

Where ‘mutual obligation’ began: John Howard’s paradigm shift on welfare

Cabinet papers 2001: *government also opposed apology to stolen generations ‘given that the practices were at the time believed to be in the best interests of the children’*



Prime minister John Howard in 2001. Cabinet papers from that year show a shift to a ‘mutual obligation’ welfare system and refusal of apology to stolen generations.

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The 2001 cabinet papers provide more evidence of how John Howard wanted to use welfare and Indigenous policy to shape national attitudes over coming decades.

Howard began his term as prime minister in 1996 pledging to create an Australia that was “comfortable and relaxed”.

The papers, released by the National Archives on Saturday, show how Howard, inherently a social conservative, concentrated his efforts on policies he believed would appeal to the “battlers”.

In March 2001 the cabinet turned its attention to a report on welfare reform by the chief executive of Mission Australia, Patrick McClure.

A joint cabinet submission from ministers Amanda Vanstone (family and community services) and Tony Abbott (employment and workplace relations) said the report offered an opportunity to tackle the social and economic issues of welfare dependency

and that a “level of compulsion [was] desirable in moving individuals towards economic participation”.

While they acknowledged that a social safety net was a key component of a civilised society, Vanstone and Abbott proposed “targeted interventions” for people on unemployment benefits, older person allowances and parenting payments.

“More needs to be done to ensure that people stay constantly ‘on the radar screen’,” the submission said. It proposed a series of targeted interventions, including regular reporting by recipients, literacy programs and a work-for-the-dole scheme.

The submission sought extra funds – up to \$1bn over four years – to implement the plan, but promised big savings and social change down the track.

This concept of mutual obligation would shape the political discourse on social security for the next two decades – including the Abbott government’s 2014 budget, which drew howls of protest from the welfare sector.

Academics such as Shaun Wilson and Nick Turnbull at the University of New South Wales have explored whether Howard’s welfare reforms were an exercise in wedge politics – “a calculated political tactic aimed at using divisive social issues to gain political support, weaken opponents and strengthen control over the political agenda”.

“The election of the Howard government marked a paradigm shift in welfare policy with the implementation of far reaching reforms around the concept of mutual obligation,” they wrote.

“Howard’s new welfare paradigm defined welfare as a problem associated with ‘dependency culture’ and linked reforms to specific social groups (single mothers, young unemployed, new migrants).”

‘Guided towards independence’

The Vanstone/Abbott submission show particular concern about single parents.

“Australia has one of the highest incidences of children living in families without work. The need for reform is urgent. We should seize the opportunity provided by the McClure report and broader community support for these directions, to tackle the future of welfare dependency and entitlement that is driving welfare outlays.”

The submission proposed requiring single parents with children over 13 to work, while those with children between six and 13 would have annual interventions.

The result was a major shift in the welfare system from “passive” income support to the “expectation that all income support recipients of workforce age will be actively engaged so that, wherever possible, they are guided towards independence and away from social exclusion and welfare dependence”.

The increased interactions required with Centrelink as a result of the Howard government’s reforms were not without controversy.

In September 2001, Vanstone asked for extra Centrelink call centre funding, given the serious problem clients had getting their calls answered, with “around 25,000 customers being unable to reach an operator on some days”, equating to “85% of callers receiving a busy signal”.

The department of the prime minister and cabinet noted that: “Ready access to Centrelink services is essential to maintain the fairness of the social support system, particularly as income support recipients can be penalised (‘breached’) for failing to contact Centrelink.”

The cabinet decided Centrelink could have a short-term loan to increase its call centre capacity and Vanstone should come back with a demand management strategy for consideration.



Galarrwuy Yunupingu at the Garma Key Forum in 2017.

No treaty, no apology

In 1988, Galarrwuy Yunupingu and Wenten Rubuntja presented the Barunga Statement to then prime minister, Bob Hawke, who promised to progress a treaty by 1990. He was unable to fulfil his promise to First Nations, but lobbying for a treaty continued.

In March 2001 the Aboriginal and Torres Strait Islander Commission (Atsic) proposed directing \$4m of its budget to a Treaty Advisory Committee, but met with staunch opposition.

The government confirmed in a March cabinet minute its “clearly expressed opposition to a treaty”. The cabinet opposed the additional funds and suggested the

“first priority for ATSIC funds should be used to address key areas of indigenous disadvantage (including health and housing)”.

The same month, in response to the 1997 Bringing Them Home report into the stolen generations, the cabinet decided against a formal apology to Indigenous Australians “affected by family separation”.

The cabinet judged it was “not appropriate given that the practices were at the time believed to be in the best interests of the children concerned and were sanctioned by the laws at the time”.

Financial compensation was also judged “neither [an] appropriate nor practical response to assist in healing the trauma caused by family separations, nor could it be equitably applied”.

Atsic was instead granted an additional \$4.9 m over two years for a Link Up family reunion program, on top of \$63m that had earlier been allocated for the response.

The cabinet also proposed asking Atsic to consider undertaking consultations on a national memorial to Indigenous people separated from their families.

This was superseded by a cabinet decision in June, upon oral submission from Howard, that “Reconciliation Place is to be constructed in the Parliamentary Zone, Canberra and will include national recognition of the issue of indigenous children separated from their families”.