought by respondents



Just as Government policy can be unstated, or merely hinted at, there also exists a body of literature that identifies ‘the unanticipated consequences of purposive social action’ (Merton, 1936). See also Burgess et al. (2000) and Sleep (2001), whereby Government may accept unanticipated policy outcomes as collateral damage. For example, a consequence of being breached for welfare recipients is that accommodation standards can be reduced, as was noted in the literature (ACOSS, 2001b; Pearce et al., 2002). Indeed, from *this survey*, **12 people out of 56 (almost 22%) reported needing to move into less desirable accommodation** because of inability to pay rent after even the first breach. They included 10 males under 30 years of age, three of whom wrote “on the streets” and one reported “men’s homeless shelter” on the survey form. Whether *unintended* or *unexpected* or not, the Government is aware that many people who are breached become homeless and it has not altered its breaching policy, as noted in the National Welfare Rights Network’s (2002) submission to the Senate Community Affairs Reference Committee (p.6).

One of the three locations where *the survey* was conducted is in a relatively lower socio-economic area compared with the other two locations, and more people here appeared to suffer from a reduced ability to afford accommodation, needing to move to less desirable accommodation as a consequence of being breached. Figure 2, below, differentiates the proportion of individuals who were breached in higher and lower socio-economic areas, who needed to move to less desirable accommodation. Almost one half of respondents were affected in the lower socio-economic area. Thus the most vulnerable low-income people are driven into sub-standard housing.

Figure 2:



Discussion

The Howard Government's expectations for Mutual Obligation policy contrast markedly with the lived experiences of the 56 respondents to *this survey*, which in many aspects may be considered policy failures. However, this does not complete the analysis. *This study* found that people who were breached had their lives seriously affected in other important areas, such as being dealt with ethically, which the Howard Government does not publicly acknowledge.

Kinnear (2000) examined Mutual Obligation for The Australia Institute, and found that "the ethical foundations of the Howard Government's Mutual Obligation policies do not stand up to scrutiny" for a number of reasons. One reason was that "Australia's system of economic management [which] has relied on creating joblessness to sustain economic growth" is unjust. Another reason was that proponents of Mutual Obligation willingly impose activity requirements on unemployed people, in the belief "that unemployed people have some control over their joblessness, and therefore a choice to accept or reject welfare benefits". However the proponents "are mistaken, because realistically, there is no choice" (p. v). As Lawrence (2002) had pointed out, there are "still ten job seekers for every one vacancy" and "getting tough" on "dole bludgers" cannot fix any unemployment problem (pp. 2-4). Yet the

Government is seeking to add a significant proportion of people currently on the Disability Support Pension, who are also unemployed, to the New Start program (Anthony, 2002).

Goodin (2001) noted that lack of choice about receiving welfare, arguing that obliging people to sign contractual activity agreements in return for welfare benefits lacked moral force. The notion “agree or starve” (by losing benefit payment) was analogous to the highway robber’s demand “your money or your life!” (p. 191). Kinnear (2000) cited Rawls, who argued that Government institutional programs “must be just, and individuals must have freely accepted the benefits provided by society”. Finding those two conditionalities were not met, Kinnear declared that the Howard Government’s Mutual Obligation policies failed ethically and morally, because they imposed obligation only upon the least financially advantaged people, thus eroding “the ethical case for a social contract”. Further, when people in positions of social advantage demand social repayments from people who are disadvantaged, as happens under Mutual Obligation, that “may be a *manifestation* of moral decline” (pp. v-vi, italics in original; see also Hammer, 2002). Such arguments on ethics and moral decline become cogent when considering the Government’s intended legislation to include people who have disabilities in the Mutual Obligation regime.

The harshness of the Mutual Obligation regime raises the possibility that the Howard Government’s *intent* in dealing with unemployed welfare recipients, and now single parents and disability pensioners, is to treat all unemployed people in a different manner to other people (Hartman, 2001, pp. 5-6). For example, the Commonwealth Ombudsman found Centrelink was applying breaches “without due process” (McLeod, 2001, p.51) and was ‘too quick to breach’ (Eldridge, 2001). Breach penalty levels often exceed the value of fines imposed for many criminal convictions ACOSS (2001b, pp. 3-11). It also needs to be remembered that Government adherence to the tenets of economic fundamentalism ensures that “Australia’s system of economic management has relied on creating joblessness to sustain economic growth” (Kinnear, 2000, p. v), thus fostering inequality. As noted from *this survey*, 95% of respondents felt that Centrelink treated them unfairly in regard to breaching.

Lawrence (2002) argued that the coercive requirements of Mutual Obligation are excessive because they have little to do with a willingness to work. Most people, including people who have disabilities, want to work and actively look for it (ACOSS, 2001a, p.5; McKinnon & Dorries, 1999; Quiggin, 2001). Goodin (2001) argued that “most of those who want to work, but don’t”, are unemployed due to external circumstances that have “nothing to do with the sort of ‘weakness of will’ arguments” so often heard (pp. 196-197). Indeed, Windschuttle (1980) had debunked the myth of “dole bludgers” twenty years earlier (pp. 155-179).

In an international context, Tomlinson (2001) argued that the Howard Government’s Mutual Obligation agenda is considered to breach Article 8(3)(a) of the *International Covenant on Civil and Political Rights*: “No one shall be required to perform forced or compulsory labour”, which Australia has signed and ratified (pp. 10-11). (See also Burgess et al., 1998, p. 17; Rees, 2000, pp. 296-297). Ironically, also in an international context, Howard Government coercion meant to reduce mythical ‘welfare dependency’ is demonstrably unnecessary. In a seminal longitudinal study conducted over 10 years in The United States, the Netherlands and Germany, Goodin, Heady, Muffels, and Dirven (1999) found an “exceedingly small percentage” of people remained on welfare indefinitely, in any of those national welfare systems. Further, they found the rhetoric of “welfare dependency” referred to in those countries, and often heard in Australia, to be unfounded (pp. 136-145).

Conclusion

As noted, although this small *survey* cannot be applied to outcomes for all people who have been breached, the findings are largely consistent with commentary in the literature, including experiences reported by community welfare agencies (ACOSS, 2002). In the current climate of entrenched unemployment, it is evident that the Howard Government's coercive Mutual Obligation breaching practices have not succeeded. Whether intentionally or unintentionally designed to drive people off benefits toward community provided support or employment, the experience has not been a successful one for the unemployed people surveyed, *and these people did not have a disability*.

This survey found that people who were breached **did** have their lives seriously affected negatively, although often the Howard Government does not publicly acknowledge such outcomes have resulted from its Mutual Obligation ideology. *This survey* found that Mutual Obligation policy and mandatory activity test requirements did lead to people being readily breached, experiencing financial hardship and frustration and experiencing decreased self-esteem with strong feelings of being unfairly treated. A larger than expected proportion of people who were breached, even for a first time, needed to move into less desirable accommodation, with three reporting "moved onto streets". The latter fact confirms a need for further research in this area and provides evidence that the policies and breaching practices implemented under Mutual Obligation strike at the most vulnerable and least advantaged group of people (*who did not even have any reported disability*) within the Brisbane community (ACOSS, 2000, p. 2; 2001b; Nevile, 2001).

The plight of the unemployed people surveyed, *who did not have a disability*, and who have been breached, presents a different picture of their life circumstances than that which the Howard Government's rhetoric seeks to conjure. The Government still boastfully proclaims the effectiveness of the "safety net" which is provided to "protect" people who are "genuinely in need" and deserving of welfare support (Howard, 1999, p. 4; Vanstone, 2002a). 'Living on the streets' is viewed as a personal choice. Now unemployed people, and soon, single parents and people who have a disability, whose only source of income is a welfare benefit, can also have their payments fully suspended by Centrelink on grounds of 'suspicion' that they 'might' not comply with future activity or administrative requirements (Vanstone, 2002a). Perhaps this new travesty of fair treatment towards welfare recipients accords with what the Howard Government calls "tough love" (McKenna, 1999).

References

- ABC. (2002). *Segment on Professor Pearce's Independent Report on the prevalence of Breaching* [TV news report]. Sydney: ABC Television.
- ACOSS. (2001a). *ACOSS submission to the Independent Review of breaches and penalties in the Social Security system*, [Electronic Submission to Government]. Australian Council Of Social Services. Available: <http://www.acoss.org.au/intro/2001/316b.htm> [17th December, 2001].
- ACOSS. (2001b). *Breaching the safety net: The harsh impact of social security penalties*, [Press Release]. Australian Council of Social Services. Available: <http://www.acoss.org.au/info/2001/info305.htm>. [13 September 2001].
- ACOSS. (2002). *Jobless fines hold up welfare reform*, [Internet press release]. Australian Council of Social Services. Available: www.acoss.org.au/info/2002 [July 15th 2002].
- CPC. (2002). *Draft Report: Independent review of Job Network*, [Internet Publication release]. Commonwealth Productivity Commission. Available: <http://www.pc.gov.au/inquiry/jobnetwork/draftreport/> [May 10th, 2002].
- DEWRSB. (2000). *Work for the dole: A net impact study*. [Evaluation and Program Performance Branch, Labor Market Policy Group] Department of Employment, Workplace Relations and Small Business. Canberra. Available: <http://www.dewrsb.gov.au/> [August 2000].
- DEWRSB. (2001). *Job network: A net impact study* (EPPB Report 1/2001). Department of Employment, Workplace Relations and Small Business. Canberra. Available: <http://www.dewrsb.gov.au/> [November 22nd 2001].
- Anthony, L. (2000). *Introducing a preparing for work agreement*, [Internet press release]. Dept. of Family and Community Services. Available: <http://www.facs.gov.au/internet.../836401c59/> [23rd November, 2000].
- Anthony, L. (2002). *Second reading: Legislation amendment (Disability reform) Bill No.2*. Department of Family and Community Services. Available: <http://www.aph.gov.au/bills/index.htm>. [23rd August]
- Atkins, D. (2002). 'Bludgers' to lose benefits. *The Courier Mail*, May 20th 2002, p. 1.
- Borland, J. (2000). *Unemployment*. Paper presented at the 7th National Conference on Unemployment, University of Western Sydney, Campbelltown, 30th November - 1st December.
- Bridgman, P., & Davis, G. (2000). *The Australian Policy Handbook* (2nd ed.). St Leonards, NSW: Allen & Unwin.
- Brotherhood of St Lawrence. (2002). *People think breaching penalties are unfair: Survey*. [Internet Press Release] Available: www.bsl.org.au [August 5th 2002].
- Brough, M. (2001) Job figures are out in the open.. *Courier Mail*, March 5th , p. 13.
- Bryson, L. (1993). Welfare issues of the nineties. In J. M. Najman & J. S. Western (Eds.), *A Sociology of Australian Society: Introductory readings*. (pp. 463-494). South Melbourne: Macmillan Education.
- Burgess, J., Mitchell, W. F., O'Brien, D. J., & Watts, M., J. (1998). *Workfare in Australia and New Zealand: A critical assessment*. Paper presented at the 5th National Conference on Unemployment, RMIT, Melbourne, October.
- Burgess, J., Mitchell, W. F., O'Brien, D. J., & Watts, M. J. (2000). The developing workfare policy in Australia: a critical assessment. *The Journal of Socio-economics*, 29, pp. 173-188.
- Burns, R. B. (1990). *Introduction to research methods in education*. Sydney: Longman Cheshire.
- Centrelink. (2001a). *Activity Test Penalties*, [Government Web Page]. Centrelink. Available: http://www.centrelink.gov.au/internet/internet.nsf/payments/newstart_activity_pen.htm [20/06/01].
- Centrelink. (2001b, December 2001). Interviews... why should you turn up? *Employment Update*, 1. December.
- Centrelink. (2002). Psychologists: 80 opportunities Nationwide. Brisbane: The Courier Mail Classified Advertising, pp. 32.
- Donald, J. (2000). *Social policy - from support to enabling*. Paper presented at the Australian Political Studies Association 2000 Annual Conference, ANU, Canberra, 3-6 October.
- Edwards, M., Howard, C., & Miller, R. (2001). *Social policy, public policy: From problem to practice*. Crows Nest NSW: Allen and Unwin.
- Eldridge, D. (2001). *Summary report from the Prime Minister's youth pathways action plan taskforce 2001*, [Government research report]. Department of Prime Minister. (May 22nd) Available: <http://www.youthpathways.gov.au/report.htm> [23rd November 2001].
- Gilmour, J., Hartman, Y., & Jennings, L. (2000). *Challenging capacity - Can the government meet its Mutual Obligation*. Paper presented at the 7th National Conference on Unemployment, University of Western Sydney, Cambelltown, 30th November- 1st December.
- Goodin, R., Heady, B., Muffels, R., & Dirven, H.-J. (1999). *The real worlds of welfare capitalism*. Cambridge: Cambridge University Press.

- Goodin, R. E. (2001). False principles of welfare reform. *Australian Journal of Social Issues*, 36(No.3), pp. 189-205.
- Hall, S. (1998). *Outcomes for participants in 'Work for the Dole' schemes: A view from both sides*. Unpublished Bachelor of Social Science (Honours) thesis, Queensland University of Technology, Brisbane.
- Hammer, S. (2002 forthcoming) *The rise of Liberal independence and the decline of the welfare state*. PhD Thesis, Queensland University of Technology, Brisbane.
- Hannon, K. (2002). Fines for job network. *The Courier Mail*, 29th January, pp. 4.
- Harris, J. (1998). Scientific management, bureau-professionalism, new managerialism: The labour process of state social work. *British Journal of Social Work*, 28, 839-862.
- Hartman, Y. (2001). *Precarious stability: Jobless families in the new millenium*. Paper distributed for the 8th National Unemployment Conference (Virtual), Southern Cross University, Lismore, NSW., September.
- Horan, A. (2001). *Charities target welfare penalties*, [Media release]. Smith Family Organisation. Available: <http://www.smh.com.au/news/0108/20/national/national13.html> [17th December, 2001].
- Howard, J. (1999). *Address to the 'Australia Unlimited Roundtable' Building a stronger and fairer Australia: Liberalisation in economic policy and modern conservatism in social policy*. Paper presented at the Australia Unlimited Roundtable, Canberra, May 4th.
- Jackman, C. (2002). 'Work for dole' net to widen. *Sunday Mail*, February 3rd, pp. 5.
- Jennings, L. (2001). *Make work pay*. Paper distributed for the 8th National Unemployment Conference (Virtual), Southern Cross University, Lismore NSW., September.
- Kinnear, P. (2000). Mutual obligation: Ethical and social implications; Discussion Paper (pp. 1-46). Canberra: The Australia Institute.
- Langmore, J., & Quiggin, J. (1994). *Work for all: Full employment in the nineties*. Carlton, Victoria: Melbourne University Press.
- Lauritsen, J. (2001). *The Danish model of activation*. Paper distributed for the 8th National Conference on unemployment (Virtual), Southern Cross University, Lismore NSW., September.
- Lawrence, C. (2002). *The brave new world of mutual obligation*, [Internet press release]. Available: <http://www.carmenlawrence.com/says/papers/mutual.htm> [March 10th 2002].
- MacDonald, H., & Abello, D. (2001). *How is the Job Network impacting on the operations and orientations of community-based non-profit agencies?* Paper distributed for the 8th National Unemployment Conference (Virtual), Southern Cross University, Lismore NSW., September.
- McKenna, M. (1999). Howard's Welfare: Tough love. *The Courier Mail*, 11th November, pp. 11.
- McKinnon, M., & Dorries, B. (1999). Jobless happy to work for less. *The Courier Mail*, April 13th, pp. 4.
- McLeod, R. (2001). *Commonwealth Ombudsman's Annual Report for the year ended 30th June, 2001.*, [Governmental Report]. Commonwealth Ombudsman [17th December, 2001], Canberra.
- Merton, R. K. (1936). The unanticipated consequences of purposive social action. *American Sociological Review*, 1(No 1), 894-904.
- Mitchell, W. F. (2000). *Full employment abandoned - the role of the public sector*. Paper presented at the 7th National Conference on Unemployment, University of western Sydney, Campbelltown, 30th November – 1st December.
- Moscaritolo, M., & Keim, T. (2001). Tough welfare rules review. *Courier Mail*, August 13th, p. 1.
- Moses, J., & Sharples, I. (2000). *Breaching - History, trends and issues*. Paper presented at the 7th National Conference on Unemployment, University of Western Sydney, Campbelltown, 30th November – 1st December.
- National Welfare Rights Network. (2002). *Submission to the Senate Community Affairs Reference Committee Inquiry into participation requirements and penalties*. Canberra: Senate Community Affairs Reference Committee. Accessed: <http://www.Aph.gov.au/bills/index.htm> . August 8th 2002.
- Nevile, A. (2001). *State of the Family 2001* (Social welfare report). Melbourne: Anglicare Australia.
- Newman, J. (2000). *The challenge of welfare dependency in the 21st century.*, [Discussion Paper]. Commonwealth Department of Family and Community Services. Available: <http://www.workright.org.au/archive/welfare%20reform.html> [11/05/2000].
- Odgers, R. (2001). Thousands reject training for jobs. *Courier Mail*, April 11th, p. 8.
- Parnell, S. (2002). Anderson hits 'un-Australian' work shirkers. *The Courier Mail*, May 21st, p. 2.
- Pearce, D., Disney, J., & Ridout, H. (2002). *Report of the review of breaches and penalties in the Social Security system*, [Internet Press Release]. Combined commission of ACROSS and Community Charity Organisations. Available: http://www.breachreview.org/final_report/summaryreportword.doc [11th March 2002].
- Quiggin, J. (2001). *Active labour market policy as an automatic stabiliser*. Paper distributed for the 8th National Conference on Unemployment (Virtual), Southern Cross University, Lismore NSW., 26th September.

- Rees, S. (2000). Omissions in the twentieth century - priorities in the twenty-first. In S. Rees & S. Wright (Eds.), *Human rights, corporate responsibility: A dialogue*. Annandale: Pluto.
- Richardson, L. L. (2000). *Impact of the mutual obligation initiative on the exit behaviour of unemployment benefit recipients: The threat of additional activities*. Paper presented at the 7th National Conference on Unemployment, University of Western Sydney, Campbelltown, 30th November – 1st December.
- Senate Community Affairs References Committee. (2002). *Report on participation requirements and penalties in the social security system*. Canberra: Senate Printing Unit.
- Schooneveldt, S. (2002). *Do the lived experiences of people who have been breached by Centrelink match the expectation and intent of the Howard Government?* M.Soc.Sc. Thesis, Queensland University of Technology, Brisbane.
- Sleep, L. (2001). *Pulling up their breaches: An analysis of Centrelink breach numbers and formal appeal rates?* Paper distributed for the 8th National Unemployment Conference (Virtual), Southern Cross University, Lismore NSW., September.
- Stavropoulos, P. (2000). *Australians living on the edge: New report slams government welfare policy*, [Press Release (Internet)]. World Socialist Web Site. Available: <http://www.wsws.org/articles/2000/nov2000/welf-n02.shtml> [16th November 2000].
- Stilwell, F. (1993). Economic rationalism: Sound foundations for policy? In S. Rees, G. Rodley, & F. Stilwell (Eds.), *Beyond the market: Alternatives to economic rationalism* (pp. 27-37). Leichhardt, NSW.: Pluto Press Australia.
- Titmuss, R. (2000). Universalism versus selection. In C. Pierson & F. G. Castles (Eds.), *The welfare state reader* (pp. 42- 50). Cambridge: Polity Press.
- Tomlinson, J. (1999). Discussing "welfare dependency". Submission to Senator Newman's Welfare Inquiry, 14th November 1999. Queensland University of Technology. Unpublished.
- Tomlinson, J. (2001). *Income support for unemployed people: Human rights versus utilitarian rights*. Paper distributed for the 8th National Unemployment Conference (Virtual), Southern Cross University, Lismore NSW., September.
- Tomlinson, J. (2002). *How dare we?* Paper distributed for the 9th National Unemployment Conference, Centre of Full Employment and Equity (CofFEE). University of Newcastle, Newcastle NSW, December.
- Vanstone, A. (2002a). *Breaching rules change to protect the vulnerable*, [Internet Media Release]. Department of Family and Community Services. Available: [http://www.facs.gov.au/internet/minfacts.nsf/\[06/03/2002\]](http://www.facs.gov.au/internet/minfacts.nsf/[06/03/2002]).
- Vanstone, A. (2002b). *Data matching saves taxpayers \$550 million*, [Electronic Media Release 8th January]. Department of Family and Community Services. Available: [http://www.facs.gov.au/internet/mint.../96/\[16/01/2002\]](http://www.facs.gov.au/internet/mint.../96/[16/01/2002]).
- Vanstone, A. (2002c). *ACOSS inadvertently misleads*, [Government Ministerial Statement]. Available: [http://www.together.gov.au/\[13th September 2002\]](http://www.together.gov.au/[13th September 2002]).
- Vanstone, A., & Abbott, T. (2001). *Australians working together - Helping people to move forward*, [Government Ministerial Statement]. Available: http://www.together.gov.au/PDFs/budget_statement.pdf [23rd November 2001].
- Watts, M. (2001). *Basic income versus the job guarantee: A review of the issues*. Paper distributed for the 8th National Unemployment Conference (Virtual), Southern Cross University, Lismore NSW., 26th September.
- Windschuttle, K. (1980). *Unemployment: A social and political analysis of the economic crisis in Australia* (2nd Edition). Ringwood, Melbourne: Penguin Books Australia.