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In search of the Australian
dole bludger

Constructing discourses of
welfare, 1974-83

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Print media and the adoption of New Right frames

This chapter will examine the use of ‘dole-bludger’ discourse and ‘new-class’ discourse within Australian newspapers. It will argue that these discourses supported varying agendas of media actors as well as broader New Right agendas. The media’s role extended beyond mere dissemination. Media texts naturalised these discourses within a popular sphere, and, like the discourses constructed by the Workers Party and the other major right-wing parties examined in the previous chapter, they helped to ‘Australianise’ what was ultimately an international hegemonic project. The media played a vital role in the articulation of New Right discourses outside of a narrow economic policy sphere. It further bound readers to the goals of the New Right by using this discourse while enforcing its role as political ‘watchdog’ and ‘crusader of the people’, and by paying attention to ‘real stories’ of ‘one man’s struggle to pay tax’, ‘dole dollies living in shared luxury’, ‘hundreds of jobs but no takers’. By constructing ‘real life’ using a New Right discursive frame and articulating the economic constraints felt by wage earners within this frame, the media bound the real lived experience of the economically disadvantaged to New Right economic agendas.

The Australian media was a major purveyor of New Right discourse during the period under examination. With talk back radio only really gaining prominence after the deregulation of Australian radio through the Broadcasting Act of 1992, the press was at this time the likely source of political information for most Australians.\(^1\) Its role as an independent capitalist industry dealing in discourse places it in a position unlike the business organisations and New Right think tanks referred to in Chapters 1 and 2. While these organisations acted to bring about a major shift to New Right welfare ideology, the media constructed New Right welfare discourse either as ‘good copy’ or as a means of supporting other campaigns, such as the campaign to remove Whitlam,

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examined in this chapter, or the campaign to stop the Value Added Tax (VAT), the subject of Chapter 6. While certain members of the media, such as Peter Samuel of The Bulletin, can be linked to New Right networks, it is impossible to link anonymous articles to New Right figures. It is important to note that New Right figures were given a great deal of space to air their views in the press, especially after 1974, but it is also important to note that media discourses are contradictory. They incorporate a desire to appeal to a particular audience in order to maintain or boost sales. They also include the ideologies of proprietors, editors, and journalists which are often negotiated within the parameters set by proprietors and audiences regarding 'what sells' and what the proprietor wishes to sell. Intention, therefore often lies outside of the New Right hegemonic project while at the same time firmly supporting it.

On another level, this chapter will argue that the dole bludger only really started to appear in the press during the recession of 1974. This is contrary to Alan Law's argument that the dole bludger existed in characterisations of 'alternative lifestyle workers' in the early 1970s; a phenomenon which, he argues, worked to discipline claimants and through them society.\footnote{Law's argument is examined further in the Introduction to this thesis.} This chapter will show that the term 'bludger', as a description of an unemployment benefit recipient, was used for the first time in 1974. Its appearance contributes to the development of the New Right hegemonic project in its early stages in Australia. Likewise this chapter will also argue for the inclusion of another discursive construct within this period. The new class: a fundamental discourse of the New Right in recent decades appeared in Australia in 1974 and intermittently in media dole-bludger discourses following this.

For this chapter I relied upon the only index of newspaper reports available for the period, the Sydney Morning Herald index. Using the search terms 'unemployment', 'unemployed', 'welfare' and 'dole' as well as 'tax' and 'taxation', I found the articles referred to in the index and then used the date on which the article appeared to run a microfilm search of three Murdoch papers: The Australian, The Daily Telegraph including the Sunday Telegraph, and the Daily Mirror; three other Fairfax papers: The Age, The Canberra Times, and the Sydney Morning Herald including the Sun Herald;
and three Herald and Weekly Times (HWT) newspapers: The Herald, the Courier Mail, and the Adelaide Advertiser.

**1972–1974: Pre-New Right media discourses**

In 1972, welfare received very little publicity. When welfare news did appear, stories of unemployment and the unemployed took the shape of human-interest stories. They focused mainly upon the clothing, drug habits and perceived anti-social behaviour of the unemployed. Rarely was a connection drawn between the government and the unemployed. Mostly, unemployment was seen as a lifestyle choice, and apart from concerns for the character and future of the ‘deviants’ and ‘for the future of Australia’ the stories could be described as light entertainment. Of the few stories that did appear before 1974, not all were unsympathetic. In 1971 a Sydney Morning Herald story told of the plight of unemployed PhD graduates whose hopes and dreams had been unhinged by the employment market. Bearing the usual ‘wake up call’ for academics and placing the blame upon an out-of-touch university system, the article feared for the character and future of the academic misfits. Although it spanned five columns, it did not once mention the graduate’s means of support.³

One year later, in October 1972, an article appeared in the Fairfax press claiming that the New Zealand Government had decided to ‘crack down’ on ‘drifters and job dodgers’ who had been the cause of complaints from coastal residents. These people apparently frequented beach resorts and were rumoured to be living on ‘state aid’. Although the means of support was mentioned, and only briefly, the rhetoric was clearly different from post-1974 rhetoric. ‘Taxpayers’ were never linked to the payment of benefit. Readers were encouraged to view the state in competition with the ‘undeserving poor’. It was ‘the state’, in this case, that had been duped.⁴

The following day the Murdoch press ran the story, providing the views of the Liberal New South Wales Premier, Sir Robert Askin. Askin, in much the same language as had been exhibited the previous day, claimed that Australia had its fair share of ‘job dodgers and drifters’ and that the ALP, by making unemployment an election issue, was doomed to failure. The Daily Telegraph’s spin on the story was that ‘genuine

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³ Christopher Dawson, ‘The intellectual unemployed’, Sydney Morning Herald, 8 Nov 1971, p.6
unemployment’ was not on the rise, rather, drop-outs who did not want to work were swelling the ranks of the unemployed and providing an unrealistically inflated unemployment figure. All in all, very little attention was given to the provision of the dole or to the act of ‘bludging’ on it. Mostly, the character and activity of the claimant came under scrutiny with the occasional reference to his or her propensity to make the government of the day look bad.

Again, in the lead up to 1974, it was common to find a sympathetic voice among the few who bothered to speak about the unemployed. In response to the previous day’s articles, a Sydney Morning Herald editorial chastised ‘the press’ and members of the government for its attitude towards job seekers. The editorial’s view was that the economy, not the individual character of the claimant was to blame.

The argument that those out of work don’t really want to work has always had a strong appeal to those comfortably ensconced in jobs. Before the debate in this country takes off on such ludicrous grounds the issue should be put into perspective… Once the Government can argue that those out of work are not unemployed but lazy then the pressure to correct the economic situation leading to the unemployment and the pressure to lift the present pitifully low level of unemployment benefit is removed… To argue that none but the lazy are out of work because there are job vacancies advertised is ignorant nonsense.

Despite the clear difference of opinion, the editorial’s focus upon debates about the character of the claimant reflects the nature of the pre-1974 discourse. It had not yet become a debate about the provision of welfare benefits to the unemployed or about the claimant’s predilection to ‘bludge’ on benefits. The government’s responsibility in this matter was not questioned.

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6 Editorial, On the dole, Sydney Morning Herald, 19 October 1972, p.6
What was questioned was the relationship between ‘the people’ and the unemployed. Though, in contrast to the post-1974 period, this relationship was depicted as a personal and not an economic one. The precariousness of this relationship, particularly within the coastal towns where ‘drop-outs’ apparently chose to live, intrigued the press more than any other story to do with unemployment. Mostly the existence of ‘hippie and surfie colonies’ amid towns of hard-working locals was treated as an affront to the values of the locals, a law and order issue, or as a curiosity, played out in an ‘odd couple’ human-interest story. For the most part it was reported that the relationship was quite amiable and that both sides ‘kept to themselves’.7

Law and order issue stories were the most negative. The HWT group favoured these stories over others.8 Reports such as ‘Idle surfies get a “push”’ told of ‘groups of surfers’ descending upon coastal towns, only to be ‘tracked’ and run out of town by the police. The tone of the story implied that the towns had been under threat from deviant mobs and that the police were the heroes of the story. One of the major themes of the story was the fact that the surfies had chosen, voluntarily, to draw unemployment benefits in order to continue their ‘alternative lifestyles’. One surfer claimed that if they did not receive these benefits they would be forced to start thieving. Although their existence on unemployment benefits was mentioned, it was never suggested that the benefits should be stopped. Rather, the mention of benefits went toward the claim that the surfers were dangerous deviants who were prepared to live on miniscule amounts of money in order to avoid work.9

The popularity of these ‘character based’ stories became obvious. Follow-up reports such as “Ambition is the root of all evil” New breed of unemployed’, which appeared in the HWT Adelaide Advertiser read like an exposé of the inner workings of an

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7 See for example ‘Idle surfies get a “push”: Find work or leave, police say’, The Herald, 6 November, 1972, p.3
8 The Herald and Weekly Times Ltd. Group owners for this period are very difficult to identify. The top shareholders in descending order include John Fairfax and Sons (14.9 per cent), Advertiser Newspapers Ltd, Queensland Newspapers Pty Ltd., Telegraph Newspaper Co Pty Ltd, WAN Nominees Pty Ltd, Herald Employees Association, Queensland Press Ltd. The Directors include the chairman of Carlton and United Breweries and Electrolytic Zinc, Sir Edward Cohen. All of the nine directors hold joint directorships of other major companies, most commonly, Associated Pulp and Paper Mills and Tasman Pulp and Paper. The company owned 16 metropolitan dailies, 19 Country Newspapers, three television stations: HSV-7 (Melbourne), BTQ-7 (Brisbane) and ADS-7 (Adelaide), and 16 radio stations spread across the country.
9 ‘Idle surfies get a “push”’. The Fairfax press ran a similar but smaller version of this story, see ‘Surfers who have no job told to move on’, Canberra Times, 7 November 1972, p.9
unemployed person’s mind. These stories gave the creative journalist an opportunity to showcase his or her most flamboyant language.

“A job”, echoed the young man incredulously. “A steady nine-to-five? It’s death man without the dignity.”...“Working is a real drag”, said the young man. He had long, straggly hair, T-shirt, dirty jeans, worn-out boots...\(^\text{10}\)

Even amid such negative character stories there was a note of sympathy, a sense that the recession of 1971–72, which had seen unemployment peak at mild 2.1 per cent in comparison to the 1974–75 recession high of 5.4 per cent in November 1975, had turned the youth of Australia into a hopeless and helpless lot.\(^\text{11}\) Although they had ultimately chosen to be this way, the story claimed, they had very little option. Again the writer expressed astonishment at the unemployed person’s ability and willingness to live on such a pittance as was provided by the government. Questions about the right to receive this pittance were absent.\(^\text{12}\)

On 2 December 1972 the Labor Party, led by Gough Whitlam, was returned to government after 23 years in opposition. In the space of a few months, the new Minister for Social Security began carrying out reforms of a nature so shocking to the department itself that many, initially, refused to enact them. Bill Hayden, a self-described ‘democratic socialist’ at this time, saw the old policies as archaic and unnecessarily punitive.\(^\text{13}\) Policies regarding the appearance of the unemployment benefit claimant were removed. The new procedure manual stated that ‘employers do not have the right to determine under penalty of denied unemployment benefit – acceptable dress and appearance in a free, tolerant social democracy’.\(^\text{14}\) In addition beneficiaries were no longer required to present a list of employers contacted in the

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\(^\text{10}\) John Miles, “‘Ambition is the root of all evil’. New breed of unemployed”, *Advertiser*, 8 November 1972, p.5

\(^\text{11}\) Parliamentary Research Service, *Research Note*, no 31, 9 May 1995, Department of the Parliamentary Library

\(^\text{12}\) Miles, “‘Ambition is the root of all evil’"

\(^\text{13}\) Bill Hayden, *Hayden, an Autobiography*, Angus & Robertson, Pymble, 1996, p.198

search for work, nor were they required to accept employment of a nature not congruent with their usual line of work.\textsuperscript{15}

It would be easy to see these Social Security reforms as the catalyst for dole-bludger discourse. Alan Law, in his PhD thesis ‘Idlers, Loafers and Layabouts’, for example attributes the rise of the ‘dole bludger’ to the dislocation of labour norms experienced after the reforms. This argument, however, does not hold much weight. The negative press reports following the 1973 reforms resembled those of the pre-Labor period. Very little was said about the provision of benefits for the unemployed. The fact that the government would provide and go on providing welfare, was taken as a given. The only difference was that now the government was viewed as responsible for encouraging the deviant behaviour of the unemployed person and in doing so, causing grief for employers and hard-working citizens alike.

Stories about the new rules regarding appearance often exhibited an unusual mix of support and outrage. It is probable that many young journalists supported the move due to their own choice in clothing and hairstyles, but that editors took a more conservative line. Therefore it was often the case that positive stories that focused upon the ‘rights of the unemployed’ to dress as they pleased, also carried titles such as ‘Hairy jobless can get dole’.\textsuperscript{16} Many articles exhibited fears that the unemployed would simply refuse to work, since clearly, they had been given the opportunity to do so. The labour market situation in 1972 and 1973 also gave workers the opportunity to refuse jobs and to demand higher wages, or to move on when these were not forthcoming. In 1972 unemployment peaked at 2.1 per cent and declined to between 1.4 and 1.5 per cent in mid-1973. Advertised vacancies increased during this period. The conjunction of low unemployment and a high level of vacancies made this an ideal period in which workers and the unemployed could bargain with employers.\textsuperscript{17} In light of this, stories about the plight of employers who ‘could not get labour’ began to appear frequently alongside stories of ‘alternative lifestylers’ who chose to live on the dole.

\textsuperscript{15} Ibid.
\textsuperscript{16} See for example ‘Social welfare rulings can be disputed’, \textit{The Australian}, 19 January 1973, p.2
\textsuperscript{17} Hughes, ‘The Economy’, p.15
Again, these were not stories or juxtapositions intended to raise the ire of the taxpayer. They were stories that presented employers as the victims of ‘commune dwellers’ and others of ‘poor character’ who, because of government policies, now had a choice between work and the dole. The HWT Adelaide Advertiser gave space to the president of the laissez-faire\textsuperscript{18} South Australian Chamber of Commerce, C. W. Branson, who claimed that:

It is strange that there is such a number on unemployment relief and yet it is almost impossible to obtain labour for full-time, long-term employment. I have been approached by a number of employers who are finding it almost impossible to recruit labor [sic]. In the Brighton area a company that employs about 80 people is considering cutting out a shift because it cannot recruit a further eight workers.\textsuperscript{19}

Clearly then, despite a major change in the policies and procedures regarding unemployment benefit entitlement, changes that overhauled the old ‘conservative’ regulations and implemented an intended ‘democratic socialist’ line, media discourse essentially did not change. Welfare ‘news’ became more frequent. But this was because the policy changes were radical, and therefore worthy of reporting. It was not until 1974 that the ‘dole bludger’ was invented.

**1974: The ‘death of Keynes’ and the birth of the dole bludger**

At the end of 1973 the economy underwent major changes. The long boom, during which the unemployed were regarded as ‘curious’ aberrations ultimately unconnected to the lives of ‘ordinary Australians’, began to disappear. At around this time respected organisations such as the ACCA and the IPA, along with individuals in the Reserve Bank of Australia, the Australian Treasury, and both major parties, began gaining recognition for their proposed alternatives to Keynesian economics and the welfare system in its existing form. The dictum that one needed to maintain living standards in order to maintain demand was increasingly contested. The oil crisis of

\textsuperscript{18} See Chapter 2 for a fuller examination of the ACCA and its laissez-faire/social Darwinist perspective on the economy.

\textsuperscript{19} ‘“Popular” to be jobless’, Advertiser, 19 February 1973, p.9, See also ‘Check jobless more closely, employers say’, Advertiser, 20 Feb 1973, p.3 and ‘Some workers found unwilling’, Sydney Morning Herald, 22 February 1973, p.1
October 1973, which led to an oil price rise of 70 per cent, contributed to a sharp rise in inflation. In conjunction with rising inflation, 1974 saw unemployment rise to levels previously unthinkable. Under these circumstances previously peripheral New Right theories were presented as a viable challenge to Keynes.

Between the US stagflation of 1969 and the Australian recession of 1974, a small, gradual, stream of powerful figures and institutions within Australian society converted to neo-liberalism. American and British New Right figures influenced economic think tanks such as the IPA, business organisations such as the Australian Chamber of Commerce, entrenched bureaucrats within the Australian Treasury, and members of the Reserve Bank of Australia. The works of Chicago based economist Friedrich von Hayek in particular represented the ‘way forward’ for these converts. Hayek presented the welfare state as ultimately unviable, a hindrance to Western economies and to the liberty of the people. The power possessed by those who became neo-liberals was both institutional and financial. They shared this fact in common with their overseas equivalents. Business-funded organisations and their New Right education campaigns extended far and wide into schools and homes with the help of generous donations from the business sector. The IPA and the ACCA acted in an advisory role to Federal and State governments, while Treasury officials were firmly entrenched bureaucrats. Calls to reduce the functions of government and the taxes that supported them increased in volume during and after the recession that New Right figures claimed had ‘proven Keynes wrong’. Media and parliamentary discourse helped them to do so. It was under these circumstances that newspapers began to contribute to the construction of a ‘dole-bludger’ discourse.

The ‘dole bludger’ did not exist until 1974. It was forged from the discursive constructs of an international New Right network that deemed welfare an enemy of the taxpayer and of liberty in general. Contrary to pre-1974 media discourses on welfare, redistribution itself was constructed as an issue for debate. In the wake of rising inflation and unemployment that increased stressful economic conditions for some non-welfare recipients, ‘taxpayers’ were constructed as the victims of ‘dole

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20 See Chapter 2 for a fuller examination
21 The Institute for Public Affairs and the Australian Chamber of Commerce, together with their offshoot organisation Enterprise Australia were the most prevalent in the area of ‘economic education’. See Chapter 2 for a fuller examination of New Right education campaigns.
bludgers’. By questioning the welfare state and bringing the ‘taxpayer’ into the picture, it seemed that the welfare recipient was now strongly connected to the ‘average Australian’. Before this relationship between benefit recipient and taxpayer became discursively forged, the recipient was not referred to as a ‘bludger’. He or she, in even the most negative of reports, was called a ‘drop-out’ or a ‘drifter’ and presented as an annoyance to businessmen and government. In the New Right, the media found a ready-made discourse that enabled readers to identify strongly with stories and to forge a connection with the newspaper as a ‘crusader’ for his or her financial needs. The ‘dole bludger’ was a device used to contribute to this process.

The first reference to ‘bludgers’ on unemployment benefit came on 12 March 1974. The Premier of Victoria urged the Federal Government to tighten controls and cut unemployment benefit for ‘bludgers’. The Herald reported his comments in a page one article titled ‘Hit those “Bludgers” says Hamer’.22 One day later, The Sydney Morning Herald, reported the Hamer attack on ‘bludgers’ and teamed it with a call from the Federal Opposition leader Billy Snedden to ‘Throw jobless “lion-tamers to the wolves”’. Snedden was quoted as saying that ‘if a person did not choose to work then, in the absence of mitigating factors, he or she could not expect a prior claim to scarce taxpayers’ funds’.23 The old claims about the recipient’s unwillingness to work and his or her style of dress were still there, however, this time they were not seen as a curiosity or as a law and order issue, nor were they seen as an annoyance to employers alone. This time the activities of the benefit recipient were depicted as an affront to the ‘taxpayer’.

Some were abandoning concerns for the ‘character’ and appearance of the unemployed altogether. A Sydney Morning Herald editorial, in stark contrast to the sympathetic and ‘character-focused’ editorial of eighteen months earlier, claimed:

There is nothing more calculated to infuriate taxpayers than a gross and demonstrable waste of money they are forced to disgorge to the Government. Mr Cameron and the tolerant (perhaps too tolerant) Minister for Social Security, Mr Hayden, now seem to have realised

23 ‘Throw jobless “lion-tamers to the wolves”’, Sydney Morning Herald, 13 March 1974, p.6
the fact...The general, and eminently justified, view is that people have a right not to work, but no right to taxpayers' support in choosing idleness.\textsuperscript{24}

By claiming that a 'right not to work' existed, this editorial was demonstrating a clear departure from earlier discourse. The view now was that while a person had every right to be lazy, to be a 'drifter' and a 'drop-out', he or she did not have a right to 'bludge' on the fellow taxpayer. The Minister for Labour, Clyde Cameron, agreed. In an enthusiastic and triumphant report, which The Sydney Morning Herald had titled 'Cameron says: 'We will not pay malingerers' Benefit to stop if work is refused', it was stated that:

The Federal Government will withdraw unemployment benefits within a few days from people who will not accept "reasonable" employment... Mr Cameron continued: "We have no right to ask society to pay people if they won't work. We will be pretty strict." If people want to live off their bank accounts it was their business, Mr Cameron said. "I'm not saying that people have to work – they can please themselves whether they work or not," he said. "That is their right as citizens. We are going to tell these people: We won't make you work but we won't pay you."\textsuperscript{25}

The ALP had, by this stage, begun to respond to the claims of economic crisis with an anti-Keynesian programme. Partly for this reason and partly as a means of silencing its critics, many Labor Ministers could be heard declaring the party's 'tough stance' on bludgers and defence of the 'taxpayer'.\textsuperscript{26} The press made much of the ALP 'tough line'. For HWT, who had never supported the ALP, the turn around gave them an opportunity to gloat. Headlines such as 'People refuse to work—"Generous" government payments', \textsuperscript{27} 'Teenagers make a living on the dole', \textsuperscript{28} 'A job? You're

\textsuperscript{24} Editorial, 'Unemployed by choice', Sydney Morning Herald, 18 March 1974, p.6
\textsuperscript{25} 'Cameron says: "We will not pay malingerers" Benefit to stop if work is refused', Sydney Morning Herald, 5 November 1974, p.1
\textsuperscript{26} See chapter 7 for a fuller examination of the ALP's shift to dole-bludger discourse
\textsuperscript{27} Chris Anderson, 'People refuse to work—"Generous" government payments', The Sun-Herald, 3 November 1974, p.3
joking!’, 29 ‘Benefits for the genuine only’, 30 ‘Blitz on bludgers but dole pay stays’, 31 ‘Test “too easy”’, 32 ‘Watch it, dole cheats’, 33 ‘Govt. “Helps Lazy”’, 34 and ‘Tax “supports idle”’ reinforced the emerging anti-redistribution views while at the same time enabling pro-Liberal Party press to dig the boot into a floundering ALP. The new view was that the welfare state should tighten up and ‘cut off the slack’ and the ALP could easily be blamed for its ‘flabbiness’, especially in the lead up to an election in which the three major newspaper companies supported the LCP.

An end to Keynes, Whitlam, and the welfare state: Coverage of the 1975 election
In the months prior to the 1972 Federal election, Rupert Murdoch spent two dinners, one boat cruise and $74 257 of advertising funds assuring the Whitlam opposition of his full support. 36 The Fairfax press, steadfast in its social and economic conservatism, had supported the Liberal Party in all but one Federal election. 1972 was to prove very run of the mill, if not a little more desperate. The Packer empire, having sold out of newspapers prior to the election, used The Bulletin and Channel Nine to express its views on the forthcoming poll. An election ‘editorial’, written by David McNicoll of The Bulletin and broadcast on Channel Nine, declared the ALP’s policies to be ‘marijuana dreams in a Utopian Disneyland where wars and threats were unknown and where men could prosper in happiness without working or worrying’. 37 The Sydney Morning Herald felt the same. It claimed, similarly, that those who considered voting for the ALP needn’t think they would be ‘led by the hand to the broad, sunlit uplands of Labor’s instant Utopia’. 38 In light of such media hostility, Rupert Murdoch believed that he had single-handedly won Labor the

28 The Herald Investigation Team, ‘Teenagers make a living on the dole’, Sydney Morning Herald, 9 December, 1974, p.1
29 David Elias, ‘A job? You’re joking! It’s hard work keeping out of work’ The Herald, 14 February 1975, p.2
30 Editorial, ‘Benefits for the genuine only’, The Herald, 17 February 1975, p.5
31 ‘Blitz on bludgers but dole pay stays’, The Age, 17 February 1975, p.2
32 ‘Test “too easy”’, The Canberra Times, 19 February 1975, p.10
33 Peter Game and Alistair Smith, ‘Watch it dole cheats’, The Herald, 26 February 1975, p.3
34 ‘Govt. “helps lazy”, The Herald, 10 April 1975, p.3
35 ‘Tax “supports idle”’, The Canberra Times, 10 March 1975, p.3
37 Griffen-Foley, pp.195–196
38 Cited in ibid., p.193
election.39 ‘We did some dreadful things to the other side’ he claimed. ‘A lot more happened than even they managed to find out’.40

In 1973 Rupert Murdoch left his home in England to pursue wealth in the United States.41 At the time of his relocation, he had already made moves to the right of the political spectrum. His support for Whitlam in the lead up to the 1972 election had been largely driven by an anti-Vietnam War and an anti-McMahon sentiment. By 1974, McMahon had been deposed and Vietnam had, for Murdoch, ceased to be an issue. Murdoch’s arrival in America pushed him further to the right. He developed a friendship with Richard Nixon, which in turn led to other Republican contacts who became friends and business allies. After Nixon resigned in August 1974 as a result of the Watergate Affair, Murdoch saw himself as the only ‘conservative voice’ amid the American ‘liberal press’.42

By 1974, Whitlam and Murdoch had also had a personal falling out. Whitlam had introduced legislation that had frustrated Murdoch’s mining interests in Western Australia. In addition, it was claimed that Murdoch had made a serious bid for the position of Australian High Commissioner in London.43 Whitlam had responded to the suggestion with disdain and ridicule. Murdoch later claimed that he’d been joking when he mentioned himself as a possible candidate. Other accounts point to the contrary. Tension was growing. That same year Murdoch claimed publicly that he wanted Whitlam removed from government. In a television interview he called on voters to join his quest and claimed that Whitlam was imposing on Australia ‘a European type of socialism which has caused ruin and misery in other countries’.44 One of his most vehement complaints was the growth of ‘welfarism’.45

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40 Ibid., p.162
41 Ibid., p.163
43 Whitlam, p.581
44 Shawcross, p.169
45 Ibid., pp.168–9
At the time of the December 1975 election campaign, Murdoch’s stance had become so strong that his printers and many of his journalists had gone on strike over the newspaper’s anti-Whitlam content. Murdoch’s response was to exclaim that if journalists wanted control over content, they would have to buy their own newspapers. Murdoch was determined to remove Whitlam. *The Australian’s* treatment of the 1975 dismissal and election was regarded as so advantageous to the Liberal Party that Malcolm Fraser invited the editor, Les Hollings, to become his personal advisor.

Murdoch’s growing hatred of ‘welfarism’, together with his determination to remove Whitlam from the leadership led to a desire to kill two birds with one stone. In 1975, especially in the lead up to the election, Murdoch papers were flooded with stories about ‘dole bludgers’ and Whitlam’s out-of-control welfare state. The general target audience of his tabloid newspapers was the working class. Murdoch media texts continuously pitted the working class against dole bludgers and, through them, the ALP. Readers were constructed as struggling taxpayers, while the unemployment benefit recipient appeared as a ‘bludger’ living in luxury at the reader’s expense. Editorials in particular referred to ‘the Australian people’, ‘the Australian taxpayer’, to ‘workers’ or simply to ‘us’ as victims of the dole bludger. Readers identified as part of these groups. They were factually correct. Their meaning, however, was constructed using a New Right discursive framework to coincide with Murdoch’s anti-Whitlam campaign. The implication was clear. Whitlam had created the dole bludger. Those who supported him were not ‘the Australian people’ or ‘taxpayers’ or one of ‘us’. His removal would herald a new era for the economically maligned reader.

On April 28 1975, a typical example of this discourse appeared. ‘Jobless elite claimed’ appeared on page two of *The Australian* and stated: ‘The Federal Government is creating a new elite of unemployed who are in no hurry to work because of the special benefits they are receiving’. The article mentioned the Victorian Employer’s Federation as the accuser. The report continued:

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46 Munster, p.112
47 Ibid. p.111
Workers who received substantial pay rises over the past 18 months in their efforts to combat inflation were now beginning to realise that much of the benefit was going to the ‘spendthrift’ Federal Government in increased taxation. Inflation was providing the Government with extra funds for its expensive social welfare schemes which were not legislated for in the Budget.\(^{48}\)

In a similar vein, \textit{The Daily Telegraph} on May 19 claimed in an editorial titled ‘Dole is too easy’:

By being so generous with its hand-outs the Government has actually encouraged dishonesty—and it has made social welfare appear too easy and too attractive...The attractiveness of life on the dole has removed the incentive. Unless we are to breed a nation of bludgers, the Labor Government will have to start opening its eyes to reality.\(^{49}\)

In the same editorial, \textit{The Daily Telegraph} accused the government of being naïve about unemployment figures. The government, in seeing only what it wished to see had ignored the large number of ‘bludgers’ distorting the figures. In a string of articles, the Murdoch press, joined to a lesser extent by HWT and the Fairfax press, set about to give their own version of the unemployment figures to the public.

In September and October 1975 the Minister for Social Security released two sets of unemployment figures. The figures, or at least the press treatment of them, received page-one coverage in almost every metropolitan daily. They were accompanied by an explanatory press release from the Minister’s department. Not one newspaper used the press release to explain the figures.\(^{50}\) In its page one lead the \textit{Daily Telegraph} wrote:

\textbf{Dole cheats’ cheques stopped}

Thousands of unemployed benefit cheques have been cancelled in an Australia-wide clamp-down on dole cheats. A check of 14, 462

\(^{48}\) ‘Jobless elite claimed’, \textit{The Australian}, 28 April 1975, p.2  
\(^{49}\) Editorial, ‘Dole is too easy’, \textit{The Daily Telegraph}, 19 May 1975, p.14  
\(^{50}\) Windschuttle, p.160
unemployment benefit payments by the social security department in August showed that 4451 recipients or nearly one-third were not eligible. The check followed an announcement by the then Minister for Social Security, Mr Hayden, that the Government would not tolerate welfare "bludgers".  

The new Minister for Social Security, Senator Wheeldon, was asked to confirm the figures during question time on 8 October. The following morning newspapers resurrected the figures and made the same accusations. The Australian ran a replica of its 23 September story. Wheeldon’s answer on 9 October made the same qualifications as his press release. Withdrawal of benefits did not mean that people were cheating nor did it mean that they had been found bludging. Most of these cases occurred because of administrative problems. The department was over worked and could not get around to removing people from the list even though these people had notified it of the fact that they no longer needed benefit. Field officers who found the discrepancies were, in more cases than not, merely completing lingering paper work. None of the Murdoch newspapers reported Senator Wheeldon’s reply.

On 26 October Senator Wheeldon’s office again released figures of a similar nature. Again they were accompanied by a press release instructing journalists on how to read the figures. Again they were misrepresented. The Sydney Morning Herald stood alone in its treatment of the administrative problems mentioned by Senator Wheeldon. ‘Survey finds 30 percent cheat on dole’, ‘Thousands caught in dole check: 28 PC are cheating says Wheeldon’, and ‘Investigation stops 3671 dole cheats’ were typical headlines. In the end Wheeldon should not have been so concerned about journalists misunderstanding the figures and the accompanying press release. If the rumours were true, instructions on how to treat the figures came from above. In December 1975 Rupert Murdoch went on national television to deny rumours that the figures were falsified under his instruction.  

51 'Dole cheats cheques stopped', Daily Telegraph, 23 September 1975, p.1  
52 Senator John Wheeldon, Senate Debates, 9 October 1975, pp.1044–5  
53 Editorial, 'Unemployment benefits', Sydney Morning Herald, 28 October 1975, p.6  
54 Windschuttle, p.160  
55 Munster, p.111
Perhaps the most damaging of all the Murdoch anti-welfare stories came in the final days of the election campaign. On 7 December, one week before the Saturday poll, the *Sunday Sun* used almost its entire front page to announce 'Now it's time to give Mal a go!' An accompanying article stated that although the newspaper had supported Gough Whitlam in 1972, it now felt differently. Again, sections of the community with which readers could identify were singled out as the victims of Whitlam.

Today, more in sorrow than in anger, let us clearly define where we stand. And why. Gough Whitlam's Government has been a dismal, disappointing failure. It should go...Gough Whitlam has failed all of us farmers and battlers, unions, bosses, housewives... the State the nation and the Labor Party [ellipses in original].

In the top left hand corner, the only other thing on the page excluding the *Sunday Sun* title was a picture of six teenage girls in bikinis. '6 girls on the dole lead life of luxury' it stated. Two other Murdoch papers ran the story simultaneously. These six girls became known as the 'dole dollies'.

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*SIX GIRLS ON THE DOLE*

*Home with pool – plus Valiant – a beach house and $40 a week in the bank account*

56 young Brisbane girls are living a life of luxury on the dole.

Who'd want to go out to work!

*The Sunday Sun, 7 December 1975, p.3*

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56 'Now it's time to give Mal a go!', *Sunday Sun*, 7 December 1975, p.1
The ‘dole dollies’ drew readers into a world foreign to their own; a world that seemed free from financial strain. One in which carefree youths spent days in a manner that many readers could not even afford to spend their holidays. The reports were intended to rile. Not only were these people presented as an object of envy, they were also presented as an object of resentment. Hardworking ‘taxpayers’ were financing these lifestyles. The story written by Ralph Sharman of the *Sunday Telegraph*, was presented in *The Sun* as a page three lead. It was the first thing the reader saw after the damning ‘Now it’s time to give Mal a go!’ report. In large bold type beneath the headline ‘Six girls on the dole’ it stated ‘Home with pool – plus Valiant – a beach house and $40 a week in the bank account’. The girls were pictured splashing their legs in the pool and laughing. A larger banner below the photograph read: ‘Who’d want to go out to work!’

All three stories described the group as leading a ‘La Dolce Vita’ lifestyle. The ‘taxpayer’ was again being told that redistribution had gone too far. Whitlam had let it get out of hand. Through this and many other welfare-luxury stories readers were told that welfare could be seriously cut without any harm to the welfare recipient. They were also told that Whitlam’s priorities had come to be at odds with those of working people and that the working class no longer had his support. His government had failed the working class in its relentless redistribution of cash from hardworking Australians to Australians living in luxury. The *Sunday Telegraph* and *The Sun* ‘understood’ the financial constraints felt their readers and constructed the newspaper as a crusader for the reader’s cause.

The story itself had been largely falsified. The girls had approached a real estate agent in the hope of moving to a different house. Instead of finding them a new rental property the real estate agent had rang the *Sunday Telegraph* with the story. The six girls knew nothing about the agent’s phone call. When a photographer from the *Sunday Telegraph* arrived to take their picture he told them that it would be a typical page three photograph of ‘bikini girls sitting around a pool’. What’s more, only two of the girls were unemployed. Three had jobs and one didn’t even live at the house. The girls said that they had not made the statements attributed to them. The ABC

57 Ralph Sharman, ‘Six girls on the dole’, *Sunday Sun*, 7 December 1975, p.3
58 Windschuttle, p.166
sought out the journalist, Ralph Sharman, for a statement. ‘It was a good news story and that’s how I still consider it’ he said.\textsuperscript{59}

The relentless search for welfare/luxury stories also took on a racial element. Long before the election, the claim had been made that Whitlam favoured special interest groups over ‘average Australians’. ‘Cashed up’ Aboriginal people were a favoured example. In the fortnight leading up to the election this rhetoric was used to full advantage in Murdoch’s papers. On 1 December the \textit{Daily Telegraph} used its front page to claim ‘Welfare bludgers get $350 a week’. The story was about an Indigenous family ‘known to’ a Mr B. Varcoe, a former government advisor. \textit{The Australian} ran the same story on page three, including in it a voice of concern for the well being of the overpaid Aborigine.

\begin{quote}
Welfare system pay flaws ruin blacks
Aboriginals are being destroyed and are sending Australia broke through a social welfare system which can pay a household $723 a fortnight, a Federal Government adviser claimed yesterday.
\end{quote}

The story went on to explain that this figure was calculated based upon one family known to Mr Varcoe. The main breadwinner was working. His wage made up $300 of the total. The family also had a pensioner boarding with them. The pensioner paid the family $60 a fortnight. Another member of the family made $100 a fortnight working at a casual job. The social security portion of the $723 included a school allowance of $46, child endowment of $20, a pension of $135 and a dole payment of $62. All in all ten people lived in the house. \textit{The Australian} estimated that they would have a surplus of $557 a fortnight.\textsuperscript{60}

One of the main differences between the ‘dole dollies’ story and this story lies in the reasoning for cutting benefits. The implication was that aborigines presented with financial opportunities such as those gained from welfare, would descend into depravity. If Australians really wanted to help them, they would have to see to it that welfare opportunities were removed. In a statement that seemed to conjure Daniel P

\textsuperscript{59} Ibid., pp.166–167
\textsuperscript{60} ‘Welfare system pay flaws ruin blacks’, \textit{The Australian}, 1 December 1975, p.3
Moynihan's work on *The Negro Family*, discussed in Chapter 1, Varcoe claimed that, under the current welfare system, 'the end result was like an infectious disease in which women left their husbands, men left their jobs and both turned to alcohol, bludging, crime and drugs.' As stated in the previous chapter, it is possible to see within this story an early use of the New Right version of 'new-class' discourse as described by the authors of Marian Sawyer and Barry Hindess's 2004 book *Us and Them: Anti-Elitism in Australia*. This discourse includes a significant component related to the 'illegitimate' favouring of 'special interests' by government at the expense of the 'average Australian'. The authors identify it as a phenomenon of the 1980s and 1990s and of 'Hansonism' and 'Howardism' in particular. This early version displayed in *The Australian* in 1974, pitted Indigenous Australians as a 'special interest group' against wider society, and called into play a combination of financial resentment, racism, anti-welfare and anti-government sentiment on behalf of the reader. By using a language of compassion it also enabled the reader to justify these feelings while at the same time identifying as fair and racially 'tolerant'. While conjuring racism, the article discursively shifted the blame to Whitlam and 'big government'.

The 'overpaid' Indigenous Australian was portrayed as a 'victim' of Whitlam's welfare state, but it was clear from most other stories that the 'real victim' was the reader. Murdoch's Adelaide *News* reinforced this message on the front page one week prior to the election. The story was about an imaginary 'average taxpayer' by the name of John Smith. Under Labor's newly proposed tax scheme 'John Smith' would pay more. *The Australian*’s 'tax expert', a businessman called Alan Robson who had, in the past, written anti-redistribution articles for the *Sydney Morning Herald*, claimed that 'The new system is slugging the average worker harder than ever before on the pretence of helping the needy'. This quote appeared in bold type. The heading, 'Tax rape', appeared in bold capitals spanning 4 cm in height. Murdoch was unrelenting in his attack on 'welfare bludgers' and the ALP during the pre-election period. Yet however much Whitlam singled out the Murdoch press for criticism in the wake of his defeat, it was obvious that all the popular newspapers in the country were

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61 See for example 'Robin who?', *Sydney Morning Herald*, 5 October 1972, p.6
taking a similar line. They had done so since 1974 and would continue to do so in the wake of the Whitlam Labor Government.

When the Liberals gained government at the end of 1975, they immediately began publicising tough ‘new’ benefit rules. Despite suggestions to the contrary, the rules were essentially the same as those preceding them. Press reports represented the guidelines as a welcome relief for the taxpayer. The Liberal Party made two alterations: it reintroduced the ‘postponement of benefit’ provision, and introduced a policy intended to deny benefit to school leavers for a period of three months. The press lauded the ‘new’ guidelines and heralded the arrival of a ‘crack-down’ on government waste. Even after the removal of Whitlam, waste was depicted as an inherent feature of government, but one that could be ‘stamped out’. The press remained the ‘crusader of the people’. Through these stories newspapers indicated that although the outcome of the election had been favourable, they would remain vigilant, acting as a political ‘watchdog’ on behalf of their readers.

As well as weeding out the ‘cheats’ on whom taxpayers’ money had been ‘wasted’, the press reported that the new government had promised to clean up the ‘wasteful’ public sector. According to the Sydney Morning Herald, this sector would no longer receive ‘excessive’ funding. It would be reigned in, in accordance with ‘proper financial management’. Included was a revision of government staff ceilings intended to cut the size of the public service by 8 380 by the end of June. This was one area in particular that the press would ‘keep an eye on’, exposing to hardworking readers the inefficiency of the public sector and the out of touch nature of bureaucracy.

Although support for the LCP’s welfare goals remained strong within the media, support for their methods was restricted mainly to the Murdoch press. Around this time a backlash of sorts began to emerge. The Liberal Government’s strong emphasis upon the unemployment beneficiary’s appearance began to raise the hackles of some journalists, particularly within the Fairfax press. A strange contradiction emerged in which laudatory reports were accompanied by reports damning the restrictive and totalitarian nature of the ‘new’ guidelines. There was a feeling that while

63 See for example Whitlam, p.581
64 ‘Govt puts limits on future spending’, Sydney Morning Herald, 20 April 1976, p.1
unemployment benefit recipients should be policed, this should ultimately be a measure designed to reduce the financial burden placed upon the taxpayer. The beneficiary should not be punished in any way, save the removal of benefits. A *Sydney Morning Herald* editorial, for example, claimed

>T]he direction of the Fraser Government’s policy changes – tightening up a system that had become slack – is legitimate enough. But saying this is a very different thing from endorsing the latest measures announced by Mr Street. The measures appear to be largely a political exercise, aimed at exploiting the Pavlovian reaction of a wide section of the community to the words ‘dole bludgers’. They are excessive, socially regressive and economically counter productive.\(^{65}\)

Stories told of harsh departmental decisions and their effect upon individual job seekers. Readers were let into the lives of pregnant workers forced into heavy manual labour and desperate jobseekers running to job interviews, only to find that their dishevelled appearance upon arrival was reported to the CES, costing them both the job and the dole.\(^{66}\) It was reported that job seekers referred to the Department of Social Security as ‘the Gestapo’.\(^{67}\) These press reports tended to agree with the sentiment.

As sympathetic as they were, however, these reports focused almost exclusively upon the faults of heavy-handed public servants. Most remained in favour of a ‘crack down’ on welfare waste while expressing distaste for the methods used. Alongside them were stories such as ‘Four jobs…but not a single taker’ and ‘Many without sympathy for unemployed slackers’ which told of the continuing exasperation felt by both employers and taxpayers and called, again, for decisive action. These stories, in a somewhat similar vein to those expressing sympathy for the jobless, placed a great deal of blame upon lazy welfare workers. It was ‘revealed’ that these workers wasted taxpayers’ dollars through incompetence and spent their time taking long lunches

\(^{65}\) Editorial, ‘On the dole’
\(^{67}\) Department of Social Security, *Interim Report on Dee Why and Bondi Pilot Studies*, cited in Law, p.250
rather than getting people off the dole.\textsuperscript{68} Readers were told that the Fraser Government had the power, and the stated intention, to overhaul the welfare and taxation systems, to relieve the reader’s financial stress, but they had so far not acted to do this. The government had instead chosen to focus upon ‘soft targets’ and useless ‘punishment’ at the expense of the taxpayer.

The press reinforced its role as the people’s crusader by proposing plans through which the ‘common sense’ of the people could be utilised by government. Throughout this period the Fairfax press began to suggest its own alternatives to a publicly-funded welfare sector. Among them, self-help groups and charity organisations were given the most praise. Members of the New Right had themselves floated these options in America, the UK and Australia. These groups were to take over the job-finding functions of the ‘incompetent’ and ‘wasteful’ CES and pick up the slack when welfare reforms left some recipients in ‘unfortunate’ situations. This would save the taxpayer millions of dollars in wasted money. Those whose job it was to check on the legitimacy of claims could also be done away with. They were not catching enough bludgers, and had been ‘exposed’ by the press as bludgers themselves. Instead a central hotline would be established for those wishing to report ‘suspicious cases’. A cash incentive would be awarded.\textsuperscript{69} If the government would only implement radical plans such as these instead of focusing on trivial issues such as an applicant’s hair style and choice of outfit, then the taxpayer would at last see some change. Stories such as ‘Government welfare a shambles’ supported the calls for a new system in which the non-government sector played a large role. Readers were told that since Social Security staff spent most of their time on morning and afternoon teas instead of getting people off the dole, shifting welfare on to the community would save time, money and unnecessary distress.\textsuperscript{70} Even the government’s relationship with the Murdoch press began to take a battering with \textit{The Australian} in particular expressing frustration at the slow and doubtful pace of reform.

\textsuperscript{68} Graham Williams, ‘Four jobs... but not a single taker’, \textit{Sydney Morning Herald}, 16 October 1976, p.1 and ‘Many without sympathy for unemployed slackers’, \textit{Sydney Morning Herald}, 31 December 1976, p.3


\textsuperscript{70} Tony Thomas, ‘Government welfare a shambles’, \textit{The Age}, 29 July 1977, p.9
1979-83: Solutions to the ‘welfare problem’

Toward the end of the Fraser period, stories of dole bludgers and their unfortunate taxpayers ‘hosts’ began to take on a new dominant element. No longer did it seem viable to spend endless column inches speaking on behalf of readers against the welfare state. Now the focus rested upon issues such as: to what extent is the invasion of privacy an issue in removing people from unemployment registers? Should beneficiaries work for the dole or are those schemes themselves a drain on taxpayers? The primacy of the taxpayer no longer needed to be justified with continuous references to the character or ‘luxurious’ spending habits of the welfare beneficiary. Although these stories still existed, discourses focusing on the ‘best interests of the taxpayer’ could exist independently without so much justification. Press reports were confident in providing solutions to welfare without too much reiteration of the ‘problem’. One such solution touted in 1982 demonstrates how far the discourse had come since the pre-1974 period. On 25 October, Brisbane HWT publication The Courier Mail urged welfare recipients to pursue ‘alternative lifestyles’ instead of the dole. A Queensland ALP Senator had made the suggestion of a one-off grant of land on which unemployed people may live as a self-sustained community; a ‘society within a society’. The Courier Mail reported the suggestion with enthusiasm. Prior to 1974, press reports depicted unemployed ‘commune dwellers’ as a scourge upon ‘society’. In 1982 they were viewed as a viable solution to the ‘taxpayer’s’ problem.

The most publicised solutions, however, came from Fraser’s critics on the right; a group of backbench market liberals with whom some columnists and editors were intertwined, either as friends, supporters or members of the economic think tanks to which they belonged. In spite of a series of policy changes, Fraser had not met the expectations of this cohort. The taxation and welfare systems remained, essentially, the same. During Fraser’s last term in office, the Murdoch press, in particular, used the existence of the parliamentary ‘dries’ as a perfect opportunity to bring further attention to its own disappointment with the Fraser Government. By publicising and empowering the dry agenda, sections of the press also sought to reinforce their

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71 See for example: ‘Dole check attacked by welfare groups’, Sydney Morning Herald, 14 February 1979, p.3; Graeme Domm, ‘Bid to sabotage benefit “spies”’, The Age, 9 July 1979, p.19
72 ‘Alternative lifestyle “may help jobless”’, The Courier Mail, 25 October 1982, p.18
73 Bob Hawke made this suggestion in his 1979 Boyer Lecture and commissioned research during the early years of the Hawke Labor Government. See RJL Hawke, The Resolution of Conflict, 1979 Boyer Lecture, Australian Broadcasting Commission, Sydney, p.46.
existence as political ‘watchdog’ by providing space for ‘legitimate’ criticism of the government. The dries were framed as legitimate commentators because they were internal to the party and therefore ‘in the know’.

John Hyde, a market liberal who consistently challenged Fraser’s ‘support’ for the welfare state, recalled that during the ‘collectivist years’ of the Fraser Government notable support came from members of the financial and business press. Peter Samuel, Paddy McGuinness, Alan Wood and Max Walsh were all consistent in their support of dry economics. In addition Hyde claims that

Leading newspapers gave the dry politicians, the staff of the think tanks and other economic liberals opportunities to reach wide readerships... Without this opportunity less could have been achieved.

Hyde himself wrote over 700 newspaper columns while another leading dry, Bert Kelly wrote over 800.\(^{74}\)

**Conclusion**

The press therefore played a fundamental role in the construction of dole-bludger discourse and new-class discourse in Australia, and while one could not claim that the industry was part of a network of New Right actors, it is clear that the newspapers examined in this chapter were a major contributor to the New Right hegemonic project. The economic crisis of 1974 changed the way in which Australian newspapers reported the unemployed. A wider discursive shift stemming from the proselytising organs of the New Right in America, the UK and Australia, provided the basis for this shift. The media appropriated New Right discursive frames, at this time prevalent within business-funded organisations and economic think tanks, and rearticulated them for a popular audience. While using the discourses of the New Right to support various agendas such as the removal of Whitlam, newspapers simultaneously bound readers to a broader New Right hegemonic project. These discursive frames were used in conjunction with an entrenched media discourse that constructed a particular newspaper as political watchdog, ‘crusader of the people’ and defender of the readers’ interests. The discursive combination strengthened the link

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\(^{74}\) Hyde, *Dry*, p.98
between the New Right and the interests of the reader, in particular those of the economically disadvantaged. The press provided the most convincing articulation of New Right ‘us and them’ discourse because media had long constructed themselves as crusaders of the people. The next chapter will further illuminate this process by focusing on one media campaign, *The Australian* tax revolt, which marked a pivotal moment in the popularisation of new-class discourse in Australia.
The Australian ‘tax revolt’ campaign – Popularising New Right welfare frames

In 1978, The Australian embarked upon a campaign to influence the Fraser Government’s taxation policies. This campaign took place in the form of a series of articles announcing a ‘tax revolt’ among the Australian people. The campaign was central to the popularisation of new right discourses and, in particular, to the formation of new-class discourse within an Australian context. This new-class discourse had been a major feature of the New Right project in the US, and had existed intermittently within Australian anti-welfare and dole-bludger discourse before this period. Constructed by American neo-conservatives Irving Kristol and Norman Podhoretz, the discourse pitted ‘the people’ against an ‘elite’ class of bureaucrats, in particular those within the ‘social justice industry’. It emphasised the ‘common sense’ possessed by the people, and discredited the expert knowledge of government and community workers while providing its own experts drawn from the New Right. New-class discourse was a major feature of the American New Right tax-revolt campaign for California’s ‘Proposition 13’. The Australian adopted the key features of this campaign, and with it, new-class discourse. Although new-class discourse had informed New Right welfare frames prior to the campaign, as shown in previous chapters, it was The Australian tax revolt that marked the popularisation and nationalisation of a new-class discursive frame in Australia. The impetus for this major discursive shift was the personal tax agenda of Leslie Hollings, Editor in Chief of The Australian. It was, however, framed as part of the newspaper’s promise to remain vigilant on behalf of its readers.

The American tax revolt

On 6 June 1978, 4 280 689 voters in the state of California passed a bill in favour of drastically limiting taxation. This bill, entitled Proposition 13, reduced property tax rates on homes, businesses and farms by about 57 per cent and limited property tax to
about 1 per cent of the property’s market value. The bill’s author was Howard Jarvis, a 73 year-old Californian resident whose upbringing in a tough mining town and position as ‘one of the people’ was the focus of much media publicity during California’s ‘tax revolt’ campaign. Although Jarvis cultivated this persona he was in fact far from ‘ordinary’ in the wealth and power he possessed. He was a multi-millionaire who made his fortune in newspapers before buying a chemical firm and then a latex plant in the 1930s. In the 1960s he built on this fortune with a chain of factories that manufactured among other things missile parts. In the same decade he became chairman of the United Organisation of Taxpayers. Jarvis had also been involved with the Republican Party for most of his life, running for State Legislature in the early 30s and then working for Herbert Hoover. He continued this close association up to and beyond Proposition 13.1

Such wealth and political resources did not seem to injure Jarvis’ representation of himself as ‘one of the people’. For Jarvis, and many like him, it became common in the 1970s to construct an image of ‘the people’ as a vague category composed of disgruntled or potentially disgruntled taxpayers, whatever their economic status. When defined in this sense ‘the people’ overwhelmingly supported the Proposition 13 tax cut by a margin of 2 to 1, this included those who had most to lose from a reduction in government services; the poor, black Americans, and renters, as well as those who came as no surprise; self-identified Republicans and home owners.2 Many surveys conducted before and after the vote asked voters why they supported the bill and what consequences they could foresee. Surprisingly, very few desired a reduction in the scale of government, especially when particular government services were pinpointed, and while reductions in ‘welfare’ were the exception to this, only half the respondents who had favoured welfare cuts maintained this position when queried regarding particular welfare services such as ‘help for the unemployed’, and still less when broken down into components such as aid for the elderly, the disabled and children.3 Despite this many still regarded ‘welfare’ as an area of government waste in need of a clean up at the time of voting. In fact welfare came in for special attention

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2 Paul Peretz, ‘There was no Tax Revolt!’, Politics and Society, vol 11, no 2, November 1982, p.232
3 Anon. ‘the Tax Revolt and the Welfare State, New Society, 9 October, 1980, pp.72–3
throughout the proposition 13 campaign, despite only a fraction of property taxes being used to support welfare in California.⁴

Part of the reason for this apparent contradiction between support for proposition 13 and support for maintaining or increasing government services lay in the fact that many voters were convinced that the tax cut would not lead to funding cuts in any of these areas. Prior to the referendum that passed the bill, 45 per cent of Californian voters believed that tax cuts would lead to a reduction in government ‘waste’ and ‘inefficiency’ and that the revenue needed could easily be drawn from non-essential areas. There is also some evidence that voters believed that the tax cuts would ‘pay for themselves’ because productivity would increase in response to lowered taxation. A survey conducted in 1980 indicated that yes voters on the whole no longer believed either of these things had occurred.⁵ Where, then, did these ideas come from?

There was nothing essentially ‘New Right’ about the concept of cutting property tax in 1978. Calls of this nature had been made throughout American history. However, members of the New Right infused the Proposition 13 campaign with language specific to their own goals and agendas, using the campaign as a vehicle for New Right concepts such as the ‘new class’, ‘welfare waste’, and supply-side economics and for this reason the campaign could be said to have taken on a New Right character and to have influenced voters in a New Right direction. One of the key figures responsible for this was Irving Kristol, a notable American neo-conservative who at the time of the campaign was Professor of Urban Values at New York University. This discourse sought to construct a dichotomy between university educated ‘elites’, principally those employed within the public sector and the ‘social justice industry’, who were regarded as having carried student activism into bureaucracy, and everyone else, defined variously as ‘average Americans’, ‘the people’ and ‘taxpayers’ regardless of financial position.

This new-class discourse entered into Kristol’s public support for the campaign, tapping into working-class resentment over redistribution to the wealthy and the

⁵ Anon. ‘The Tax Revolt and the Welfare State’, p.73
educated middle class. In an article titled ‘Proposition 13—what it all means’ published in the *Wall Street Journal* in the week following the passage of the bill, Kristol forged this conceptual link, claiming: ‘To begin with, it is ridiculous to talk as if all government services were of primary benefit to the poor. Summer schools, for instance, now closed in California, may be useful to some poor kids, but they are no less useful to children of the middle class, and they are beyond all doubt profitable to middle-class teachers’ and ‘the major groups that will be adversely affected are the public employees whose unions had been granted high wages, and exceedingly generous pension agreements. (Half of Los Angeles real estate taxes go to pay for such pensions.)’

This, according to Proposition 13 advocates, was not the only waste of taxpayers’ dollars. Among many other wasteful schemes, ‘welfare’, broadly defined, was singled out for special attention, in spite of the fact that only a tiny amount of welfare revenue was collected from Californian property taxes. Howard Jarvis was particularly focused on the issue, reportedly repeating the phrase: ‘I think welfare is a narcotic. It will eventually destroy this country.’ Echoing the words of Ayn Rand, he offered voters a choice between welfare and constitutional liberty gained through property, both could not exist simultaneously: ‘Ownership of private property is the number one extension of human rights in the United States. The constitution specified life, liberty and property shall be protected. Not life liberty and welfare.’

In the month following the Californian tax revolt that resulted in the passing of Proposition 13, both the Irving Kristol *Wall Street Journal* article and an article on Howard Jarvis containing his views on welfare and taxation appeared in Rupert Murdoch’s daily newspaper *The Australian*. They were there among hundreds of articles that appeared in July proclaiming an Australian tax revolt and praising the efforts of the Californian people against big government, bureaucrats, and the welfare ‘quagmire’. The newspaper claimed that it was now the turn of the ‘Australian people’ to show such courage and to ‘join The Australian tax revolt’. The newspaper not only adopted the campaign from America, it also adopted the New Right

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7 McKay
8 Ibid.
discourse that accompanied it, focusing particularly on the new class and welfare waste as reasons for disquiet among taxpayers. In the end, there is little evidence that a ‘revolt’ did actually occur outside of the newspaper itself, or in fact that the newspaper’s editor intended to start one. What did occur however was that *The Australian* in its month-long campaign, reinforced New Right anti-welfare discourse and placed a discourse that had been peripheral until now, new-class discourse, on the centre stage in Australia.

**The Australian tax revolt**

Rupert Murdoch established *The Australian* in 1964, declaring it to be the country’s first quality national daily. In the twenty years that followed the paper lost money as it struggled to draw its target audience, business professionals and other high-earners, away from the State based broadsheets the *Sydney Morning Herald* and the Melbourne *Age*. From 1964, however, circulation rose steadily from 64 000 to a peak of 153 000 in 1974, dropping slightly to 118 000 in 1977. The 1977 figures are roughly half that of the *Sydney Morning Herald* and the *Age*, but two and a half times more than the *Australian Financial Review*. Despite the loss of money, Murdoch regarded these years as a ‘success’, based on the fact that the newspaper had played a key role in the circulation of ideas in Australia.

These ‘ideas’ were, from 1974 onward, supportive of New Right market populism. Andrew Neil, a former editor of the *Sunday Times* during the 1980s, summed up Murdoch’s approach to news during these years in his book *Full Disclosure*: ‘Rupert expects his papers to stand broadly for what he believes: a combination of right-wing Republicanism from America mixed with undiluted Thatcherism from Britain... the resulting potage is a radical-right dose of freemarket economics, the social agenda of the Christian Moral Majority and hard-line conservative views on subjects like drugs, abortion, law and order and defence.’ While in the 1970s the *The Australian* had not yet incorporated far-right conservatism, it had begun to incorporate neo-liberal agendas and discourses into its pages. As editor in chief, Les Hollings was the most

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9 David McKnight, ‘Rupert Murdoch and the Culture War’, La Trobe University Essay, *Australian Book Review*, February 2004  
11 McKnight  
12 Cited in ibid.
influential figure behind the push. After leaving his job as editor of *The Australian*, his New Right associations landed him the job of head of the Sydney Institute, an influential New Right think tank established in the 1980s.

On the day of the Royal Easter Show in 1977, Leslie Hollings, was invited to drinks with Malcolm Fraser at Kirribilli House. There, as they did on many occasions, the two men discussed the future of Australia. If Fraser had had his way, Hollings would have been advising him in a formal capacity as the Prime Minister’s chief adviser. Hollings had declined the offer shortly after the dismissal, stating that he had more influence over the government in his editorial position.\(^1^3\) Shortly before Fraser left to attend the show, Hollings made a vigorous attempt at convincing him to make a start on tax reform.\(^1^4\) If the events that followed are anything to go by, Hollings had been right to maintain his position at *The Australian*. His influence over the government’s taxation policy during the next two years was substantial. It had very little to do with ‘advice’.

Shortly before the 1977 Budget was handed down in August, Hollings received an excited phone call from Malcolm Fraser. He was instructed to call Fraser in his office immediately after the Budget speech had been read. ‘It is a good Budget. You’ll like it’ Fraser said.\(^1^5\) The Budget included a standard flat personal tax rate of 32 cents in the dollar for nearly 90 percent of taxpayers. The top rate was brought down from 65 cents to 60 cents.\(^1^6\) Hollings later claimed that this Budget had indicated the beginnings of a tax revolution in Australia, nearly one year before California’s Proposition 13 tax cuts. During the post-Budget phone call, Fraser told Hollings that he had been motivated to make the changes after speaking with him on Easter Show Day.\(^1^7\) The triumph was short-lived. In the wake of a December 1977 election, fought largely on the issue of tax reform, the Liberal Party proceeded to bring in a 1.5 per cent temporary tax surcharge. Hollings, and *The Australian*, began to doubt the government’s commitment to minimal taxation.\(^1^8\)

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\(^{13}\) Les Hollings interviewed by John Farquharson [transcript], Jan 27–April 21 1997, National Library of Australia, pp.93 and 43

\(^{14}\) Ibid, p.43

\(^{15}\) Ibid.


\(^{17}\) Hollings, p.44

\(^{18}\) Ibid.
The following autumn, rumours began to circulate about the government’s up and coming mini-Budget. The temporary tax surcharge was to be made permanent. Not only that, it was to be increased to 2 per cent. Hollings determined that *The Australian* would fight it ‘and fight it pretty strongly and with everything we possibly could’.\(^{19}\) His arsenal included a run of editorials on the front page of the newspaper calling for a tax overhaul and accusing the government of ‘going off the rails’.\(^{20}\) Not content to be underestimated, he booked a flight to Canberra and made his position known to Fraser’s ministers.\(^{21}\) After lunch with the Minister for Employment and Industrial Relations Tony Street, Hollings was summoned to see the Prime Minister. An attempt was made to appease him. Fraser again restated his commitment to small government and brought forth figures on how many public servants had been recently sacked. An argument ensued in which Hollings made it clear that *The Australian* was now at odds with the government. Fraser did not treat the matter lightly. The paper had played a large role in the downfall of governments. He knew this from experience.\(^{22}\) The following day the mini-Budget was announced. In one night the government’s decision had been reversed. The tax surcharge of 1.5 per cent remained temporary.\(^{23}\)

For Hollings there was to be no period of rest. Spurred on by the Californian tax revolt campaign, Hollings continued his commitment to tax reform ‘news’. The government, however, remained intent upon introducing a new tax. This time, a Value Added Tax was on the cards. As a regressive tax, it appealed to many neo-liberals. Hollings, on the other hand, was incensed. The government’s decision to introduce the tax without any accompanying income tax cuts only confirmed his belief that Fraser had reneged on his promise. In retaliation, Hollings devoted a whole month of *The Australian* to his anti-VAT cause. From the 1\(^{st}\) of July *The Australian* ‘revolted’.\(^{24}\)

\(^{19}\) Ibid.
\(^{20}\) Ibid.
\(^{21}\) Ibid.
\(^{22}\) *The Australian*’s role in the dismissal of Gough Whitlam and the December 1975 election is well covered. See, for example: Griffen-Foley, chapter 8, Shawcross, pp.168–173 and Munster, pp.108–112.
\(^{23}\) Interview with Les Hollings, p.46
\(^{24}\) Ibid.
Defining ‘us’

On July 13 1978 The Australian heralded the arrival of its own ‘Great Tax Revolt’. The announcement came with all the grandiose tones of an impending revolution, though its position, two weeks into what had come to be a relentless stream of ‘tax revolt’ stories, many of them announcing the ‘arrival’ of the revolt, indicated a sort of desperation; a reminder to the people’ rather than an accurate reflection of a groundswell. Regardless, The Australian claimed that the revolt had ‘been brewing for years as the amount of direct and indirect taxes rose remorselessly’ and that ‘widespread public antagonism towards waste and government overspending, against “fat cats” and feather bedding...’ had united Australians in outrage. At least 100 articles appeared that month that included an anti-tax theme, usually occupying the front page. Each day a banner headline accompanied the front-page article headline. It urged readers to ‘join the Australian tax revolt’. Other tax revolt headlines included: ‘The great tax burden’, ‘The anger of a man taxed too far’, ‘Our taxes must be reduced’, ‘Paying for services of doubtful value’, and ‘It’s your MONEY they’re after!’

Like the American campaign, The Australian tax revolt constructed images of financial disadvantage among ‘taxpayers’ as a category while disputing financial disadvantage among welfare recipients, particularly those who depended upon unemployment benefits. Howard Jarvis had made much of the contrast between the welfare recipient and the disadvantaged ‘taxpayer’ in his campaign. He claimed in an article printed in The Australian on 14 July 1978: ‘a lot of people are paying for welfare through property taxes when they don’t have enough food to live on in their houses.’ Adding ‘It should be that a guy can go home, shut the front door and tell the rest of the world to go to hell. Freedom is the name of the game.’ The disadvantage suffered by taxpayers was not always economic. In another example, Jarvis spoke of an elderly woman who had suffered a heart attack when she discovered her property tax bill.26

By all accounts the taxpayer was depicted as the ‘real’ victim in contrast to welfare recipients and public sector employees who ‘benefited’ from the general revenue.

25 McKay
raised through taxes. In *The Australian* tax revolt this imagery took on a character peculiar to Australia, drawing on ‘national character’ discourses that depicted the average Australian as an underdog and a battler, intent on beating the system. An editorial on the weekend of 1–2 July, for example, claimed

At the core of the taxpayers’ revolt is a generalised feeling among taxpayers that they are being “got at” in innumerable, devious ways…

[The taxpayer] feels like a mouse marooned in a home for hungry cats.

But the mouse is beginning to roar.  

Profiles of ‘mice’ or struggling taxpayers featured heavily. Human-interest stories, in which readers were given the opportunity to comment on taxation, or at least to put forward the point of view shared by the newspaper, were common. Surprisingly, profiles did not focus specifically upon working-class taxpayers. In fact many told of the struggles of the rich. On more than one occasion, the wealthy were represented as the working-class taxpayer’s comrades in arms. The struggles of taxpayers were not only defined in terms of the amount of disposable income left to ‘the people’. Financial burden could also be defined by feelings of limited financial freedom.

One such article titled ‘The anger of a man taxed too far’ appeared on page three on the weekend of 15–16 July. Ted Yencken, the man in question, was a Victorian businessman who owned a private investment company and felt that he was the victim of a great financial burden placed upon him by government spending. His main complaint was that his Sorrento beach house was taxed at too high a rate. If taxes went unaltered, he would have to resort to selling some of the land surrounding it.  

By including Yencken among ‘the people’, *The Australian* was clearly putting faith in Irving Kristol’s concept of the ‘new class war’; the people, as citizens, versus ‘the politicians and their clients in the public sector’. This was an early version of what New Right commentator and journalist, Gerard Henderson, identified in 2001 when he stated:

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[W]e have arrived at this strange pass where millionaire bankers do not have to divest property, change professions or even resign from gentlemen’s clubs to move from the elite and be rehabilitated as ‘one of us’—they simply have to support the views of ‘ordinary Australians’.  

While the wealthy appeared often among the ranks of ‘the people’, they could also be subsumed or used to reinforce the claim that working-class taxpayers were the most maligned of all taxpayers. Among the numerous stories of government handouts and wasteful public servants were stories of widespread tax avoidance, complete with details of the schemes used. Although the stories carried a tone of triumph against a mutual foe, they also made it clear that tax-avoidance schemes could only really work for the wealthy. The most successful schemes required professional help and large stock portfolios, situated in ‘a number of positions on both the buying and selling side of a commodities future market’.  

Those who had little to no stake in commodities future markets had only one option, a ‘tax revolt’. 

Revolters appeared in cartoons as ‘diggers’ ready for battle. This imagery reinforced the ‘determined underdog’ status so often found in articles and editorials. It also appropriated the mythology associated with the ‘Aussie digger’, giving the revoler an air of the ‘common man’ engaged in a noble fight for the good of the nation. In contrast, government, most often depicted by the figure of an oversized Malcolm Fraser with his nose aloft, appeared arrogant and out-of-touch. 

**Tightening the belts of the new class**

New-class discourse did not come to Australia with the adoption of the Californian tax revolt campaign. As previous chapters have stated, it has a long history in Australia that ensured the familiarity and ‘believability’ of the American New Right version when applied in an Australian context. Marian Sawyer has identified the concept as emerging first in the European socialist disputes of the 19th Century, from which emerged claims that socialism was a path to power for bourgeois 

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30 Alan Farrelly, ‘The taxman can still be beaten!’, *The Australian*, 20 July, 1978
intellectuals. From its early left-wing socialist and anarchist beginnings it was transformed in the 20th Century to become a feature of conservative and anti-communist liberal discourse in Australia and the US. The Sydney University philosophy professor and libertarian John Anderson was one of the first to use the discourse in Australia, repudiating the efforts of post-war planners and regulators during the 1940s and in 1962 blaming the “agents of centralised control” and “advocates of a “planned society”’ for the death of liberalism. Conservatives writing for Quadrant magazine during the 1950s took up this critique of the new class, infusing it with claims about the political character of the ‘class’ and juxtaposing this political character with the views of patriotic ‘ordinary Australians’. The editor of Quadrant Robert Manne went on to become a major proponent of new-class discourse, publishing in 1982 an edited collection titled The New Conservatism in Australia, which included a number of essays deriding the new class of elites.

The character of new-class discourse was transformed again after the American stagflation of 1969 to incorporate a more explicit economic element. As discussed in Chapter 1, an emerging group of ‘neo-conservatives’ which included Irving Kristol, Daniel P Moynihan and Norman Podhoretz began to use the concept to support their attacks on President Lyndon Johnson’s Great Society and in particular his government’s War on Poverty. According to these neo-conservatives a new class of university educated left-wing elites had captured government and were using it to funnel revenue into wasteful radical causes associated with ‘special interest groups’. This variation on the discourse also appealed to neo-liberals who used it to claim that government had become too big and too wasteful, no longer catering to the needs of ‘ordinary citizens’ but rather causing them financial distress by eliciting taxation to pay for the ‘waste’. It was this New Right version of the concept that entered Australia during the economic ‘crisis’ of 1974 via Australian economic think tanks.

and their connections with overseas New Right figures. Although it appeared intermittently in political and media discourse until 1978, it was *The Australian* tax revolt that was responsible for popularising it, helping, in the end, to bring about a major discursive shift in Australia.

The American Proposition 13 campaign had used new-class discourse effectively to convince voters that the majority of their taxes went to funding the new class of elites within government and the various ‘special interests’ it supported. Therefore tax cuts would help ‘battlers’ and restrain ‘elites’. *The Australian* followed this line inviting readers to identify as ‘taxpayers’ and therefore as victims and as battlers, while assuring them that cuts to welfare would do no harm to the poor. Among the charges against welfare workers were claims that they were, like the government that sustained them, totally removed from reality. They spent their time concocting grand, overblown and ultimately unrealistic programmes that were a waste of money for taxpayers and of no benefit to the poor. In addition the welfare worker was seen as a ‘parasite’ upon the taxpayer whose existence could not be justified. In the second week of the campaign *The Australian* published Irving Kristol’s ‘expert’ opinion as evidence of this.

There are precious few social programmes that do not massively benefit middle-class professionals of all kinds—which is hardly surprising since it is these professionals who devised those programmes in the first place.\(^{35}\)

In addition it was claimed that welfare workers themselves would be the only ones to really suffer from a reduction in taxes and a consequent reduction in welfare spending. In fact, there really weren’t that many poor people or ‘far fewer truly poor… than the conventional statistics suggest’.\(^{36}\)

This notion of a new class of ‘rent-seekers’, whose primary concern lay not with the community they profess to help, but with their own career advancement, reinforced the ‘us and them’ discursive frame. It shifted the economic resentment that working

\(^{35}\) Kristol, ‘Proposition 13–What it all means’
\(^{36}\) Ibid.
class people felt toward the wealthy and provided the 'new class' as the substitute for this resentment. It also reinterpreted the economic power dichotomy by constructing neo-liberal claims as the claims of 'battlers', while constructing the claims of the Left as 'new-class' claims concocted by 'rent seekers' who possessed power over the 'battler' without any legitimate claim to it. The authors in Marian Sawyer and Barry Hindess's *Us and Them* have identified the use of this concept within the new-class discursive frame. But like the neo-liberal version of new-class discourse itself, the concept has not been traced back as far as *The Australian* tax revolt.

*The Australian's* campaign adopted the notion of the rent-seeking new class with enthusiasm, but rather than focusing on the welfare worker exclusively, it classed all public servants as part of a wasteful industry where the propensity to luxury on behalf of the employees outweighed the needs of the community. At one stage, reports claimed that the public service wasted taxpayers' dollars to buy exotic pot plants and lavish afternoon teas rather than using it to service 'the people'. At the expense of the public servant and his or her lavish lifestyle, the money should be put back into the taxpayer's pocket. This would, of course, hold no negative consequences for anyone but the public servant whose 'free ride' was about to end. For others it would mean a reduction in financial burden.

A weekend editorial claimed that if tax money were to be returned to the pockets of taxpayers, they might better provide for themselves.

The one thing they [taxes] have in common is that each provides a means of getting money out of people's pockets into public treasuries – to pay for services the people may or may not want, provided by bigger and bigger bureaucracies... regardless of whether people might be able to do some of the things better and cheaper for themselves.  

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The welfare worker was not cast as a luxury seeker when singled out. Rather he or she was cast as naïve and careless. His or her distance from ‘reality’ made it impossible to detect and prosecute ‘welfare cheats’. In fact it was claimed that the welfare industry had no idea where money was going and had no intention of accounting for it. In an article titled ‘“Lack of data” on welfare’ it was stated in an opening paragraph that ‘a weakness exists in decision making for health and social welfare where the Federal Government spends about $12,500 million a year’. Those who read further would have realised that the article referred only to Victoria and told of a lack of communication between data-collection agencies regarding statistics. This, however, did not stop the journalist concluding the story with a misplaced quote from the director of the Victorian Council of Social Services (VCOSS) stating ‘at present there is not a generally agreed view about what many services provide’. The intention of the director of the VCOSS was to draw attention to the lack of investment in data collection; however, the impression given was one of the Department of Social Security handing out massive amounts of money with its eyes closed.39 An article entitled ‘The bureaucratic boob and bungle’ told a similar story. It claimed in its opening paragraph that $58 million dollars had been overpaid to pensioners and

39 Bill Muldrew, ‘“Lack of data” on welfare’, The Australian, 19 July 1978, p.8
people on the dole in the previous year and that the Department of Social Security had made no attempt to recover overpayments to the value of $10 million. The article implied that the welfare industry could not see what average Australians could see; that taxpayers were being ‘ripped off’ by welfare recipients. This of course reinforced the new class divide between those who possess ‘common sense’ and those who do not.40

*The Australian* had its own experts to back up the opinion. Drawn from business, politics and right-wing think tanks, experts were brought out to explain to readers just what the functions of government should be. Vernon Wilcox QC was one such example. Wilcox’s credentials were outlined in larger text under a head and shoulders photograph. He had been a parliamentarian for 20 years, 12 of them as a minister in Victoria’s Liberal Government. He had also been a businessman for two years since leaving politics. The implication was that Wilcox had seen both sides of the fence. A reprimand of government from an ex-politician would surely carry weight. The article was titled ‘Strangled by government’ and stated:

> There are important matters for government to attend to—the preservation of order in all its forms, transport and communication, defence, the entry of illegal refugees into Australia—to name some. However, you soon get into really expensive areas—for example education, health, welfare, and it is easy to wonder whether we get value for money...Government is active in many matters which are of no importance in terms of survival as a nation.41

An article, titled ‘Tax discontent surfaces throughout Australia too’ urged Australians to follow California’s example and force the introduction of a tax-cut bill.42 It was placed next to Irving Kristol’s larger article extolling the virtues of Proposition 13. Kristol declared the tax revolt to be ‘a new kind of class war, the people as citizens

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40 Warby and Farrelly  
versus the politicians and their clients in the public sector"). The public sector and its clients were represented as oppressors of the people. "The people", an under-defined group made up of anyone who paid tax and wanted to pay less, were constructed as the underdogs.

Both the Californian campaign and its Australian counterpart made it clear that "the people" should regard the welfare state not as a provider, but as an enemy. The welfare state did not provide for "the people"; it provided for "others"; bludgers, special interest groups, public servants and out-of-touch intellectuals drawing financial benefit from the industry. By conveniently representing welfare in as narrow a way as possible both the Californian and The Australian tax revolt campaigns made it clear that "the people" did not use welfare. They would not be adversely affected by the welfare reforms ensuing from tax cuts. Rather, "the people" would at last see an unnecessary financial burden lifted.

**Welfare waste – Disputing disadvantage**

Like the American campaign, the Australian counterpart did its best to deny the existence of any real poverty in Australian society. Welfare recipients were seen as an unnecessary burden upon the taxpayer, primarily because they were not really poor and were in fact, all things considered, living more comfortably than the financially burdened taxpayer. In this sense it was regarded that taxes could be reduced without causing the welfare recipient any great pain. Instead he or she would merely be forced to cut down on luxuries. On 24 July an editorial reassured any doubters:

> Welfare benefits should be paid not to put fruit on the sideboards of the well-to-do but bread and butter on the plates of those in real need. In this regard, welfare payments have got way out of kilter and the whole system must be reassessed.

According to The Australian a reassessment of the concept of "financial hardship" was long overdue. In particular the paper questioned the necessity of unemployment benefit for a large portion of the unemployed, claiming that many in receipt of the

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43 Kristol, 'Proposition 13'
44 Editorial, 'A scalpel, not an axe', The Australian, 24 July 1978 p.6
benefit were in fact not family ‘breadwinners’ but peripheral earners who had engaged in part-time or seasonal work before unemployment; usually bringing in a family’s ‘second or third income’. An article written by Tim Hewat and David Wilson, for the front page of the Weekend Australian made these claims, adding that a great deal of unemployment did not lead to hardship but to ‘the crippling impact of unemployment benefits on income taxes’ as these ‘illegitimate’ claimants ‘dash down to the dole office to sign on’. Apart from holding clear gender implications, this argument was simply not true. The ‘second earner’ in a family could not receive unemployment benefits if a spouse was still earning. The Australian also ran a campaign against married women in the workforce in 1978. Women’s right to work was defended by feminists within bodies such as the Women’s Electoral Lobby (WEL) and the Women’s Employment Rights Campaign throughout the 1970s.

Whether true or not, the claims made by the article reinforced discourses that constructed taxpayers as the ‘real’ financial victims and welfare recipients as merely ‘greedy’. Y. Bambling of Margate, Queensland agreed. In a letter published five days later, Bambling, a shopkeeper writing in support of the paper’s ‘tax revolt’ identified with the notion of ‘victim’ while labelling welfare recipients as ‘greedy’ beneficiaries of taxation. Strangely, the letter indicated that readers, or perhaps Bambling in particular, had been ‘invited’ by the paper to write in with views on taxation. Had the paper been overwhelmed with letters supporting its views, this would have been unnecessary. Bambling’s letter was headed ‘Paying taxes for the greedy’ and stated:

We are ‘corner shopkeepers’ at Margate in South-eastern Queensland and are not ones to whinge...[we] used to consider ourselves part of the silent majority – but not any longer.
The instances of waste of taxpayers’ money particularly are too numerous to list here... By the time one deals with the local government, the State Government and the Federal Government, there isn’t much of the cake left for us. And believe us we work hard, from 6am to 9pm seven days a week.

46 See chapter 8 for a fuller examination
We see abuse after abuse of the welfare system in which we are caught up in a fashion because of the number of people on welfare of one type or another in this area.

Suffice to say that those we observe on welfare never seem to need to deny themselves, in order—cigarettes, Vincents and Bex, soft drinks, potato crisps, confectionary, and fast foods.

We do not mind paying taxes for the needy but we most surely do resent having to pay taxes for the GREEDY.47

Bambling represents the ‘typical’ profile of a letter writer published in a popular daily newspaper, as researched by Keith Windschuttle in his and Elizabeth Windschuttle’s 1981 book Fixing the News. According to Windschuttle, the published letter writer is most often middle-class and most often identifies his or herself as ‘one of the people’, as part of a ‘vast silent majority’.48 In this the letter writer is encouraged by newspaper texts that also encourage people holding opinions in line with the opinions of the newspaper to view themselves as part of these categories. Bambling’s rhetoric therefore reiterates and supports the rhetoric of the campaign, because the campaign has provided the writer with a discursive framework within which to interpret his or her own experience.

The impression given by Bambling and The Australian was that taxes could be substantially reduced without harming anyone, especially oneself. The reduction of taxes would simply mean a consequent reduction in waste. Greedy welfare recipients would be forced to tighten their belts and live a less hedonistic lifestyle, and those who lived under the stress and strain of taxes would have their financial burden relieved by cuts to public spending. The ‘needy’ of course would be well looked after, though they were never identified. The ‘greedy’, on the other hand, were everywhere. What seems ironic here is the fact that, according to the campaign, those who wanted to pay less tax at the expense of the livelihoods of welfare recipients were not seen as greedy. On the other hand, welfare recipients who depended upon taxpayers’ money,

48 Keith Windschuttle, ‘Sir, it’s not often I write, but...’ in Keith Windschuttle and Elizabeth Windschuttle, Fixing the News: Critical Perspectives on the Australian Media, Cassell Australia, North Ryde, pp.108–112
especially for ‘luxury goods’ such as ‘cigarettes’ and ‘potato crisps’, were by *The Australian* and Bambling’s definition, ‘greedy’. The identities of ‘the needy’ and ‘the greedy’ were reversed.

In order to emphasise the ‘greed’ of the ‘willing’ beneficiary, the campaign needed a contrast. Pensioners, it was claimed, were joining the tax revolt in protest against welfare waste and against the government’s decision to tax income earned over a certain threshold. It was claimed that, like all of *The Australian*’s ‘taxpayers’, pensioners preferred to earn more money and pay less tax than to see money redistributed to welfare beneficiaries, even if those welfare beneficiaries were themselves. The article, entitled ‘Pensioner get tax revolt help’, insinuated that help had been sought. Upon further reading, however, it could be seen that there were plenty of willing helpers but not many asking for help. The article announced a public meeting to be held by The Women’s Action Group (an anti-feminist women’s group), Brisbane Radio Station 4BC’s talk-back host Haydn Sargent,49 ‘women’s advocate’ Barbara Bowers and Dr Wylie Gibbs, a former Queensland Liberal MP. Haydn Sargent was confident many would show. He had come into contact with pensioners on his talkback programme. ‘They are not asking for more money, just the right to live with some dignity’, he told *The Australian*.50

The issue of tax breaks for individual groups was a complicated one. Though pensioners were awarded a position among the ‘revilers’, this seemed to have more to do with the fact that they could be made to appear as a force against big government and the welfare state. Unlike other disadvantaged groups they had never been identified as a ‘special interest group’. Other ‘special interest’ groups who were awarded tax breaks by the government did not receive a place among the heroes. In fact, one group of people who had fought for and won a tax break, were depicted as part of the problem. Under the usual ‘Join *The Australian* Tax Revolt’ page heading on 21 July, it was reported that

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49 4BC was owned by Commonwealth Broadcasting Corporation Pty Ltd, a company owned by the Albert family who had made their fortune in music publishing. See Symons, p.29
Aboriginal groups will pay tax on only 20 percent of royalties they receive from mining companies and then only at the lowest personal income level, the Federal Government announced yesterday.\footnote{Steven Warby, ‘Uranium royalty fixed for Aboriginals’, \textit{The Australian}, 21 July, 1978, p.3}

When placed next to stories of ‘struggling’ taxpayers and government sector waste, it seemed an obvious contrast. The story looked like an exposé of the government’s pandering to ‘special interest groups’. It carried none of the triumph one would have expected from a ‘tax victory for the people’ story. Rather it carried a feeling that Indigenous people were in cahoots with the government at the expense of ‘the people’.

**Us and them and supply-side economics**

One of the key themes in the tax revolt campaigns in America and Australia was the idea that taxes should be lowered in order to provide an incentive to work. The shift from monetarism to supply-side economics that began after 1975 in the US and gained steam toward the end of the decade was reflected in the campaign for Proposition 13. Similarly, Australia had been undergoing a similar shift as economic ideas continued throughout the decade to be imported from the US, primarily via interaction between Australian and American economic think tanks. The \textit{Australian} tax revolt, occurring in 1978, was therefore at the forefront of popularising the new economic theory. This theory, which is examined in further detail in the introduction to this thesis, posited that the single most effective way of achieving economic growth in a nation was to reduce taxes. Supply-siders used a theory invented by Arthur Laffer, called the Laffer curve, to argue that the more a person is taxed, the less incentive there is for that person to work. Therefore under circumstances of high taxation, a government may in fact gain less revenue from a worker than it would if taxes were lower and, spurred by the incentive of keeping a greater portion of their wage, the wage earner worked longer hours.\footnote{Nigel Ashford, ‘The Ideas of the New Right’, in Grant Jordan and Nigel Ashford, (eds), \textit{Public Policy and the Impact of the New Right}, London, 1993, pp.34–35} Thus, tax cuts provide an ‘incentive’ to work which in turn contributes to national growth.

The campaign had already claimed that tax breaks and welfare cuts would benefit the disaffected and needy individual taxpayer. In addition, it was important to make
taxpayers feel that ‘their revolt’ was of benefit to more than just the individual. That it was not selfish. That it would, in fact, be of benefit to Australia as a nation. Readers were assured that their tax breaks would make the Australian economy stronger, and that ‘high-income tax rates are a powerful disincentive. They make working hard a waste of time.’ An editorial titled ‘Our taxes must be reduced’ explained

Such an impost takes away incentive to work, to work harder to boost the economic cycle of a consumer society which creates demands for products, which increases productivity, which gives people more money to spend, which creates demand...

According to The Australian a tax revolt was, in fact, needed to keep the economy strong. Those who claimed that it was a campaign in favour of selfishness misunderstood it. Irving Kristol, regarded as an expert by the newspaper, agreed. His Proposition 13 article told readers of The Australian that ‘professional interpreters of the social scene’, no matter what they might say, simply ‘don’t quite understand’ the motives behind the people’s tax revolt. ‘They see little more than a self-serving rebellion of the “affluent” against government spending which favours the poor and unfortunate’. Kristol did not provide a rebuttal. He told readers that people who said such things were ‘enemies of growth’, and that they were simply wrong – lacking common sense.

‘Experts’ claimed that tax had a negative impact on national production levels. A story titled ‘Chamber hits at “predatory” tax on incomes’ quoted the Perth president of the ACCA, R. Reynolds, to this affect. The ACCA was, in 1978 one of the most powerful and financially capable New Right proselytisers in the country. Reynolds claimed that the government was out of touch with middle-income earners and that the 46 per cent tax rate on incomes over $16 608 was ‘predatory and a complete disincentive to work’. Reynolds was also quoted as saying that the government, while remaining out of touch with the people, ‘did not realise how deeply and negatively

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53 ‘The tax revolt is here’, The Australian, 13 July 1978, p.1
55 Kristol, ‘Proposition 13’
56 See Chapter 2 for a fuller explanation of the ACCA’s role in New Right economic education campaigns and the funding sources for these.
heavy personal income taxation affects our community, both employer and employee.\textsuperscript{57}

The use of ‘experts’ in favour of the tax revolt provided a strange contrast to much of the new-class discourse. Experts on the left who disagreed with the tax revolt and pointed out the negative consequences of proposition 13 were dismissed as mere ‘commentators’ whose opinion was worth nothing.\textsuperscript{58} Through the testimonial of ‘real’ experts whose credentials were ‘proven’ through their support for the campaign, \textit{The Australian} reinforced the New Right’s claim that ‘common sense’ belonged to ‘the people’ while the new class of welfare workers, special interest groups and ‘so-called intellectuals’ could be dismissed as having none.

By implication, government and community workers, left-wing welfare advocates, and anyone in favour of maintaining or increasing the level of government spending in designated ‘wasteful’ areas was depicted throughout the campaign as either knowingly selfish, as in the case of ‘rent-seeking’ bureaucrats, or naïve about the economic ‘facts’. The ‘facts’ were that taxes reduced incentives to work, therefore causing people to produce less and the government to lose tax revenue. In order to help others and to contribute to economic growth, it was claimed that people should support lowered taxation. This theory did not really take off in Australia after the tax revolt campaign, but it did appear more often, quietly gaining credibility among politicians who were following economic ‘experts’ and advisors in a move away from monetarism. In America however, its appearance in the Proposition 13 campaign preceded its full-scale adoption by the Reagan Government in 1980.

\textbf{Enemies and allies of ‘the people’ in politics}

The Fraser Government, \textit{The Australian} claimed on more than one occasion, had been elected to ‘cut public spending and continue on the path of lower taxation’. It had ‘correctly’ foreseen ‘that public opinion was turning against public spending’.\textsuperscript{59} In light of this, it seemed obvious that the government had turned its back on ‘the people’ and no longer represented their interests. Editorials claimed that the proposed

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\textsuperscript{57} David O’Reilly, ‘Chamber hits at “predatory” tax on incomes’, \textit{The Australian}, 24 July, 1978, p.2
\textsuperscript{58} Kristol, ‘Proposition 13’
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introduction of new taxes such as the Value Added Tax proved this. It could therefore hardly expect taxpayers to foot the bill for its wasteful schemes. In an editorial titled ‘Our taxes must be reduced’ the idea of government’s ‘reciprocal responsibility’ was emphasised. No longer did government responsibility reflect the post-war notion of the ‘safety net’, in fact, quite the opposite. A front page article on 13 July, headed ‘The tax revolt is here’ claimed:

What [the government] must do is stop backing away from its responsibilities. It must cut expenditure—hard. It must stop financing its big deficits with our tax money. It must abandon Welfare State politicking and give the leadership it was elected to give. Above all it must give the people what they want—not what it and its bureaucracy think they should want. It must realise that the tax revolution is more than a catch-cry. It is a movement with muscles provided by angry taxpayers who don’t believe that the government and the bureaucracy is providing value for money.

Gone was the idea that the government’s contract with the people involved providing incomes to the disadvantaged and essential services for all. In fact now that notion represented a breaking of the contract between government and the people. According to the tax revolt campaign, and to neo-liberals calling for lower taxes during the 1970s, the contract should now read ‘minimal interference’ instead of ‘maximum care’.

Other politicians were keen to attach themselves to the campaign in an attempt to prove their credentials as champions of the people. The newspaper promoted these politicians while others, especially those considering new taxes, were assailed. In particular an attack was mounted on the Victorian Liberal Premier Rupert Hamer, whose new land tax schedule was singled out for attention. Using a similar rhetoric to that applied during the Proposition 13 campaign that focused on the constitutional right of American citizens to own land without ‘interference’, The Australian claimed that ‘an Australian who owns a piece of Australia should not be slugged for doing so.

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61 Ibid.
The Victorian Government will be well advised to treat the protests seriously and do something about them if it values its political future. Drawing again on supply-side economic discourse it added: 'Income tax takes away the incentive to work and earn'. Oddly, this editorial appearing on 11 July provided a contrary view of Fraser’s attempts to shift the tax burden to indirect taxes to the one that appeared on 13 July. When compared with Hamer’s property taxes, Fraser’s indirect taxes appeared to ‘allow people to get more of their earnings in their pay packet and decide for themselves how much in taxes they will pay by the way in which they spend their money.’ The editorial was, however, keen to point out that indirect taxes were only preferable to direct taxes on wealth by way of property or income tax. They were no substitute for smaller government.

Others joined the attack on Hamer’s land tax via The Australian. The Lord Mayor of Melbourne, Irvin Rockman, wrote to criticise Hamer and offer support to the tax revolt campaign. He encouraged readers to look to the recent US campaign and urged governments at every level to take heed:

All governments at every level (Federal, State and local) should pay attention to the mood of America where Amendment 13 in California has shown that people have had enough as far as paying taxes is concerned. Upper limits are too easily reached and governments do not have the answers to all the problems. Collecting taxes and spending more may not be the answer to the economic problems that face this nation at this time.  

In contrast to the Victorian Government, the Queensland State Government’s efforts on behalf of the tax revolt were lauded and publicised accordingly. The Liberal Deputy Premier and Treasurer of Queensland Sir William Knox, was a key figure linked to the revolt, and his views such as ‘average workers are paying a millionaire’s

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63 Ibid.
64 Irvin Rockman, ‘Taxation may not be the answer’, Letters to the Editor, The Australian, 25 July 1978, p.8
tax’, were given ample space.\textsuperscript{65} The Australian represented Knox as the people’s politician, whose battles to make other politicians ‘see sense’ reflected the battle between big government and the people themselves. His ire was directed at federal government and, as ‘tax revolters’ in America had done with great success, he claimed that lower taxes would not result in decreased benefits and services for the ‘ordinary taxpayer’, rather, ‘if the Federal Government paid more attention to pruning expenditure in non-productive areas, then there might not be any need to start penny-pinching at the expense of miners, policemen, railway workers and teachers in the bush.’\textsuperscript{66}

Public political support for the campaign was not limited to the Liberal Party. Some Labor politicians were also eager to tie themselves to the tax revolt. The leader of the Victorian Labor Party, Frank Wilkes, keen to offer an alternative to the ‘high taxing’ Hamer Government claimed that ‘the average family is being made the prisoner of its home and family holden’ and that Labor would decrease the tax burden on the ‘average family’ if elected to office. In stating this Wilkes not only offered an alternative to Hamer and the Liberals, he also offered an alternative to the Labor Party ‘of old’ by aligning himself with calls for economic justice for individuals and families at the expense of communities and social groups. By aligning himself with The Australian tax revolt Wilkes represented a general discursive shift occurring in the ALP, as many of its members began to compete with members of the Coalition on these terms.

Conclusion

When the Budget arrived it did not include the Value Added Tax. In a later conversation, Doug Anthony told Hollings that The Australian had been ‘convincing’ in its attempts to stop the introduction of any further taxes in the 1978 Budget.\textsuperscript{67} The effects of the campaign resonated among politicians for many years. While Hollings was deputy chairman of the Sydney Institute in the 1990s, former finance minister for the Hawke Labor Government, Peter Walsh, had been invited to speak. Among other


\textsuperscript{66} Joe Begley, ‘Libs revolt over higher tax threat: warning of backlash by voters’, The Australian, 19 July, 1978

\textsuperscript{67} Hollings, p.46
things he mentioned that as Hawke’s Treasurer Paul Keating had at one stage considered introducing a Value Added Tax. The other ministers dismissed the idea fearing that *The Australian* would run a campaign similar to its 1978 tax revolt.\(^{68}\) They needn’t have worried. The campaign, though taken seriously in political circles, failed to move the public to action. Despite this, Hollings regarded the campaign as a ‘success’.\(^ {69}\)

By the time the Budget was handed down, the campaign had achieved, in an immediate sense, what it set out to do. In another sense it had popularised and Australianised an American New Right discourse, constructing a new frame within which those identifying as ‘the people’ could view social justice claims and those who made them. In addition it had reinforced shifting notions of economic justice that favoured the individual over communities and social groups, now regarded as ‘special interests’, while promoting as ‘defenders of the people’ politicians who claimed to adhere to the same. For this reason the campaign should be regarded not merely as a short-term victory for Hollings, but as a long-term victory for the New Right.

\(^{68}\) Ibid.

\(^{69}\) Ibid, p.47
Unemployment benefit policy and the naturalisation of fiscal restraint

After the stagflation of 1974, economic policy in Australia was framed as a response to the sudden and worsening economic 'crisis'. The 'crisis' was discovered to be economic-theoretical, Keynes no longer worked; political, Whitlam's grand social spending had been a mistake; and idealistic, the lofty ideals associated with the welfare state were no longer viable. These three things together had caused the 'crisis'. Americans had been saying the same since their own stagflation in 1969. As Carol Johnson has pointed out in her book *Governing Change*, discourses of 'crisis' and necessary change accompany particular policy agendas and justify their implementation.¹ The discourse of economic crisis constructed by the New Right in Australia following the 1974 stagflation proves an exception to this argument. This chapter will argue that the policy 'crackdown' on dole bludgers post-1974 constituted a *response* to this discourse of economic crisis while simultaneously perpetuating it. Both the Whitlam Government in its final two years and the Fraser Government throughout its eight-year term developed welfare policy that in one way or another incorporated the discourse of crisis. In doing so, they contributed to the naturalisation of the New Right hegemonic project by framing unemployment benefit policy as an issue closely tied to the need for fiscal restraint.

Windschuttle and Mick Young have both examined the policy 'crackdown' on dole bludgers in the latter-half of the 1970s. While Windschuttle argues that this 'crackdown' stems from the Fraser Government's desire to redirect attention from the failing economy, Young regards it as a response to public unrest spurred on by the media's dole-bludger campaign. This chapter will therefore differ from existing historiographical
interpretations of the policy 'crackdown' by arguing that unemployment benefit polices aimed at removing 'dole bludgers' and other 'illegitimate' claimants from unemployment benefit constituted a response to the New Right discourse of 'economic crisis', a discourse that also incorporated 'welfare waste' as a factor contributing to this so-called 'crisis'.

From 1974, a commitment to removing 'dole bludgers' illegitimately 'swelling the ranks' of the unemployed contributed to an image of 'economic rationalism'. Via unemployment benefit policy formation, both the Whitlam and Fraser Governments projected an image of a welfare state that could be significantly reduced to stem the crisis, without any harm coming to 'genuine claimants'. This policy shift is vital to our understanding of how the dole bludger was constructed, not because it constituted a response to the media dole-bludger campaign, or because it was a means of covering up a failing economy, but because it reinforced dole-bludger discourse, solidifying the idea of a dole-bludger 'problem' by providing policy solutions.

**Economic 'crisis' and the Whitlam Government**

During the Labor Government's three-year term from December 1972 to November 1975, Australia reached the OECD average level of spending on social welfare after lagging significantly behind for many years.\(^2\) Increased spending on social welfare was accompanied by a new 'social democratic' philosophy based on 'ensuring not only the provision of all material needs but also genuine opportunities for social and cultural satisfaction'.\(^3\) To these ends a Social Welfare Commission was established to help instruct the government on policy formation. Part of the Commission's role was to seek out new groups and previously unrecognised needs for the government to address. In developing this approach the government took advice from the Brotherhood of St Laurence and the Poverty Commission.\(^4\) This advice ranked rather more highly than any

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1. Johnson, *Governing Change*, p.3
2. Grant Elliott and Adam Graycar, 'Social Welfare', in Patience and Head (eds), p.88
4. Elliott and Graycar, p.95
advice received from Treasury or from business organisations such as the IPA. It would have been very strange for anyone to expect the reverse.

Part of the government’s approach to social welfare involved a re-write of punitive welfare policies such as the work-test for unemployment benefit recipients. As Minister for Social Security, Bill Hayden informed the Minister for Employment and Industrial Relations, Clyde Cameron, that he was keen to develop a work-test policy in tune with the notion of human rights in a ‘free, tolerant, liberal society’.\(^5\) In line with this, claimants were given a large amount of autonomy over job choice where none had previously existed. References to the claimant’s character, appearance and lifestyle were also removed. In the previous work test, if these were deemed to be of a nature unacceptable to an employer, the unemployment benefit could be cancelled or denied. As I have argued in Chapter 5, while these policies were regarded as radical at the time, this had to do with their departure from the previous notion of welfare as a last resort ‘safety net’, and as a system through which the claimant could be reformed. The Whitlam Government’s welfare policies were regarded by some conservatives as dangerous to the character of the claimant and therefore to society. Claims to this effect included the discovery of commune dwellers, hippies and surfies living on the dole and refusing to work. Outside of business organisations such as the ACCA and think tanks such as the IPA, the effect of social welfare on the economy ranked very low in people’s minds. In 1974 this ceased to be the case.

A mild stagflation had already hit Australia in 1972. It went relatively unremarked. Partly due to its size, and partly due to the absence of a contesting force such as the New Right, it was not heralded as the end of Keynesian economic theory. By the time that unemployment and inflation rose sharply in 1974, the formation of a New Right network in Australia was well underway. This stagflation, then, represented a ‘crisis’ of Keynesianism and a ‘crisis of government’ by the New Left. As the previous chapters in this thesis have argued, the New Right discourse under development in the Australian
think tanks and Treasury was adopted by the Liberal and Country Parties and by the media in the wake of stagflation. Accordingly, these voices called upon the Whitlam Government to prove it could govern its way out of the ‘economic crisis’ by applying sound policies of fiscal restraint, particularly in the field of welfare policy. Old arguments about human rights versus character reformation, and ‘safety net’ versus social integration, gave way to ‘urgent’ economic concerns about the size of the welfare sector and its drain on the economy. From 1974 onward the Labor Party underwent a shift to the right that continues to this day. This shift was in part an electoral strategy. Through the shift, the party intended to overcome the discourse of crisis. In some respects though, prominent members of the party were beginning to adopt New Right ideas on economic management.

In March 1974 Clyde Cameron and Bill Hayden set about reversing many of the new policies on unemployment benefit. An inter-departmental committee was established to examine the existing policies and to advise appropriate action. Cameron represented a new face for welfare policy and as Chapter 5 has pointed out, the media for the most part applauded the move. He assured parliament and the media that although unemployment benefit policy had created ‘dole bludgers’ under the Hayden reforms, corrections were now being made. The LCP and the media had made much of Hayden’s reforms to the work-test guidelines and their impact on the number of claims. It was stated that lax administration had led to a ‘swelling of the ranks’ as workers and school leavers, particularly youth, began to see the unemployment benefit as an alternative to work. This, in itself was said to contribute to the economic ‘crisis’ by reducing demand for low-wage jobs and therefore artificially increasing wages. Newspaper reports told the plight of employers who could not get labour for production jobs and fruit picking and of the consequent effects on private industry.6 The May 1974 procedure manual for Social

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5 Australia Department of Social Security, Letter from Bill Hayden to Clyde Cameron, 21 December, 1972, cited in Law, p.205
Security officers reinstated the old work-test clauses relating to the appearance and character of the claimant and removed the claimant’s right to autonomy over job choice. This shift was the first in a series of moves intended to prove the government’s economic management credentials in the area of social welfare policy.

In September that year the government’s budget was handed down. To the new proponents of fiscal restraint it represented another high-spending budget and therefore evidence of further crisis to come. Social welfare spending had remained steady partly due to the Regional Employment and Development Scheme (REDS) established by Clyde Cameron in 1974. The scheme at first appeared as a cost-saver for social welfare. It removed recipients from the unemployment benefit rolls and shifted them to a cost centre within the Department of Labour. Within a year 26 600 people had gained work with REDS projects. Participants were involved in landscaping projects, drainage installations, and the development of public recreational facilities. Some 36 000 more were indirectly
employed. Despite the removal of cherished ALP initiatives such as the Capital Gains Tax, introduced only one year earlier, the budget was not welcomed by the business community. The ‘business community’ was at this time a major part of the New Right network in its guise as the ACCA and the IPA. Its representatives therefore called for lower government spending overall not new initiatives. As I have argued in Chapter 2, it particularly did not wish to see these initiatives in the social welfare sector.

In 1975, Whitlam attempted to reinvent the party by initiating a cabinet reshuffle. Bill Hayden replaced Cairns as Treasurer. Hayden had by this time shown some flair for ‘economic restraint’ in his bid for the job. As Minister for Social Security he had presented a package of proposals calling for ‘fiscal expenditures to be pruned heavily...aimed at shifting the burden of economic measures before we have too serious a collapse in the private sector’. He added ‘in any case our spending proposals in total seem too grand in scale for the present circumstances.’ In his 1975 budget speech he adopted an ‘inflation first’ approach. His references to unemployment were few and far between; at one stage claiming ‘more inflation seems to lead to more unemployment’. Hayden’s desire to bring down a responsible budget employing ‘sensible’ policies of fiscal restraint also involved the abolition of the REDS scheme. Despite its relatively small cost at $250 million a year, REDS had been widely criticised as an irresponsible policy and as a waste of money. It represented for the New Right a further expansion into areas that should be ‘naturally’ determined by the market.

These moves seem to be part genuine conversion and part political strategy. In his memoirs, Hayden writes vociferously about his antipathy toward the new class of welfare professionals throughout the latter two years of the Whitlam Government, indicating that a desire to ‘cut off their supply’ was in part a driving force. He also writes of feeling at the time that poverty wasn’t really as bad as people, including Ronald Henderson and

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7 Bill Guy, A Life on the Left: A Biography of Clyde Cameron, Wakefield Press, Kent Town, SA, 1999, p.304
8 Hughes, Exit Full Employment, p.101
9 Cited in ibid., p.115
10 Cited in ibid., p.115
what he refers to as ‘the welfare industry’, made it out to be. What the welfare industry needed, according to Hayden, was a good taste of market reality. In addition he claims that ‘reality’ taught him a lesson that drove him toward economic rationalism; this lesson being: ‘the more government expands and intrudes its functions into our private lives, the greater the tendency for the free expression of human will and creativity to be prohibited.’ However, this may be a result of Hayden’s ideological position in 1996, the year in which his memoirs were published, rather than a true reflection of his thoughts in 1975. New initiatives were designed which seemed to contradict the government’s economic rationalist direction, among them the Social Security Appeals Tribunal (SSAT), initiated by Hayden in 1975, prior to his taking up the role of Treasurer.

Policies of fiscal restraint were at least in part designed to stave off Fraser’s calls for an early election based on the government’s handling of the economic crisis. 1974 and 1975 signified a new direction in social-welfare policy making. Highly publicised areas of social-welfare spending had been cut and rules tightened for the receipt of benefit. These were presented to the public as ‘good’, ‘sensible’ policies aimed at achieving a diminished role for government. The election of the Fraser Government in December 1975 led to a further naturalisation of restraint as the ideal in welfare policy. Attempts to prove the New Right economic credentials of the government would also lead to the removal of vulnerable groups publicly criticised as ‘illegitimate claimants’ overloading the welfare sector, and to random removals aimed at proving that dole bludgers were ‘at last’ being rooted out.

The Coalition and random removals – Bringing down the numbers
The Fraser Government offered itself as the solution to Whitlam’s economic crisis, yet in spite of its self-proclamations, the government increased spending on social security throughout the years 1975 to 1983. As Rob Watts has convincingly argued, the Coalition

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12 Ibid., pp.180–198
13 This was also the year in which political commentators, both supporters and detractors, searched for an answer to the ALP electoral defeat and came up with Keating’s support for the ‘new class’.
14 Hughes, *Exit Full Employment*, p.116
was unable to wind back social security spending during these years not due to any deeply held ‘secret’ commitment to income redistribution, but due in large part to the government’s own ‘inflation first’ policies which themselves contributed to the sharp increase in poverty and unemployment, increasing also the number of people eligible for benefits. In addition, the number of aged Australians rose during these years resulting in a larger number of pension claims. The growth in eligible claimants in these categories alone ensured that redistribution to low-income earners increased in real terms by 11 per cent. Despite this fact, Fraser did attempt to restrain the rate at which social security spending increased, even if these attempts were largely unsuccessful. As a percentage of GDP, social security spending increased from 6.9 per cent in the 1975–76 financial year to 8.2 per cent in 1977–78, decreased slightly during the next three years before hitting 8.8 per cent in Fraser’s last budget in 1982–83.

There is evidence, however, that increases in social security spending during the Fraser years did not amount to a redistribution of income in the direction of the poor. Although spending on the unemployed increased from $250 million in 1974–5 to 564 million in 1978–9, it did so only because the number of people in receipt of unemployment benefit also increased. In actual fact the real value of unemployment benefits in 1982 was 22 per cent lower than it had been in 1975. The government presided over a redistribution of income away from low-income earners in the direction of the already socially and economically advantaged. But while expenditure increased, these facts could do very little to shore up the government’s image as the party of ‘rational’ economic management. In the absence of actual decreases in social security spending, the government looked to grand gestures to secure its image. This in practice meant that high profile and controversial areas of social security expenditure were attacked and numbers were

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16 Ibid.
17 Budget Papers 1983-84, cited in ibid., p.106
18 Macintyre, Winners and Losers, p.92
19 Watts, p.109
artificially lowered through random removals. The media publicity gained from these curtailments alone reinforced the government’s claims.

The first budget handed down by the LCP announced that in spite of increasing unemployment the expected outlay for unemployment benefit would be $49 million less than the previous financial year.20 This would be achieved through ‘sensible’ economic management and fiscal restraint. In 1977 it was suggested that the numbers would be cut by a third.21 In 1978 a further $9 million was to be cut from unemployment benefit expenditure.22 The government vowed to make these reductions by cutting the ‘waste’ within the welfare sector. This meant hunting down and removing the ‘dole bludgers’ who had been allowed to artificially inflate the unemployment benefit figures under the previous administration. In reality, attempts to reduce the unemployment benefit figures resulted in random removals. The effect, however, was a public declaration of ‘economic responsibility’. On 22 November 1976 a memo sent by the Assistant Director of the Department of Employment and Industrial Relations to all employment office managers reflected a desperate attempt to remove claimants by whatever means possible.

We all know that whenever we take time out to make a close scrutiny of our applicant registers we find some portion of the applicants can for one reason or another be referred or lapsed. What I would therefore like you to do before the onset of the Christmas rush is to take a personal interest in how best you may achieve what I might loosely term ‘rock bottom’ level in the applicant register.23

As early as April 1976 the Minister for Social Security, Senator Margaret Guilfoyle, prepared a telex for senior office management claiming a need to reduce the number of unemployment beneficiaries. To achieve this she ordered an intensification of field officer

21 Les McMahon, MP, ibid., 15 March 1977, p.195
22 John Howard, MP, ibid., 17 August 1978, p.434
23 Assistant Director, Department of Employment and Industrial Relations, to all office managers, 22 November 1976, *Commonwealth Record*, 31 January–6 February 1977, pp.110–111
activity. Overworked-staff were assured that additional resources would be made available to meet the increased workload as soon as enough beneficiaries were removed from the registers. By 1978 the number of investigating officers had increased two-fold. At least as early as February that year a saturation survey of unemployment benefit recipients was ordered. This involved a combination of unannounced in-home interviews, office interviews and postal questionnaires. The in-home interview was comprised of 12 pages of questions and included space for neighbours’ comments about the unemployed persons comings and goings. Newspaper reports declared the ‘blitz on dole bludgers’ a success and suggested that the number of beneficiaries removed was somewhere between 30 000 and 60 000. This accorded quite nicely with the Prime Minister’s prediction that a reduction in unemployment would occur shortly after February 1978.

The practice was so successful it was continued and again intensified in 1979. On 23 March the Director-General of Social Security, Patrick Lanigan, issued a telex urging review officers to concentrate on nothing else.

Notwithstanding the resource problems in your State, it is now mandatory that all reviews required by the review team report shall be made in relation to unemployment benefit, even if this means that other work which is not absolutely essential must be deferred. In particular it is now mandatory that the recommended field officer visits be conducted at three monthly intervals even if this means that field officers will not be available for mode of living checks or other work which is desirable but has a lower priority. In other words there is a simple rule that we do the

25 ‘Dept checks up on the jobless. 250 inspectors in the field’, Sydney Morning Herald, 13 February 1978 p.1
27 Senator Don Grimes, Senate Debates, 10 April 1978 p.1031
28 ‘Dept checks up on the jobless’, Sydney Morning Herald, 13 February 1978, p.1
prescribed inspections in relation to unemployment benefit and then do as much as we can elsewhere. Your co-operation in ensuring that this vital policy will be faithfully carried out will be appreciated.²⁹

The pressure to remove recipients from benefit was enormous. Despite the obvious achievements in this area, the message from above indicated that the government was still not satisfied. Two months later the Director-General sent another telex. This was subsequently leaked to the *Australian Financial Review*. It urged the review officers to 'proceed flexibly' when determining who may and may not be eligible for benefits. In addition it suggested a number of methods by which officers may remove claimants from the rolls.³⁰ Under these conditions it is hardly surprising that administrative procedures were indeed applied 'flexibly'.

Of the reasons cited for benefit removal during this period, 'incorrect address' was one of the most common. Though it seemed to indicate fraudulent activity of some kind and was often represented in this way, 'incorrect address' was in fact a random method of removal. It most often meant that a field officer had visited the address supplied by the claimant but that no one had answered the door.³¹ The claimant was given 24 hours to contact the CES office at which the field officer worked. If this did not happen the claimant was removed from benefit. Further problems arose for claimants who were not at home when a 'suitable position' became available. On these occasions a standard letter was delivered:

Dear..........

A position that should suit you is now available and I would like you to call at this office immediately.

If you were not at home when this letter was delivered please contact my office as soon as possible.

²⁹ Telex from the Director General of Social Security, 23 March 1979, cited in Young, p.30
³⁰ Senator Colston, *Senate Debates*, 29 May 1979, p.2226
³¹ Brewer, *Rough Justice*, p.42
If I do not hear from you within 24 hours I will assume that you no longer require employment assistance and as you are in receipt of Unemployment Benefit I will be obliged to advise the Department of Social Security accordingly.

Yours sincerely...

On other occasions the work test was applied with extreme liberality. As a pamphlet distributed by the King Street Job Centre in Melbourne suggested, an officer could make a recommendation for the cancellation of benefit if the claimant opened the door in his or her pyjamas.\(^{32}\) This apparently proved a lack of work effort on the part of the claimant.

In a number of cases, however, the reason for termination was not recorded. Investigating officers and office-based CES workers frequently failed to provide clear reasons (or any reasons) for the termination of benefit. This meant, however, that if the claimant appealed, the appeal would be upheld, and a CES instruction warned investigating officers against this approach.\(^{33}\) If some officers provided no reason for termination, others provided a broad range of reasons. In Graeme Brewer’s study of unemployment benefit terminations, published in 1978, some claimants indicated that the reasons for termination were altered depending on the circumstances.

Clients might go to considerable trouble to find out from the Commonwealth Employment Service and Social Security which job they were alleged to have declined. They might then go to some lengths to explain that there were good reasons for not taking a particular job, only to be told then that there were other reasons for non-payment, for example, failure to keep a Commonwealth Employment Service appointment, or to attend an interview with an employer.\(^{34}\)

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\(^{32}\) Windschuttle, Appendix A
\(^{33}\) Brewer, *Rough Justice*, pp.54–5
\(^{34}\) Ibid, p.50
The appeal figures for this period indicate the frequency of random determinations. In the 1976–77 financial-year alone, the number of appeals finalised by either the DSS or the SSAT reached 18,090. Of those finalised only 53.2 per cent were upheld. Of appeals lodged with the Social Security Appeals Tribunal (SSAT) from 1 July 1976 to 30 June 1979, 82.4 per cent were in relation to unemployment benefit. The fact that official figures show almost half of all appeals were ‘upheld’ indicates that terminations in these cases were not legitimate work-test breaches. This, however, did not stop the government from representing its random administration as a systematic ‘crackdown’ on ‘dole bludgers’, the symbols of financial permissiveness and welfare waste. Random removals and work tests, however, were not as effective in proving the government’s economic management credentials as systematic category removals. While the former provided a quick fix to the rising rates of unemployment beneficiaries, it often meant a great deal of work for the DSS and an almost certain restoration of benefit. By removing whole categories of recipient the government could publicly fulfil its role as the government of responsible economic management. These two methods existed side by side during the Fraser period.

Category removals – School leavers

One of the easiest ways in which the government could prove its commitment to fiscal restraint was via the removal of whole categories of ‘illegitimate’ claimants from the unemployment benefit registers. According to Laurie Daniels, Director General of Social Security at the time ‘Senator Guilfoyle regularly got letters from the Treasurer and the Prime Minister, asking her to specify areas of benefit which could be curtailed or refused or eliminated.’ While simultaneously expanding its welfare spending in other areas, the government chose to remove two vulnerable and publicly criticised categories of claimant. These two categories were the public face of welfare gone wrong. Their

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36 Ibid. p. 30. The number of appeals upheld by the DSS and SSAT is almost certainly greater than the figures indicate. This is because the principles and procedure manual for the SSAT system instructs DSS officers to record any upheld appeals as ‘lapsed’. See: Department of Social Security, Social Security Appeals System – Principles and Procedure, December, 1974, p.2
removal would symbolise a new ‘sensible’ direction in welfare policy making. In 1976
the government removed school leavers from eligibility until the start of the following
school year. In 1977 it began to remove Indigenous people from the rolls, transferring
them instead to the CDEP scheme, a cost centre within the Department of Aboriginal
Affairs. These two categories of claimant shared in common their status as symbols of
Whitlam’s irrational welfare state. School leavers had been constructed as the main
offenders when it came to dole bludging, while Indigenous people were represented by
the New Right as a special interest group receiving benefits at the cost of ‘average
Australians’, or, alternatively, as ‘victims’ of Whitlam’s ill-conceived programmes. By
removing these two categories, the government could appear to be responding to the
economic crisis by making a clear break with the ‘irrational’ policies of their predecessors
that had resulted in ‘dole bludging’ and other illegitimate claims. In addition it was
believed that the removals would inspire support from the electorate and, in the case of
Indigenous people, from the community leaders themselves.

The policy decision to remove school leavers from unemployment benefit for the period
of the school holidays came to the attention of the media when a fourth-form school
leaver from Clarence High on Hobart’s Eastern Shore issued a writ to sue the
Commonwealth Director of Social Services, Laurie Daniels; the Tasmanian Director,
Brian Wraith, and the Commonwealth Government after her unemployment benefit claim
was rejected at the end of 1976.38 A letter was issued to all school leavers who applied for
the benefit. It stated that: ‘As a general rule, persons who leave school in November or
December will not be in a position to meet the conditions of eligibility for unemployment
benefit until the end of the school vacation’.39 In most states this equated to three months
without subsistence.

37 Laurence Daniels, Former Director-General of Social Security and Director of the Department of the
38 ‘School leavers issue writs’, The Mercury, 27 December 1976, p.2
39 Green v Daniels and Others, High Court of Australia, Melbourne, 4, 7, 9 March, 15 April, 1977,
Australian Law Reports, 13 ALR 1, p.7
The policy on school leavers brought into play a discourse that had already framed young unemployment benefit recipients as dole bludgers. It was supported by claims that youth did not need welfare benefits at all. The provision of benefits to youth was declared an irrational waste of taxpayers’ money and a probable disservice to the recipient. All school leavers were to be denied benefit until the beginning of the next school year. This policy fell somewhere between a direct denial of benefit and the newly re-introduced postponement provisions. While postponement of benefit had been abolished under the Whitlam government as being contrary to its social and economic objectives, the newly elected Liberal Government saw postponement as an ideal way of shifting the duty of care to the individual school leavers and their families.\textsuperscript{40} In March the case proceeded to the High Court. After four days of deliberation throughout March and April Justice Stephen declared that the Social Services Act could not support the government’s policy on school leavers. As no legislation had been enacted to incorporate a rule such as this into the Act the policy was not merely insupportable it was also ‘unlawful’.

The government maintained its stance on the policy and suggested that any young person in genuine need would be catered for. The government would provide ‘Special Benefit’ for anyone who could demonstrate ‘need’. Applicants were expected to: prove ‘hardship’ caused by loss of income,\textsuperscript{41} be registered as unemployed with the Commonwealth Employment Service, be taking reasonable steps to obtain work, be able to prove that his or her parents were not contributing to his or her upkeep (this meant that school leavers would need to prove that no parent or guardian had supported them throughout their time at school), be willing to work, and be unable by reason of age, physical or mental disability or domestic circumstances, or for ‘any other reason’, to earn a sufficient livelihood for himself and his dependants (if any).\textsuperscript{42} In a kit providing instructions and guidelines for claimants, Australian Council of Social Services (ACOSS) advised that when applying for special benefit students would need to prove that they had ‘no cash, no

\textsuperscript{40} Tony Street, MP, \textit{House of Representatives Parliamentary Debates}, 23 March 1976, p.871
\textsuperscript{41} Senator Susan Ryan, \textit{Senate Debates}, 25 May 1977, p.1359
way of paying for food, clothing, transport and shelter".\textsuperscript{43} In addition, students needed to prove that they were willing and able to work and that they had been taking reasonable steps to obtain work. Of the 34,455 unemployed school leavers who applied for unemployment benefit during the three months following November 26 1976, all were rejected. The estimated saving to the government was $5.5 million. Of these claimants, 131 were granted Special Benefit. The cost to the government was $13,000. Karen Green was not one of them. Her claim was rejected because her mother, a widow, was receiving an additional benefit for Karen's maintenance in her widow's pension. Twelve dollars a week.\textsuperscript{44}

The rhetorical effect of this policy decision was to reinforce the idea that youth were not generally needy claimants. Government money had been wasted on these applicants. Reference to Special Benefit placed the government in a position where it could claim that it had weeded out the cheats and bludgers and maintained provision for the genuinely needy, who, given the low take-up of benefit, were few and far between. Accordingly, Senator Guilfoyle declared that in response to 'the charge of social injustice that arises from the non-payment of unemployment benefit automatically to school leavers [we say] there is provision for the payment of a special benefit by the Director-General at his discretion'.\textsuperscript{45} The debate in response to this, shifted from the legality of the government's policies to the genuine 'neediness' of the claimant.

Youth could also be constructed as objects of paternalistic welfare policy. Discourses focusing on the 'best interests' of youth could therefore accompany discourses of fiscal restraint when presenting policies to the public. It was therefore a common claim that the provision of benefits for youth represented an incorrect application of the government's duty of care. The policy of 'throwing money' at youth had been 'disastrous'. The Member for Riverina John Sullivan reflected this when in support of the measure he stated: 'any

\textsuperscript{43} Judie Sutor, \textit{Through the Hoops, A Kit to Guide you through Social Security and the System of Appeals}, Australian Council of Social Services, Sydney, 1981
\textsuperscript{44} Green v Daniels and Others, p.5
\textsuperscript{45} Senator Margaret Guilfoyle, \textit{Senate Debates}, 25 May 1977, p.1328.
system which allows, condones or actively supports a philosophy which can turn even a few of our youth into bludgers must be changed or abolished.\textsuperscript{46}

When the policy was first introduced in March 1976, it was distributed to DSS and CES officers with an additional explanatory note. This note provided a vague reference to ‘past instances’ where ‘some’ school leaver claimants had received the benefit only later to return to their studies.\textsuperscript{47} The implication was that the policy should be seen as valid on the grounds that it would be used to stamp out fraud. Guilfoyle claimed that the policy was in part a matter of tough love.

The Government confirms its policy that an unemployment benefit should not be paid automatically to a school leaver immediately upon his leaving school, but rather that an attempt should be made by the person concerned to take reasonable steps to obtain employment and, in general, to have a transition from school to work which is wholly desirable if the person concerned is to obtain work which will give satisfaction and fulfilment in the future.\textsuperscript{48}

While Senator Baume insisted that the policy should be regarded as legitimate because:

It is not the Government’s function to give that benefit to those who are attempting to defraud the Government and it is up to the Government to determine the policy which will apply to the administration of these benefits.\textsuperscript{49}

Others returned to an assault upon the Labor party and its creation of dole-bludgers. Victorian NCP Senator Thomas Tehan, for example, had ‘personal knowledge’ of

\textsuperscript{46} John Sullivan, MP, \textit{House of Representatives Parliamentary Debates}, 31 March 1976, p.1190
\textsuperscript{47} Green v Daniels and Others, p.1
\textsuperscript{49} Senator Peter Baume, ibid., p.1357
secondary students flocking to the CES for their benefits on the day school broke up. Under the ALP they were granted these benefits and it was a matter of ‘almost public scandal’ he said. In addition he mentioned the ‘interests of the tax-payer’ and the ‘vast social service bill’ as matters to take into account when making decisions about policies such as these.\(^{50}\) The Minister for Health Ralph Hunt claimed that the policy revealed the difference between the Liberals and the ALP, ‘We turn our attention to people who have a demonstrated need’.\(^{51}\) John Abel did less well in avoiding a discussion about the legality of the policy. To him ‘the law’ in this case did not take into account ‘the moral aspect’, ‘the cost’ or the ‘sociological problems’ associated with paying unemployment benefits to school leavers. It should hence be disregarded. To this he added ‘I state very clearly and precisely that I do not now nor will I in the future support paid vacation leave for school leavers.’\(^{52}\)

Over 34 000 school leavers had applied for benefit at the end of the 1976 school year. Although the government had claimed that the Director-General would review each case brought before him, the claims had become virtually impossible to chase up. Students who sought a review were told that all claims for that period had been destroyed.\(^{53}\) In October 1977, the Social Services Amendment Bill was introduced to parliament. From then on, all school leavers, regardless of work effort, were to be denied unemployment benefit for a period of six weeks. The policy was, as the Director-General Laurie Daniels later said, based upon a feeling that cuts needed to be made.\(^{54}\) The symbolism was greater than this. By removing benefits from school leavers the government demonstrated its commitment to ‘turning the tide’ on ‘welfare waste’ via sound economic management.

**Category removals—Aboriginal assistance and the CDEP scheme**

Throughout the 1960s unemployment benefits had been provided to Indigenous people in a very limited and piecemeal fashion. In 1959–60 the Commonwealth Government had

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\(^{50}\) Ibid., p.1361  
\(^{52}\) John Abel, MP, ibid., p.2189  
\(^{53}\) Senator Colston, *Senate Debates*, 28 April 1977, p.1052  
\(^{54}\) Daniels, p.74
made available to Indigenous people in institutional care other forms of welfare including maternity allowances, widows allowances and invalid pensions. Unemployment benefit for remote Indigenous people was a contentious issue involving questions of assimilation and self-determination, and therefore providing no clear Left or Right position or objective. It had been felt by many involved in the administration of settlements and missions that the unemployment benefit would override the 'no work, no support' policy operating in these places. In April 1959, the Director of Welfare recommended that a 'conservative attitude' should be adopted where social service payments are concerned lest 'we develop a group of mendicants who will progressively look to the State to provide them with the means of livelihood and who will progressively lose any incentive to improve their conditions.\(^{55}\)

It had been the general practice throughout the 1960s to work unemployed able-bodied Indigenous people for rations until another job could be found. This was felt to be better for the well being and development of Indigenous communities than benefits, though, as a 1968 circular from the Department of Social Security explained, keeping Indigenous people 'ignorant of their rights' to benefits 'cannot withstand informed criticism'.\(^ {56}\) In 1968, unemployment benefits were extended to Indigenous people but eligibility requirements were to be judged by mission authorities and Welfare Branch officials. Although there were some cases of Indigenous people successfully applying for the benefit, most who became unemployed were awarded a 'training allowance' as a substitute.\(^ {57}\) Under the Whitlam Government's policy of equal rights for Indigenous people, these training allowances were replaced with universal unemployment benefits that required them to meet universal eligibility requirements.

In 1974, the Minister for Social Security, Bill Hayden announced:


\(^{56}\) Undated draft cabinet submission, cited in Rowse *White Flour* p.177

\(^{57}\) Rowse, *White Flour*, p.176
It is official Labor policy that Aboriginals are to have equal rights and opportunities with all other Australians and that every form of discrimination against them should be ended. This applies to the right to receive social services in the same way as all other Australians.\textsuperscript{58}

There was a certain amount of unease associated with this decision, even within the government itself. In March 1974, the Minister for the Northern Territory argued that while he accepted the 'philosophy of equality' for Aboriginal people he had come to regard the unemployment benefit as problematic for remote Indigenous people. He urged extreme sensitivity in its application. This was especially the case given that the unemployment benefit would be, in most remote areas, the major source of income for the communities. It would therefore alter the communities themselves in ways not experienced in urban areas, which by comparison experienced relatively full employment.\textsuperscript{59} For many on the Left who desired Aboriginal rights, the application of universal policies and administrative techniques to Indigenous communities symbolised a disregard for the unique situation and custom of those communities. A type of 'welfare colonialism' was being enacted which required remote Indigenous people to answer to intense administrative structures designed for white urban communities.\textsuperscript{60} This then represented aspects of the policy of assimilation that the government had been moving away from since the Prime Minister William McMahon renounced it in 1972.\textsuperscript{61}

By 1976, other Departmental officials were voicing concerns with regard to the benefit's affect in remote communities. During the first year of the Fraser Government, two

\textsuperscript{58} Bill Hayden, Speech at the Annual Meeting and Dinner of the Teachers of Aboriginal Children (South Australian Institute of Teachers), Adelaide 22 May 1974.
\textsuperscript{60} The term 'welfare colonialism' was coined in 1988 by Jeremy Beckett to describe 'Western expansion whereby new peoples are incorporated into a conquering state'. See Jeremy Beckett, 'Aboriginality, Citizenship and the Nation State', in \textit{Aborigines and the Nation State in Australia, Social Analysis Special Issue}, no 24, December 1988, pp. 3–18, 78–84
\textsuperscript{61} Rowse, \textit{White Flour}, p.204
Indigenous liaison officers, one of whom was himself an Indigenous Australian, claimed that

Unemployment benefit is not understood—it is termed ‘sit-down’ money—and the payment of it is a sensitive issue... There is truth in the opinion that the unemployment benefit plays a part in breaking down the tribal structure by giving influence, through the possession of buying power to younger men.\(^{62}\)

Claims that the benefit aggravated social problems, such as drunkenness and violence were also common.\(^{63}\)

By the time the Coalition took government in December 1975, support for unemployment benefits for remote Indigenous people was low. In 1976, 46 per cent of all Aboriginal income came from social security payments.\(^{64}\) This was felt to be a major problem for tribal structure and social relations within the communities. In addition to the voices of concern on the Left and those emerging from the Indigenous communities themselves, new discourses had been formed that framed the problem of Indigenous welfare in a very different manner. The New Right had started to weigh in on the debate. While appropriating the language of the Left by citing harm to Indigenous communities as a major concern, many also adopted a language of ‘special interests’ and pointed to Indigenous welfare as a symbol of all that is wrong with ‘big government’. For some New Right public figures the problems of Indigenous welfare in remote communities provided a discursive microcosm to draw on when describing the affect of welfare on all Australians. Under the heading ‘Aborigines’ in his A-Z book *Rip Van Australia*, John Singleton began the section with a quote from John Lennon: ‘Everything the government touches turns to shit.’ He went on to claim that ‘empire building bureaucrats’


\(^{63}\) See for example, Community Development Employment Projects (CDEP’s) Basic Outline and Guidelines, *House of Representatives, Parliamentary Debates*, 26 May 1977, p.1921.

\(^{64}\) Anne Daley and Anne Hawke, ‘How Important is the Welfare System for Indigenous People [?], CDEP, ANU Paper, 1994
appropriated most of the Budget for Aboriginal welfare and used it for wasteful schemes. Outside of protecting individual rights for all people ‘our governments should simply leave people alone, and not attempt to ‘administer’, ‘control’ or ‘assist’ them.’ 65 Contrary to this discourse of concern for Aboriginal communities, Singleton had also claimed in an interview with the National Times in 1975, that under the current policy ‘it is getting so that white man is the second class citizen and the black man is the first class citizen’. 66

This was a common combination in New Right discourses on Indigenous welfare, added to it was the claim that Indigenous people represented Whitlam’s brand of irresponsible welfare, based on ill-conceived ‘ideological’ motives rather than on any ‘sensible’ economic plan. A report published in The Australian two weeks prior to the 1975 election combined these discourses in its efforts to remove Whitlam from government (see Chapter 5). Like school leavers, Indigenous people were in a unique position. The New Right could represent them as visible symbols of a welfare system in crisis and in need of ‘sensible’ economic management. By removing remote Indigenous people from the unemployment benefit, the Fraser Government could fulfil both its role as a paternalist government committed to the wellbeing of Indigenous people, and its role as the government of fiscal restraint committed to rooting out illegitimate claimants.

The Community Development Employment Projects Scheme (CDEP) was developed in 1977 with a great deal of support from both the Left and the Right of politics. In communities where CDEP was operating, grants were paid to Aboriginal councils or incorporated groups to the value of or not exceeding the total entitlement to unemployment benefits in the area. This amount was to be determined by the Department of Aboriginal Affairs and used to employ all the members of a community who would normally receive unemployment benefits. Each participant would receive the equivalent of his or her benefit in the form of a wage. 67 As a community-administered program it more adequately satisfied the needs of Indigenous communities for rights specific to

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65 Singleton with Howard, p.3
66 Nicklin, ‘The new politics’
67 CDEP’s Basic Outline and Guidelines, p.1921
Indigenous people, including the right to self-determination. Community leaders also welcomed the programme for this reason.\textsuperscript{68} It gave the Indigenous people themselves more control over discretionary resources to be spent in a manner concurrent with the needs of the community while avoiding the imposition of foreign administrative structures. For the New Right it represented a necessary shift to fiscal restraint and the concept of mutual obligation.

The programme began with only 100 participants and grew to include 32 communities and 1 700 direct participants in 1983.\textsuperscript{69} Although this did not represent a significant cost saving for the government, it shifted the participants out of the unemployment benefit figures and into a cost centre within the Department of Aboriginal Affairs. Although the cost was similar, the government had reduced its Aboriginal Affairs budget by $24.3 million during the 1976–77 financial year and therefore could not be open to charges of welfare expansion where CDEP was concerned.\textsuperscript{70} Rhetorically, the policy represented the Fraser Government’s ability to ‘shift people off welfare’ and into ‘useful employment’ all without spending any extra money on job creation. In addition, the programme represented a policy of fiscal restraint because of its strict and limited budget. Unlike the unemployment benefit, it did not offer open-ended benefits to individuals as they became unemployed. It allocated a fixed annual budget based on the number of people eligible for unemployment benefit in a participating community. If more individuals came to participate in the project, the budget would soon run out.\textsuperscript{71} In practice this would often lead to unemployment benefit claims being made, but in theory it was intended to put a knowable limit on welfare spending in this area and to clearly contrast it with the unknowable and potentially unlimited requests for unemployment benefit.

\textsuperscript{69}Ibid.
\textsuperscript{70}EG Whitlam, MP, \textit{House of Representatives, Parliamentary Debates}, 11 October, 1977, p.1863
\textsuperscript{71}Will Sanders, Citizenship and Community Development Employment Projects Scheme: Equal Rights, Difference and Appropriateness, in Peterson and Sanders (cds), p.145
These category removals then played a symbolic role in the Coalition’s effort to appear as an economic rationalist government turning the tide on Whitlam’s welfare programme. As highly criticised and highly publicised categories, school leavers and Indigenous people represented the epitome of the welfare ‘crisis’ that had, apparently, been created by ill-conceived social democratic ideologues. Paternalist fears for the well being of these two categories supplemented the Fraser Government’s policies and were, in the case of Indigenous people, supported to some extent by calls for Aboriginal rights different from universal rights. Economic rationalism, combined with discourses of dole bludging infused both these category removals and helped to naturalise the goal of fiscal restraint in welfare policy. Also in pursuit of this aim, the government commissioned an inquiry into unemployment benefit policy in the hope that it might recommend similar removals and reductions in expenditure to be incorporated into a general picture of economic rationalism.

The Myers Inquiry
Towards the end of 1976, Dr David Myers, the former vice chancellor of La Trobe University, was appointed by the government to conduct an inquiry into unemployment benefit administration. The inquiry was intended as a scientific examination of the welfare ‘crisis’. By announcing it the government intended to continue its rhetorical attack upon dole bludgers. Expenditure cuts, wherever they occurred, were always associated with a ‘crack down on dole bludgers’ and presented as evidence of the government’s commitment to abolishing welfare waste. An inquiry would reinforce this message and supplement it with expert opinion. When the Myers Inquiry was announced on 30 March 1977, it seemed from the outset that the government expected the report to follow this line. In a joint statement issued by the Minister for Social Security and the Minister for Employment and Industrial Relations, it was declared that ‘abuses of the system’ and dramatic increases in expenditure had prompted the ‘urgent need for a fundamental review’.72 In parliament it was announced that the inquiry would enable a long overdue restructuring of the benefit system. This restructuring would bring about a

72 ‘Scientific look at dole system’, Sydney Morning Herald, 31 March 1977, p.1
system in which abuse could be avoided and adequate assistance to ‘genuine cases in real need’ could be achieved, all through the implementation of expenditure cuts.\textsuperscript{73}

Even before the inquiry had begun, Myers was given a clear indication of what he would or should find. Guilfoyle ensured that he was assisted in his findings by encouraging members of the public to air grievances about the unemployed to the committee.\textsuperscript{74} Advertisements inviting these submissions were placed in national dailies and other selected newspapers on Wednesday 13 April and Saturday 16 April. The inquiry was publicly declared as an independent and ‘scientific’ method of rooting out dole bludgers and welfare waste.\textsuperscript{75} While Myers remained silent on the issue, others anticipated the results of the yet-to-be conducted inquiry and applauded them. The \textit{Sydney Morning Herald}, in particular, indicated strong support:

\begin{quote}
If the Inquiry does find appreciable numbers of people who don’t want to work, feel no obligation to work, and feel no shame at depending on the work of others, and if it can suggest ways of dealing with them, it will serve a useful purpose.\textsuperscript{76}
\end{quote}

Others suggested that Myers had been chosen for the task because of his close association with the Liberal party. His background, it was noted, was one of private schools and ‘upper-middle class’ living standards. He was a member of the exclusive men’s club, the Melbourne Club, and a member of the wealthy Melbourne establishment.\textsuperscript{77} For these reasons alone, it was assumed that the report would promote the government’s philosophy of ‘restraint’.

Dr Myers was instructed that within three months he and his team of 11 assistants should:

\textsuperscript{73} William Wentworth, MP, \textit{House of Representatives Parliamentary Debates}, 21 April 1977, p.1106
\textsuperscript{74} Senator Geoffrey McLaren, \textit{Senate Debates}, 31 March 1977, pp.689–90
\textsuperscript{75} Ibid., and ‘Scientific look at dole system’
\textsuperscript{76} Editorial, ‘New “dole” inquiry’, \textit{Sydney Morning Herald}, 31 March 1977, p.6
\textsuperscript{77} ‘Scientific look at dole system’ and Keith Johnson, MP, \textit{House of Representatives, Parliamentary Debates}, 30 March 1977, p.780
1. Examine the underlying concept and philosophy of the present system and assess how appropriate these continue to be.

2. Against the Government's basic policy of directing assistance to those most in need, examine and recommend on a system of income support for unemployed persons having regard to:
   a) the level of benefits the community should provide to those unable to find work, including new entrants to the workforce.
   b) the extent to which the applicant's previous income and any other income the person or their family are currently receiving should limit the level of income support during a period of unemployment.
   c) whether arrangements should be made to adjust benefits and, if so, on what basis;
   d) the effect of income support measures on the incentive of unemployed persons to actively seek employment.
   e) what limits if any should be set to levels and duration of payments;
   f) the conditions which should be met by individuals before they become eligible for income support.

In addition the inquiry was expected to report on the present administrative arrangements and the extent to which these arrangements would need to be modified while keeping in mind the 'prevention of abuses and protection of public expenditure'.

The wording served a rhetorical purpose by expressing the government's concern for 'those most in need' and contrasting this against the current system of 'welfare waste'. The inference was that Myers should find the system in want of a radical restructuring in the direction of lowered expenditure. Within the terms of reference, suggestions relating to the means testing of benefits and limited duration of payment were perhaps the most obviously geared toward the concept of fiscal restraint. Suggestions that Myers might find
that benefits had eroded work incentive were more clearly associated with providing a rhetorical support for these measures. The three-month time limit would enable the government to include these anticipated recommendations in the forthcoming budget.

At the conclusion of three months the Inquiry into Unemployment Benefit Policy and Administration was submitted. For two months the government sat on the report before it was tabled in parliament. During the two months little was said about the findings. Independent academic opinion ceased to carry the weight it had three months earlier. The Director-General of Social Security, Laurie Daniels, later declared that the report received less attention than any report the government had ever received. Myers had thwarted the government by handing in a report that did not lend weight to the government's claims of 'economic responsibility'. Although it did pay a great deal of attention to the needs of the 'genuine' job seeker as the terms of reference had indicated, and did, in some cases, support greater disciplinary measures for benefit claimants, it did not support a major scaling back of the benefit system. Myers recommended the reverse, calling instead on more funds for unemployment benefit administration. Margaret Guilfoyle and Tony Street issued a joint statement declaring the findings to be 'impractical'.

ACOSS declared that the report had been buried because of its humanitarian approach and its lack of attention to disciplining dole bludgers. Two years later Keith Windschuttle came to the same conclusion. An examination of the report, however, does not support this conclusion. The report, in fact, did not shy away from supporting a government line where abuse was concerned. Myers paid a great deal of attention to disciplinary measures and agreed that the unemployment benefit system was 'open to abuse'. The recommendations in many cases reinforced and increased attention to discipline. This approach was more in tune with the conservative approach to benefit administration that

existed prior to 1974. The report was buried because it did not lend weight to the
government's credentials as economic managers.

The introduction to the report read as a reprimand to the government for its 'inflation first'
policy. Unemployment, Myers insisted, 'is an outcome of the failure of human endeavour,
either internationally or locally, and is within the power of society to control, even though it
often fails to do so'.\textsuperscript{80} Myers placed the blame for unemployment upon what he termed
'society' and spoke of the right of every member of that society to work.

On the assumption that people have both the right and the obligation to
work for a living and so to make a contribution to society, it is a
responsibility of society to provide avenues of rewarding employment for
the benefit both of its members and of society as a whole. In simple terms,
the maintenance of an effective workforce is a requirement of a balanced
community.\textsuperscript{81}

In addition, the inquiry dismissed the idea that benefits eroded the incentive to work. This
was a blow to the government's campaign to prove the reverse. Although the inquiry
received a number of submissions claiming that the existing rates of unemployment
benefit had acted as a disincentive to the active search for work, Myers concluded that
this was not the case. Rather, he claimed that the nature of work was considered crucial in
determining the motivation to work. He also claimed that prolonged unemployment was
essentially responsible for a loss of ambition or desire to work. In making this claim he
joined members of the Labor Party and the Brotherhood of St Laurence who, while not
denying the existence of an apathetic dole youth, claimed that demoralisation was the
cause.

Although the report did not find that benefits needed to be lowered or limited in order to
reflect the true needs of the unemployed, it did find that the needs of the unemployed

\textsuperscript{80} Myers, p.7
could be met more adequately with a changed system. Myers suggested that a multi-tiered system be implemented. This consisted of a basic allowance available to all unemployed, a spouse allowance for a dependent spouse, a continuity allowance to reward those who had previously worked more than 39 weeks in the last twelve months, and a needs allowance based on the cost of living for independent persons. The basic allowance was to be one third of the minimum wage.\textsuperscript{82} In this respect Myers seemed to agree with the government's view that the deserving needed to be separated from the undeserving poor. This was a type of means test where the most deserving received more than the existing rate as opposed to the government's preferred means test where less deserving beneficiaries received less than the existing rate.

While all of Myers' 'disciplinary' recommendations were ignored along with the majority of the report, the only recommendation to see the light of day was a simple money-saving device that was, again, to be applied to all claimants regardless of character or work effort. Under the existing arrangements, all new claimants had to endure a period of one week without benefit. From the end of that week benefits would be paid two weeks in advance. Myers recommended that this waiting period be abolished and payments be made in arrears. These two measures, according to Myers, fit 'hand in glove, as fortnightly payments in arrears without abolition of the waiting period would cause hardship in the period before the first cheque was received.'\textsuperscript{83} The government converted to payment in arrears but kept the seven-day waiting period. The change was announced in the July budget speech. Guilfoyle declared that a saving of $60 million would be made.\textsuperscript{84}

The government's reaction to the Myers Inquiry can be seen as evidence of their overriding concern. The report was not rejected because it failed to provide the government with new ways of disciplining the claimant. The report was rejected because

\textsuperscript{81} Ibid.
\textsuperscript{82} Ibid.
\textsuperscript{83} Ibid., p.15
\textsuperscript{84} 'Tighter control on dole payments planned', \textit{Sydney Morning Herald}, August 17 1977, p.8
it did not provide the government with an approach that could be claimed to represent the government’s economic approach to welfare. It did not give authority to a method of means testing approved by the government. It did not approve the setting of limitations on the duration of benefits. It saw that new entrants to the workforce should receive benefit in the same manner as other claimants (at the time the government was denying benefit to school leavers). It did not approve of a lowering of benefit rates. It saw no truth in the supporting idea that high rates of benefit were a ‘disincentive to work’. The image that the government wished to portray conflicted with these findings. The report was buried for this reason.

Conclusion
Welfare policy could be regarded as a response to ‘economic crisis’ under any circumstances. John Maynard Keynes developed his theory of demand management, of which the welfare state was a large component, as a response to the Depression and the problems caused by soldier repatriation. On a personal individual level, welfare can be regarded as a response to economic crisis as experienced by a person who becomes unemployed. The way in which the simultaneous rise of inflation and unemployment was framed as an economic crisis to which welfare needed to respond was different. For the first time in 1974, welfare was discursively constructed as the cause rather than the cure of the economic crisis. Criticism of Whitlam’s expansive welfare policies, symbolised particularly well by highly criticised policies on welfare for school leavers and Indigenous people, and by ‘permissive’ work testing, supported this discourse. It was claimed by the New Right, and through New Right media discourses, that in order to respond to the crisis, welfare policy needed to undergo a radical and necessary change and to sacrifice some of its influence to market forces.

For this reason the Whitlam Government in 1975 and the Fraser Government throughout its eight-year term made desperate attempts to prove its economic ‘rationalism’ through welfare-policy decisions incorporating the image of a ‘dole bludger’ crack down. Policy decisions and policy recommendations that appeared to contradict fiscal restraint were
hidden or abandoned. The Myers Inquiry provides us with evidence of this. In addition, random and ‘urgent’ attempts were made to cut the numbers receiving benefit in response to demands for attention to ‘waste’ and ‘bludging’. Through these attempts the Fraser Government hoped to prove its economic management credentials by claiming that ‘dole bludgers’ on whom millions had been spent during the life of the previous administration, were now being removed from the rolls. It was via these desperate attempts to respond to the ‘economic crisis’ as it had been constructed by through New Right discourse, that government welfare policy reinforced the ‘dole bludger’ and accepted the economic goals of the New Right.

The final chapter of this thesis will examine the left-wing response to dole-bludger discourse after 1974, focusing in particular upon the discursive resources, cognitive frames and institutional resources available to the Left during this period and how these were utilised. It will assess the extent to which the New Right hegemonic project was able to be contested and look for reasons why anti-dole-bludger discourses, in the end, achieved only limited success.
Rights to welfare and rights to work – Contradicting the New Right

So far this thesis has examined the shift to New Right discursive frames that occurred within economic think tanks, government and the print media. In addition it has situated the construction of anti-welfare discourses such as dole-bludger and new-class discourse within a broader struggle for New Right hegemony. In doing so, it has argued that the adoption of New Right discursive frames within economic think tanks shifted financial resources and political influence from the Keynesian hegemonic project to the New Right counter-hegemonic project, while the adoption of New Right frames within parliamentary and media discourse transferred control over the organs of popular influence to the New Right. The reasons for this shift are unique to the institutions themselves and have been examined in previous chapters, however it is important to note that the simultaneous rise of inflation and unemployment created the historical situation within which the New Right could extend its influence from the think tanks to media and politics. After 1974, then, these institutions formed what Gramsci has referred to as an ‘historic bloc’, that is, an amalgam of forces united by political expression and emerging at a specific historical juncture to struggle against an existing hegemonic project. The constitution of an historic bloc, its resources, its ability to articulate the desires of the populace and most importantly to be heard, determines its success. The formation of the New Right historic bloc therefore not only represents the growth of a New Right hegemonic project in competition with Keynesianism, it represents a transformation of the Keynesian hegemonic project, which lost its key resources, and channels of influence.

This chapter will examine the response of pro-welfare-state actors to threats from the New Right hegemonic project. It will argue two things. First, that the depletion of pro-welfare-state influence within the institutions of media and parliament enabled the construction of a New Right frame within which the debate about the welfare state
took place. This resulted in a New Right colonisation of Keynesian and left-wing discourses about liberal rights, justice, and the suffering of the poor, thereby disabling them as left-wing pro-welfare discourses. Second, it will draw on Barbara Hobson’s work on collective identities in political claim-making to argue that while pro-welfare advocates lacked the institutional resources dominated by the New Right, the erection of collective identities which drew the unemployed into larger ‘mainstream’ cognitive frames offered the possibility for effective resistance. The major example of this is a socialist discourse that framed the unemployed as part of a larger ‘worker’ constituency. This discourse threatened to undermine the New Right frame by creating its own ‘mainstream’ constituency committed to ‘workers rights’ and the ‘right to work’ which cut across and undermined the New Right’s ‘taxpayer’ constituency and shifted the debate outside of taxpayer versus dole bludger dichotomy. An examination of this discourse will offer insight into the possibilities for Left-wing mobilisation around the issue of unemployment.

Liberal rights and empowerment for the poor – ‘Whitlam era’ discourses and policies

In the late 1960s and early 70s a ‘rediscovery of poverty’ occurred in Australia. Early attempts at this rediscovery occurred in the early-to-mid 60s, the first of which appears to have been economic historian Reg Brown’s ‘Poverty in Australia’ published in the Australian Quarterly in 1963. Following this, other studies of Australia’s ‘hidden’ poverty began to emerge. Economic historian Reg Appleyard spoke in 1965 of ‘pockets of poverty’ evidenced by his own study published in Social Service July-August issue. Other surveys were launched in Queensland and in Melbourne in 1965 and 1966, and a book written by journalist John Stubbs and titled The Hidden People: Poverty in Australia provided further evidence for ‘pockets of poverty’. The publication of Ronald Henderson’s interim report of the Melbourne poverty survey represented the major breakthrough for anti-poverty campaigners. It provided a percentage that was soon publicised and debated in the press. Larger estimates followed, most notably from Peter Hollingworth, Associate Director of the
Melbourne-based welfare lobby group the Brotherhood of St Laurence, in his 1972 book *The Powerless Poor*.\(^1\)

Outside of the politically powerful percentage estimates delivered by these studies, an equally powerful discourse emerged that acknowledged and articulated the suffering of the poor. Readers and policy makers were faced with ‘hidden’ distress in the midst of plenty and implored to look beyond traditional nationalist sentiments that characterised Australia as the ‘lucky country’. John Stubbs for example provided one among many of these stories when in 1966 he spoke with sympathy and anger at the plight of an elderly pensioner in Sydney:

...hungry and cold and dirty and almost blind. In front of her on a small table are an empty soup bowl, a clean plate and a knife and a fork... She is waiting for the woman volunteer from the Sydney City Council’s Meals on Wheels Service to bring her lunch. She hasn’t seen anyone for two days...She depends entirely on the pension of $13 and supplementary assistance of $2 which she has received since the death of her husband.\(^2\)

Stubbs then turned the focus back on the reader asserting that ‘we have in our society a sub-culture of poverty from which we allow no escape’. These ‘forgotten people’, unlike those ‘discovered’ by Prime Minister Robert Menzies in the 1950s, were not middle-class shop keepers and small farmers desirous of government attention, they were: the elderly, migrants, widows, single parents, the sick and disabled and homeless. Stories of their day-to-day struggle with poverty became a key element of left-wing advocacy.

The ‘rediscovery of poverty’ by academics and the press increased the political power of the Left as key voices in academia and media began demanding policy change. Both the Gorton and McMahon Governments extended social welfare, concentrating


on subsidies for voluntary agencies and services rather than cash benefits.\textsuperscript{3} The pressure that McMahon, in particular, felt is evidenced by his attempt to quash the national debate through the suppression of the Doyle Report on poverty in Victoria in 1972, the year of the Whitlam/McMahon election. Pressure applied by social welfare experts in collaboration with the press led McMahon to establish a National Inquiry into Poverty, to be headed by Ronald Henderson, in the lead up to the 1972 election.\textsuperscript{4} The election of the Whitlam Government ensured further development of social welfare policy and pride of place for anti-poverty experts on government committees such as the newly established Social Welfare Commission.\textsuperscript{5} From this vantage, new ambitious goals including welfare rights and empowerment for the poor looked achievable.

On 21 December 1972, nineteen days after the first Labor Government in 23 years had been elected to federal parliament, Bill Hayden, the new Minister for Social Security wrote to Clyde Cameron, the new Minister for Labour and Industry. The letter identified what Hayden saw as the wrongs of the past. It argued that the Department and employers in general held too much power over the claimant and should no longer dictate terms and conditions contrary to a ‘free, tolerant, liberal society’. Under Hayden, welfare recipients would be allowed a greater degree of autonomy and freedom, especially when it came to personal appearance and job choice.

Dearest Clyde,

I am concerned about general philosophical values underlying much of the official thinking towards unemployment benefit recipients’ rights to receive these payments. I believe it essential that we develop a new philosophy based on the belief that benefits are a right and not part of a charitable process bequeathed from a rather dark part of the Victorian Era…

\textsuperscript{3} Roe, pp.314–315
\textsuperscript{4} Ibid., p.318
\textsuperscript{5} Elliott and Graycar, p.95
I have pointed out to [the Department of Social Security] that it is not the prerogative of employers to dictate conventional standards for the rest of the community. The people have certain rights in this respect in that in a free, tolerant, liberal society, where people's rights as human beings are respected and where the right to be different—where there is no personal danger to others—must be upheld as a basic civil liberty... The sort of thinking which has apparently guided official attitudes towards the rights of such people for social benefit services must be changed to accord with the philosophical values which we believe appropriate to a free society.\(^6\)

The following month, a review of the work test began. The work test, used to measure a claimant's willingness to work, was altered dramatically to accord with the rights of the welfare recipient in a 'free, tolerant, and liberal society'. Media reports were mixed. A report in the Fairfax paper *The Sun*, titled 'New Deal for the Jobless—Hayden’s Pledge', was largely sympathetic to Hayden's agenda, allowing his words to be printed with very little journalistic interruption. In this report Hayden indicated his new policy agenda and his welfare philosophy. 'The aim of the new Government will be to administer these benefits sympathetically without moralising or passing judgement on applicants. We must develop a new philosophy based on the belief that benefits are a right and not a charity', he said.\(^7\)

Despite such reports, Hayden's ideas were advanced through caucus very quickly. On 19 April a memorandum was sent from the Director-General of Social Security to State Directors containing the amended procedure manual items. Claimants were to be offered work of an 'equivalent kind' to the work usually performed and 'in which the persons training would be used'. Those who were new to the workforce were to be offered work in keeping with skill and personal preference. No claimant was to be work tested on their willingness to accept jobs that did not accord with these criteria.\(^8\)

The rights of welfare recipients to determine their own working lives were first and

\(^6\) Australia. Department of Social Security, Letter from Bill Hayden to Clyde Cameron, 21 December 1972, cited in Law p.205

\(^7\) 'New deal for the jobless, Hayden's pledge', *The Sun*, 5 January 1973 p.13

foremost in the new procedure manual. For Hayden, the right to welfare benefits existed in cases of economic need, and independent of personal character. The right to economic sustenance did not exist to the exclusion of other rights. Other rights, such as the right to autonomous decision-making, acted in conjunction, leaving the welfare recipient free to exist on benefits if they chose to do so.

While supporting the welfare recipient’s ‘freedom to choose’, Hayden stressed that, in his belief, welfare recipients were very committed to the work ethic. However, this was more of an aside than a criterion. In Hayden’s belief, the possession of a work ethic was irrelevant if an economy could not provide jobs to which it could be applied. In contrast to earlier welfare discourses that focused upon surmounting individual problems, Hayden asserted that the unemployed in particular ‘are symbols of social injustice which has come out of bad economic policies.’ In the absence of jobs, the unemployed had a right to dress in a manner previously deemed ‘unsuitable’ by the Department of Social Security and to make decisions in relation to what jobs they would and would not take. They had the right to lead alternative lifestyles if they chose to do so, to abandon ‘materialism’ and to live outside the parameters previously dictated by Social Security policy; these social rights were backed by an economic right to subsistence provided by the government.

Within the welfare sector, workers began to be influenced by the ALP’s attempts to shift social welfare ideology. The Brotherhood of St Laurence in particular revolutionised its approach to the poor in 1972. The organisation itself had always pursued the dual functions of charity and anti-poverty activism. Established in Newcastle during the Depression of the 1930s, and moving to Fitzroy in inner city Melbourne three years later, the Brotherhood provided accommodation for the homeless during the Depression and staged protests and sit-ins on behalf of evicted tenants and the poor in general. As early as 1943 the Brotherhood employed a social research officer to investigate the causes of poverty. The founder of the organisation, Father Tucker, used dramatic films to show others the living conditions of poor families in the hope that it would bring about a change in public opinion and policy. Under the political conditions brought about by the rediscovery of poverty, the

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9 'Social welfare rulings can be disputed', *The Australian*, 19 January, 1973, p.2
Brotherhood was able to move beyond its charity work and increase its focus on research and government lobbying.\textsuperscript{10}

During the early 1970s the Brotherhood believed that a change had indeed come about. In the years that followed the election of the Whitlam Government the Brotherhood began shifting the focus from activism on behalf of the poor to empowerment for the poor. The organisation now believed that its role was to facilitate the poor in their efforts to gain power through autonomy and political participation. This included the facilitation of alternative, anti-materialistic lifestyles where desired by the claimant. In praise of the Whitlam Government’s initiatives, Associate Director of Social Issues and Research at the Brotherhood, Concetta Benn, announced that:

[a] new social ethic has been produced by the alienating effects of increased industrialisation and partly as a backlash to the inhibiting Protestant ethic which still prevails in our community. Its main characteristics are a demand for participation in the decisions which affect people’s lives, a questioning of economic growth for its own sake, and an assessment of the materialist values of our society.\textsuperscript{11}

This approach was combined with socialist views of wealth and poverty that aimed to facilitate the development of class-consciousness among welfare recipients. This, it was hoped, would lead to self-change and eventually to societal change through activism. The vehicle for this revolutionised approach to welfare was the ‘Family Centre Project’.

At the time of its inception, those associated with the project and others within the voluntary sector claimed it to be ‘the most significant anti-poverty program running in Australia’, a ‘radical, pioneering and iconoclastic’ development in social welfare

\textsuperscript{11} Concetta Benn, The Future of Welfare, paper delivered to VCOSS, October 1975, cited in Law, p.260
theory and practice. Its aims, outlined by the Brotherhood in its publicity material were:

To demonstrate, with a small group of poor families who had been long term clients of the Brotherhood, that changes in their economic and social conditions and opportunities were a pre-condition for change in their family and societal relationships, and that it was at such changes that social work intervention should be directed.

In its desire to achieve this, the Brotherhood attempted to empower the small group of poor families by changing the social-work dynamic, by encouraging political activism and by providing supplementary income in the ‘least judgemental’ manner possible.

The Brotherhood believed that the language used to describe the poor and the mechanisms used to administer to the poor, could significantly affect attempts to become empowered. Consequently, ‘professional paraphernalia’ such as appointments, closed files, and desks were abandoned, while titles, such as ‘client’ and ‘staff’, which were believed to determine power relationships, were consciously avoided. An attempt was made to remove the word ‘welfare’ from the Brotherhood vocabulary. According to Benn, the poor so often used the word to describe a frightening or degrading experience that it could not suddenly be used to describe a method for social and economic advancement.

By encouraging a feeling of equality between social workers and the families, the Brotherhood intentionally fostered feelings of equality on a broader scale. It was felt that if the poor could begin to question status and authority within the project, this might then be applied to broader society. In particular, it was intended that the poor should feel able to question political and administrative decision-making that affected them and their families. An effort was made to achieve for the poor ‘power over

13 Ibid.
14 Concetta Benn, ‘The Family Centre Project’ in R. Lansbury, L. Bryson, and C. Benn (eds), Social Policy the New Frontiers, Victorian Fabian Society, Melbourne, 1975, p.12; Liffman, p.61
15 Benn, ‘The Family Centre Project’, p.12
16 Ibid., p.11
information'. It was stressed that the poor required 'ready access to information about their welfare and legal rights, about the facilities and opportunities available to them, and about appropriate procedures for exercising these rights.' The aim developed to be later termed 'consciousness raising'. Towards the end of the first year of the Family Centre Project, the efforts toward consciousness-raising began to pay off. Families and Family Centre researchers began meeting regularly to discuss among other things politics and economics. According to one researcher, these discussions revealed that 'some families had started to think about the wider societal implications of their own predicament' and about the causes of poverty.

The structural nature of poverty was again emphasised by the introduction of an income supplement scheme, consisting of a 'family subsidy' based on the Commission of Inquiry into Poverty's recommendations, and a rent subsidy, based on the decision that no family should have to pay more than a quarter of its income on rent. Like Hayden, the Brotherhood viewed payment as a right, not just subsistence level payment but a more comfortable level of income. By 1975, the third year of the Family Centre Project, the families concentrated almost entirely upon politics and political action. Their voices though became less audible as new discourses of welfare gained power. The oil shock of October 1973, followed by a simultaneous rise in inflation and unemployment led to the declaration of economic crisis. In 1974 a repositioning of both the Right and the Left occurred.

**The shift to New Right frames**

By 1974 the climate in which empowerment and rights for the poor had developed as policy goals was beginning to change. The media no longer viewed the rediscovery of poverty as news. Instead newspapers began to discover other things about poverty. In 1973 press articles began speaking of undeserving welfare recipients that had benefited from government policy. These undeserving types were identifiable by their hair and clothes and by their lifestyle choices. The stories were cast in the mould of crime and law and order exposés, intended to shock and disturb middle-class readers

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17 Liffman, p.32
18 Ibid.
19 Ibid, p.74
20 Ibid., p.50
and boost sales, while simultaneously chastising the government for its lax approach to welfare administration.

The real shift, however, occurred in 1974 when inflation and unemployment rose sharply and an economic crisis was declared. New Right ideas had been developing in Australian economic think tanks, in bureaucracy and in business organisations since around 1972. Their proponents helped to discover and articulate this crisis, announcing the end of Keynesianism and the end of the welfare state in its current form. As previous chapters have argued, the media and the Opposition latched on to this crisis and used it to support various agendas, chief among them the removal of the Whitlam Government. When the Whitlam Government itself began shaping its discourse and policy around the crisis, a major shift occurred which transferred power and public influence to the New Right. By 1975 anti-poverty activists were sidelined in favour of advice from the increasingly New Right Treasury, a section of the public service with whom the Whitlam Government had always had an acrimonious relationship. As the previous chapter has argued, welfare became a highly publicised area of policy through which the government could demonstrate its commitment to fiscal management.

In January 1974 the Minister for Labour and Industry, Clyde Cameron, began appearing more often than Hayden as the spokesperson for social security. While Cameron had never been a supporter of the Hayden initiatives, he had always maintained a low profile in relation to them, and his opinions were rarely sought. Suddenly, and almost certainly by direction of the party, Cameron stormed the stage, declaring Hayden’s initiatives finished. In January the media began reporting Cameron’s policy initiatives and heralding a new and ‘ambitious’ welfare era. The Murdoch press in particular gave precedence to Cameron’s plans to de-register claimants who did not comply with new benefit rules.21 The autonomy that had been granted to the unemployed was returned to the administrators. Decisions as to what constituted reasonable dress, what constituted a reasonable job offer, and where an unemployed person should and should not move in order to take up a job, fell back into the hands of the Department of Social Security. To these ends, an expert working

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21 ‘No dole unless switch in jobs. Cameron threat to unemployed’, Daily Telegraph, 8 January, 1974, p.1
party was established. Unlike previous working parties on welfare, it contained no anti-poverty activists. It saw as its primary task the examination of the existing instructions themselves, the manner of their application and the adequacy or otherwise of the communication between the Departments of Labour and Social Security. It decided it should approach this task with the object of ensuring that any abuses which are now occurring do not continue while at the same time protecting the interests of the genuine unemployed.\(^{22}\)

Cameron appeared on the Channel Nine program *A Current Affair* to announce the working party. He claimed that both he and Hayden had been ‘looking at the problem’ and at whether the formula or the criteria attached to the work test can be tightened up because I am not satisfied that there aren’t some who are just remaining on unemployed benefits rather than accepting work… I’ve got no sympathy for people who can be described as the professional unemployed person who just won’t work.\(^{23}\)

The outcome of Cameron’s expert working party was to reinstate the lifestyle, appearance and personality assessment previously removed by Hayden from the work test procedure manual.

The right of the taxpayer to see his or her money directed only to ‘genuine’ and ‘worthy’ recipients became a cornerstone of both Cameron and Hayden’s welfare rhetoric. In contrast to Hayden’s earlier assertions that welfare recipients possessed a right to choose an alternative lifestyle, it was reported that the review would attempt to wipe out ‘hippies’ and ‘commune dwellers’ who ‘collectively receive enough


\(^{23}\) ‘Tighter rules for jobless aid foreseen’, *Sydney Morning Herald*, 12 March 1974
money through unemployment benefit to live’. In November 1974 a tripartite body was established to ‘investigate the problem on the Gold Coast in Queensland’ where Cameron believed that ‘alternative lifestylers’ had set up camp. Cameron was keen to give the impression that the ‘new’ ALP was there to serve and protect the interests of the taxpayer by rooting out the undeserving cases. The body, which Cameron had termed an ‘investigative team’, consisted of employers, unions and the government and appeared to act on information received from concerned citizens. In doing so, Cameron desired to give the impression that the ALP was on call to respond to ordinary Australians.

Other ALP members such as Mick Young and Tasmanian Senator Don Grimes began to express their commitment to welfare by highlighting the suffering experienced by welfare recipients. Discourses of suffering did not speak to welfare recipients as discourses of rights and justice had done. Instead they spoke directly to those in power and to ‘average Australians’. From 1974 onward, the dominant pro-welfare discourse both within and outside of parliament, attempted to counteract and to educate the proponents of anti-welfare discourse. While stories of suffering had formed a particularly powerful part of the rediscovery of poverty, the shift to New Right frames in media and parliament shifted the meaning and effect of this discourse.

**Discourses of suffering and appeals to the right**

In October 1975, one month before the LCP were instated as the new Federal Government, the Brotherhood of St Laurence produced the first in a series of studies it termed ‘action research’. While the Brotherhood continued its Family Centre Project there had been a conscious decision within the organisation to focus publicly upon action research and its findings. The studies were developed specifically to show politicians and the public how wrong they had been in branding the unemployed as ‘bludgers’ living in ‘luxury’. It was hoped that the research, by proving otherwise, would end the campaign against the dole bludger. The first publication was titled *Workers Without Jobs*. Its author Graeme Brewer, a senior research officer with the Brotherhood, would become the organisation’s primary author of action research.

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24 Law pp.216–217
25 ‘Cameron’s threat on dole benefits’, *The Canberra Times*, 2 November 1974, p.3
One of the key aims of the publication was to provide proof that the unemployed were not willing participants in their own unemployment. In order to prove this Brewer set about surveying 160 unemployed participants in order to gauge their level of work ethic. Among his findings Brewer wrote:

It is apparent from a considered analysis of the past work experiences of the unemployed and their current job seeking activities that their commitment to work is strong. They did not choose to become unemployed nor do they choose to remain out of work. The desire to return to work is strong throughout the sample.\(^{26}\)

In addition Brewer claimed that the fact that 57 percent of persons interviewed had never been unemployed before proved that these people at least held a strong commitment to the work ethic.\(^{27}\) He stated that only two participants in the study had expressed anti-work attitudes.\(^{28}\) The conversations that had led Brewer to conclude the possession of ‘anti-work attitudes’ were not analysed or included. While ‘anti-materialist’ lifestyles had been respected and even encouraged by pro-welfare groups during the early Whitlam era, they received less attention under the changed political circumstances. Now the focus was on challenging the images of the unemployed that had emerged in parliament and media discourse. Chief among these was the dole bludger. The focus on the work ethic extended to proving that the unemployed were ‘self-reliant’ and not, in fact, willingly ‘dependant’. Brewer insisted that proof lay in the fact that the unemployed frequently delayed registration for unemployment benefits and in many cases did not register at all. The study referred to an inquiry into rural poverty that found only 4 per cent of respondents registered for unemployment benefit each time they were out of work while 78.5 per cent never registered.\(^{29}\) Rather than calling for a campaign to raise benefit awareness in these communities, Brewer used this as evidence against the existence of the dole bludger. The immediate aim of action research was not to raise the social awareness of the unemployed themselves, it was to counteract New Right discourse.

\(^{27}\) Ibid., p.66
\(^{28}\) Ibid., p.75
\(^{29}\) Ibid., p.79
Members of the ALP also began to find this type of evidence and to present it in parliament and in the media. Even those who had eschewed the work-ethic assessment as belonging to a past ‘draconian’ welfare era began to counter claims of dole bludging with stories of men and women desperate to work. These stories usually consisted of claims that the person ‘just wanted a job’ and would ‘take anything’ offered. He or she did not wish to be dependent. While this type of work ethic rhetoric did not dominate ALP welfare discourse, the fact that it appeared at all is evidence of a major shift in welfare discourse within the party. Perhaps the best example of this shift lies in the 1979 publication by the ALP member for Port Adelaide and opposition spokesman for employment and industrial relations, Mick Young. The book, titled *I Want to Work*, included an opening chapter that traced a week of his dealings with the unemployed. Each day, Young found another unemployed person who wanted a job but could not get one. On Thursday for example, he was introduced to Nick, a forty-six year old pastry cook who had been out of work for eight months. Young told readers that:

> There is no demand for experienced pastry cooks, and Nick can’t get any other kind of work. Sometimes he makes twelve phone calls a day. He is prepared to take any kind of work. Once the Commonwealth Employment Service sent him to a factory job. When he arrived and was interviewed he was told that he was over-qualified for the job.\(^3^0\)

These stories are typical of those found in pro-welfare discourses after 1974. The work effort is apparent, even in the face of insurmountable odds, and contradicts the assertion that the unemployed are ‘work shy’ or ‘too choosy’. What is even more apparent in these stories, and in many more like them, is that the unemployed are suffering and not, as some would have it, living in luxury. In other stories the unemployed were represented as suffering financially, physically, emotionally and psychologically. The advent of unemployment caused previously stable, healthy individuals to experience life changes and personal changes that could only elicit sympathy from their detractors. The defensive nature of this discourse is apparent.

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\(^3^0\) Young, p.10
Anti-poverty activists who had previously forged ahead with radical strategies for empowerment were now forced to construct images of the poor for an audience influenced by the media and parliamentary shift to New Right discursive frames. This meant defending images of the poor that they had, themselves, attempted to dismantle.

One example of this was the common claim made by welfare advocates that the unemployed, suddenly burdened with too much leisure time did not know how to use it. Without work, time had no structure. This led to boredom, apathy and anti-social behaviour. Analyses of this kind focused on men whose self-esteem and social life was seen as being more directly connected to market-based work than women’s. Women in search of paid employment devoted more time to non-market caring work, and this was regarded as a natural fallback position. However, it was not seen as proper work for men, and those men who did take up caring work while unemployed were regarded as having suffered a ‘crushing indignity’. Consequently, unemployed men were regarded as ‘doing nothing’ and within these studies, men’s experience was regarded as the norm.

Welfare advocates turned to sociological and psychological studies to support these claims with the intent to prove that ‘the unemployed are not happy doing nothing’. Young drew on the work of English sociologist J.M. Hill while Brewer, in his 1980 book Out of Work out of Sight drew on the work of Marie Jahoda, an English psychologist whose 1933 study of the Austrian township of Marienthal described unemployment as ‘paralysing.’ Her thoughts on the burden of leisure time focused upon its ‘paralysing’ effects:

Even if the people with their altered state of time scarcely notice its progress any longer, the months go by and the foundations on which

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31 See for example: The Herald Investigation Team, ‘He keeps house while his wife earns. It’s work I want, not holiday’, Sydney Morning Herald, 11 December 1974, p.1
32 Ibid., p.40
33 Marie Jahoda et al, Marienthal: The Sociography of an Unemployed Community, Aldine-Atherton, Chicago,1971, p.3
their life still rests are crumbling gradually and irresistibly away. The question is, how long can this life continue?34

Brewer cited Jahoda’s work as evidence of his claims that without work the unemployed had lost all perspective on life and were merely ‘marking time’.35 Welfare advocates also pointed to the absence of time structure leading to a loss of self-identity and to a loss of the elusive factors that make a person a complete human being. Brewer described the unemployed people he had interviewed as ‘shadows of their former selves.’36 On the first page of Out of Work out of Sight he quoted Albert Camus: ‘Without work, all life goes rotten’. Even Young in his efforts to humanise the statistics drew upon imagery that unintentionally dehumanised his subject; unemployment he said ‘destroys people as workers and as human beings.’37

Physical and mental illness were cited as a symptom of this destruction. High correlations between unemployment and divorce rates, crime rates, child abuse, physical ill health, (such as heart disease and peptic ulcers) and suicide rates were noted, as were correlations between unemployment and psychosomatic illness. A correlation between unemployment and drug taking was also revealed, though welfare advocates were careful to point out that ‘hedonism and escapism were not the rule’.38 Rather, this drug taking was of a kind that stemmed from depression and anxiety. The words of an unemployed teenager interviewed by Brewer followed these claims:

I’m prone to depression anyway. At present I just stay in bed listening to records. I don’t wash or care for myself much and I’ve become a compulsive eater. I’ve had a lot of aches and pains; but when I went to the local Health Centre they said there was nothing wrong with me, physically. My father pressures me but the more he pressures me the more I go against society. That’s why I got on drugs—not hard drugs, though.39

34 Ibid., p.78
36 Ibid., p.56
37 Young, p.40
38 Brewer, Out of Work, p.54
39 Ibid. p.54
In Brewer’s study, the acquisition of work reversed ‘any previous trends toward psychological disturbance’. 40

The ALP member for Gellibrand, Ralph Willis, insisted that the young unemployed would naturally turn to crime and violence, and that the government only had itself to blame.

Can we really expect these young people to share society’s values and act according to norms if they are unable to get jobs? I do not think that we can expect them to do so and I do not think that they will do so. I think that they will become anti-social. One can understand why that will be the case...Of course, that is the sort of thing that one can expect to happen because they are being rejected by society and are not going to abide by the norms of society. 41

Similarly, as a means of highlighting the gravity of the problem, Mick Young quoted at length a newspaper report on the ‘Frankston riot’, which it claimed to be a spontaneous reaction stemming from alcohol and mob mentality among the unemployed.

Violence. No jobs, so youth rioted: professor
Unemployment could be the root cause of Friday night’s youth riot in Frankston, says a leading sociologist. And, he said yesterday, violence should be looked upon as a national problem which is not likely to go away while high youth unemployment is allowed to persist. It is believed police are likely to put a case for tighter control over youths in the area at a “top level” conference today. But, says LaTrobe University sociologist Professor Alfred Clark, that is not likely to solve the problem—resentment of authority is probably at the heart of the matter. Recent Commonwealth Employment Service figures showed the Frankston area as one of the worst pockets of youth

40 Ibid., p.57
41 Ralph Willis, MP, House of Representatives. Parliamentary Debates, 21 April 1977, p.1100
unemployment in the State. The CES listed almost 2000 registered unemployed under the age of 21 in the area. Detective Chief Inspector Murray Burgess of the Frankston CIB said he had no doubt that unemployment contributed to crime, which rises by 8% annually in the area. Professor Clark said that in such an area it would not take much to spark trouble among youths spilling out of hotels at closing time. ‘They would not even have to be drunk or in a bad mood when they hit the street’ he said. ‘Resentment of authority is very strong among the young unemployed and young people in menial jobs.’ Any example of authority being wielded could quickly turn a happy crowd into an ugly mob, Professor Clark said.42

While the Left often use stories of protest and dissent to highlight the need for change, stories of ‘mob activity’ and anti-social behaviour are more likely to come from the Right of politics. This is because the Right represent left-wing protest as stemming from inherent anti-social behaviour, while the Left are more likely to represent protest that they support as being issue-based. While Young and Willis may have intended to draw attention to the damage to communities and to individuals affected by unemployment, interpretation within the New Right frame that had become dominant within the media further separated the unemployed from ‘law abiding’ taxpayers. While these stories of physical and psychological suffering helped to draw attention to poverty during the late 1960s and contributed to the weight of calls for policy change, they did so under conditions in which the dominant policy and discursive frame was Keynesian, and therefore supportive of the welfare state. Attention to these pathologies during the ‘economic crisis’ led to New Right claims that the unemployed had abandoned social mores. In many cases these stories could be interpreted as a reaffirmation of New Right claims that the unemployed were apathetic social misfits for whom their own character was the only obstacle to finding a job. Even more detrimentally these discourses could be used by the New Right to support claims that welfare payments were not good for the recipient’s wellbeing. In fact, provision only led to a ‘welfare disease’ the symptoms of which included all of these pathologies.

42 Young does not cite the reference, in Young, pp.44-45
Some activists recognised the dangers in using these discourses in a media and political climate dominated by New Right welfare frames. In his role as head of the unemployed activist group, Coalition Against Poverty and Unemployment (CAPU) and as a researcher at Footscray’s Urban and Social Research Centre, Harry Van Moorst was the first to coin the term ‘dole pathology’ to describe the effect of discourses of suffering within social research at this time. He reacted against work that focused upon psychological disorder, family violence and drug and alcohol abuse as the major issues surrounding the unemployed. His main objection was not that the unemployed did not suffer, or harbour drug and alcohol problems, or commit crime. Rather Van Moorst argued that by focusing upon these factors, activists failed to counter right-wing discourses that promoted ‘personal change’ rather than social or economic change. In 1982, when the discourse had been well and truly established Van Moorst wrote:

An ideology of unemployment as pathology is in large part a convenience analogous to the ideology of the unemployed as dole bludgers. Where the one is no longer acceptable the other enables a similar diversion from the reality of unemployment... instead of seeing them as lazy, incompetent and potentially evil, the unemployed were slowly transformed into people to be pitied as unfortunate, pathological and potentially tragic... the unemployment pathology ideology is largely the unintended consequence of good intentions amidst bad politics.43

Bob Hawke, while still head of the Australian Council of Trade Unions, made an observation of this nature in his 1979 Boyer Lecture:

Pathological behaviour may be the reaction of some individuals to these experiences, but it by no means is a necessary or generalised response. The danger of irresponsible or unsubstantiated assertions is that possible behaviour arising out of the loss of income, and the

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feelings that accompany the psychological experience of individual
unemployment, are seen as causal of such pathological behaviour. The
logical outcome of this false and simplistic perception is that each
individual becomes the repository of antisocial tendencies and, as a
group, a potential threat to society.\footnote{Hawke, p.10}

When Bob Hawke became Prime Minister of Australia in 1983, his unemployment
policies were informed by an ideology and discourse similar to the one he had railed
against in 1979.

Discourses of suffering were indeed good intentions amidst bad politics as Van
Moorst asserted, but they were more than that, they were representative of the New
Right’s newfound power to shape the terms of the debate. The role that suffering
played in left-wing discourses had not necessarily changed, though it had intensified.
What had changed was the frame within which these discourses were interpreted. The
shift from Keynesian frames to New Right frames in media and politics ensured that
the social, physical and psychological difficulties experienced by the unemployed
could be transformed to strengthen New Right claims about dole bludging and the
detrimental nature of welfare benefits.

\textbf{Liberal rights for the unemployed}
Outside of discourses of suffering, welfare advocates maintained a commitment to
liberal rights developed throughout the early years of the Whitlam Government. These
ideas existed both within the Brotherhood of St Laurence and within the ALP, and led
to the formation of organisations such as the Unemployed Workers Union (UWU), a
disparate collection of unemployed people and social activists incorporating
anarchists, communists and non-affiliated members. Most common among the rights
advocated for on behalf of the unemployed were the right to privacy and the right to
an alternative lifestyle. In advocating for these rights the proponents challenged the
conservative elements of the government’s welfare direction. However, the shift to
New Right frames in media and politics meant that these discourses no longer
‘belonged’ to the Left. They had come to be publicly associated with the New Right’s
campaign to free taxpayers from the burden of the welfare state. Under these circumstances, discourses that supported the rights of the unemployed to be ‘left alone’ by government took on a whole new meaning.

As they had done before the economic crisis welfare rights advocates continued to seek acceptance for alternative and anti-materialist lifestyles, claiming that welfare recipients had a right to be left alone if they wished to pursue non-conformist modes of living. Under the circumstances of high unemployment and fiscal restraint present during the stagflation, it was increasingly claimed that the unemployed should adopt these lifestyles in order to increase their quality of life. In 1976 South Australian ALP Senator, James Cavanagh, introduced the idea to the Senate, advocating for a removal of alternative lifestylers from public scrutiny. Given that there were just not enough jobs to go around, Cavanagh believed that parliament should concentrate its efforts on finding jobs for those who do wish to work. In a speech made to the Senate on 19 February, he expressed this view:

That raises the question of what we should do when we cannot employ the full population. We have a group of people who have elected to fashion their lives to living on the dole, and in some cases to living as a group in a house. They are people who have elected to utilise a system that we have introduced for the purpose of obtaining their livelihood. It is far better for leisure time to be in the hands of those who have selected it than of those who are forced into it... If we cannot provide job opportunities we should seriously consider whether our contribution should be to ensure that such people are not in competition with those who wish to work.45

Although Cavanagh’s suggestion met with little if any response, it was not long before the idea made its way into groups within the government sector and eventually into policy discussions.

45 Senator James Cavanagh, Senate Debates, 19 Feb 1976, p.118
In October 1977, *The Age* reported that the newly formed Community Youth Support Scheme (CYSS) Project Officers Association had decided to ‘help the young unemployed survive structural unemployment by encouraging them to become self-employed and to adopt alternative lifestyles.’ It was reported that the organisation would hold a workshop involving members of local and State government in order to produce concrete recommendations to this effect. A spokesperson for the organisation stated that the workshop would ‘be investigating such things as the redefinition of the work ethic and the role of education and leisure because it looks as though the problem of structural unemployment will be with us for a long time.’

Organisations of the unemployed were also in favour of the proposal. The UWU promoted squatting as an alternative to private rental or public housing. In 1981 the UWU formed the Squatters Union ‘to fight for the right to live in vacant houses’ and began moving unemployed and other disadvantaged people in. The union also initiated a number of schemes to encourage the squatters to live communally and to pool their resources. By 1982 a ‘back to the land’ alternative lifestyle scheme was floated within state and federal parliaments. Queensland ALP Senator Gerry Jones claimed that the unemployed would ‘welcome the opportunity to become semi-independent from perpetual reliance on a miserable welfare income.’ The government would provide a once off ‘establishment grant’ to get the communities on their feet and then remove them from the welfare rolls. Jones considered this a viable option because no country could afford the level of welfare payments that burgeoning unemployment would create. ‘There’s nothing wrong with a society within a society’ he said. The idea was also touted by other Federal members of the ALP, but met with a higher amount of enthusiasm during the years of the Hawke Labor Government during which a government Inquiry was held to establish the viability of the plan.

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46 ‘Group defends the rights of the unemployed’, *The Age*, 24 Oct 1977, p.21
47 Ibid.
48 ‘20 vacant houses become homes for the unemployed’, *Cheque Mate*, no.19, p.3
49 ‘Alternative lifestyle “may help jobless”’, *Courier Mail*, 25 October 1982 p.18
While 'back to the land' schemes indicated a shift toward an active policy of autonomy and 'freedom' for the unemployed it also represented the extent to which the New Right had appropriated these concepts. After 1974, support for alternative lifestyles could be interpreted as support for decreased government responsibility. These discourses had been developed in the late 60s and early 70s to challenge conservative and paternalist ideals that dominated policy and public discourse prior to 1974. The shift to New Right discursive frames in politics and media meant that the 'back to the land' scheme along with other alternative lifestyle forms of protest were interpreted as examples of laudable self-sufficiency.

Other, more passive, liberal rights were also fought for by the unemployed and their supporters. Prominent among them was the right to be 'left alone' by bureaucracy. After 1974 the New Right mirrored these ideological aims, but in claiming these rights for taxpayers they denied them to welfare recipients, calling instead for greater investigatory powers to be wielded over beneficiaries. This New Right version of freedom from bureaucracy received more attention in the press and in parliament. The Left no longer seemed to have a stake in this version of freedom. The New Right had appropriated it and naturalised a transformed version of it through media and parliamentary discourse. After 1974 calls for freedom from bureaucracy, whatever their intention, strengthened the claims of the New Right.

One such example was the response to field officer investigations. In their campaign against the investigations, advocates asserted the rights of the unemployed via calls for freedom from bureaucracy. After seeing how welfare recipients had been treated by the system it seemed a natural response among welfare rights organisations to blame bureaucrats and the rules that directed them. Field officers had existed within the DSS since its inception. Their role was to check up on claimants at their homes, to ask a series of questions regarding the claimant's work effort and to make a decision, based on 'evidence' gathered in the field, as to whether the claimant should be removed from benefits. In 1978 Mobile Review Teams were formed and on 13 February an intensive 'crack down' was conducted.51 This was the beginning of a long and concentrated effort. Unemployed people were removed from benefits for

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51 Senator Ruth Coleman, Senate Debates, 28 February 1978, p.133; Senator Don Grimes, Senate Debates, 10 April 1978, pp.1030 and 1228
reasons such as being ‘not at home’. In addition, neighbours were questioned about
the recipients’ work efforts. Their responses were used as further evidence toward a
decision.\textsuperscript{52}

In most cases unemployed people had little to no experience fighting departmental
decisions. Most would not seek someone to advocate on their behalf. And in cases
where the decision seemed arbitrary, many did not know what to fight against.
Welfare advocates could not help but portray bureaucracy as a monster devouring the
underdog, in much the same way that it had done prior to 1974. Ian Yates from the
ACOSS spoke of the feeling of hopelessness and the social pathologies stemming
from the application of this type of bureaucracy. On the radio programme PM he said:

\begin{quote}
Migrant groups and young people in particular just can’t cope with this
bureaucratic system. They are very genuine, but their world is
different to the trained, hard world of the investigators. These people
are dropping out of the system and becoming more and more
alienated. They are having to live off their wits, or petty crime, or off
friends, and becoming more and more alienated and that’s a very real
social problem.\textsuperscript{53}
\end{quote}

Similarly, a field worker from Sydney’s Outer Western Regional Council for Social
Development spoke of the fear that the unemployed experienced subjecting
themselves to bureaucracy. This, she said, would often result in the unemployed
person deciding not to claim benefits. ‘[T]hey are afraid to confront the bureaucracy,
they don’t know how to handle it because they are shy and diffident. They get beaten
by the system.’\textsuperscript{54} The Unemployed Workers Movement (UWM) of Western Australia
in their short-lived monthly newsletter insisted that the unemployed had good reason
to be afraid of bureaucracy. As soon as a recipient stepped a foot wrong they would
be struck off benefits. If that didn’t happen, a bureaucratic bungle would soon see to
the recipient’s removal.\textsuperscript{55}

\textsuperscript{52} Brewer, \textit{Rough Justice}


\textsuperscript{54} ‘Dole check attacked by welfare groups’, \textit{Sydney Morning Herald}, 14 February 1978

\textsuperscript{55} Unemployed Workers Movement (WA branch), \textit{Newsletter}, Perth, September 1978, pp.1–2
Among some of the more successful protesters were left-wing liberal bodies such as the Council for Civil Liberties. Various members were given space to air their views in the press. In the Canberra Times the President of its Victorian branch, Dr Alan Hughes, claimed that bureaucracy had usurped the rule of law in the case of field officer investigations and that the invasion of privacy and infringements of civil liberties were a national scandal.\textsuperscript{56} In 1979 ACOSS asked the Law Reform Commission to investigate whether the invasion of privacy breached any laws.\textsuperscript{57} Some welfare recipients had other ideas on how to deal with the invasion of privacy. The Work for Today Coalition, of which Harry Van Moorst was a key member, published a newsletter suggesting that the unemployed sabotage the field officers’ cars. ‘After all, it would certainly make their spying difficult if, on each morning they set out for a hard day’s work they found their cars had been disabled.’\textsuperscript{58} But in most cases abstract notions such as big government and bureaucracy bore the brunt of criticism. This meant that both welfare advocates and those on the New Right who opposed welfare were fighting for the right to be ‘left alone’ while at the same time expecting vastly different outcomes. The shift to New Right discursive frames in media and parliament meant the right to freedom from bureaucracy was most often represented as the right of the taxpayer. Left-wing social justice claims using this concept were largely relegated to activist newsletters.

One of the main obstacles to the success of suffering discourse and liberal rights discourse was the fact that the Left were competing with the New Right to shape their meaning within a public arena. The shift to New Right frames within media and parliament ensured that the New Right were in a superior position. However, one further obstacle for the Left was the New Right’s ability to construct a mainstream constituency, ‘taxpayers’, that enabled it to represent its demands, as ‘mainstream’ demands. In countering the claims of the New Right with discourses of suffering and liberal rights for the poor, welfare advocates failed to draw any connections between the plight of the poor and that of the ‘mainstream’. The next section will examine left-wing attempts to construct collective identities incorporating welfare claims to rival those of the New Right.

\textsuperscript{56} ‘Harrassed jobless “a national scandal”’, The Canberra Times, 29 September 1980, p.3
\textsuperscript{57} ‘Welfare probe “invading privacy”’, The Age, 28 June 1979, p.4
\textsuperscript{58} ‘Bid to sabotage benefits “spies”’, The Age, 9 July 1979, p.19
Collective identities and welfare claims – Uniting workers and the unemployed

Front line ‘bureaucrats’ were despised throughout the campaign against field officers, but in other instances they took on a different character and ceased to be part of the bureaucracy. Unionised DSS and CES workers became comrades of welfare advocates and the unemployed during the late 70s and early 80s. While the unemployed were most affected by the welfare policies of the Fraser Government and undoubtedly most affected by dole-bludger discourse, these workers suffered an undeniable strain. Workers at the CES, DSS and CYSS had suffered staffing cut backs commensurate with the Fraser Government’s attack upon a ‘bloated’ public service. At the same time they had seen their workload increase rapidly throughout the mid-to-late 70s as the rate of unemployment had continued its climb. The government’s campaign against dole bludgers pushed the workers to breaking point. Rules were tightened, work tests were applied more rigorously and more often, staff members were increasingly sent away from the office on targeted field-officer investigations, and workers became the first stop for frustrated and angry clients. The President of the union, Paul Munro, expressed fears for the safety of members claiming physical violence to be the inevitable result of the government’s harsh policies.  

Every time a decision was made to hunt down the dole bludger, every time the minister implemented new and tighter policies, CES and DSS workers saw their workload spiral. In 1977 Senator Don Grimes reported that the CES and DSS were on a staffing level sufficient only to cope with 100 000 unemployed, and not the 340 00 registered. These workers could not be ignored. They belonged to a strong union, the Administrative and Clerical Officers Association (ACOA), and were responsible for the front-line implementation of the government’s policies.

In July 1979, the Minister for Social Security Ian Viner unveiled a ten-point plan to tighten the work test. Included within his statement was a plan to ‘help young people maintain their employable skills’ by directing them into ‘volunteer’ work at which dole rates would be paid, plus an extra $6 a week to cover out-of-pocket expenses. The scheme was to be administered by the CES and DSS. In its article ‘Work test is

59 ACOA, Media Release, 27 August 1979, ACOA Papers, Noel Butlin Archives Centre, Z237 Box 225 file 34/9/15; Geoff Walsh, ‘PS may ban dole test: Fears for staff security’, The Age, 26 September 1979, p.13
60 Senator Don Grimes, Senate Debates, 17 August 1977, pp.133-4
key to dole blitz’ the *Daily Telegraph* outlined the main features of the ten-point plan, which they claimed as ‘an attack on those who have used the Social Security System as a “bankroll” to opt out of work and join “the alternative society”’. From now on people would have to accept casual, short-term, part-time and temporary work. Unemployment benefit recipients were to provide details of employers they had approached in an effort to find work. Unskilled workers, and after six weeks, skilled workers, would have to accept any job considered within their capacity. Anyone refusing a job involving considerable travel to and from the place of employment would have to prove that the travel cost more than 10 per cent of wages earned or lose the dole. Anyone who ‘voluntarily’ left a job or who did not meet the requirements would lose benefits for between six and twelve weeks. In addition, the CES were ordered to recall all beneficiaries regularly for fresh work test ‘interviews’.

Talk of the new requirements in the months before their announcement had strengthened the ACOA’s resolve against them. In advance of Viner’s announcement the union issued a discussion paper outlining its dissatisfaction with government policy and urging its members to act contrary to it. The paper claimed that:

In proposing these changes, the government is conveniently ignoring the fact that unemployment will only reduce with the creation of a large number of jobs. Tightening dole payments only increases suffering amongst those already out of work...A.C.O.A. cannot sanction the application of the work test, as it is totally inappropriate unemployment policy that can in no way improve the employment situation. It adversely affects unemployed people, the CES and its staff.

Within a month of Viner’s announcement the union began surveying staff to gauge the level of support for a work-test ban. Opinions were mixed, but of the 431

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61 ‘Work test is key to dole blitz’, *Daily Telegraph*, 24 July 1979, in Administrative and Clerical Officers Association (ACOA) papers, Noel Butlin Archives, Z97 box 50
62 ‘The work test, the Commonwealth Employment Service, and unemployed workers’, Bulletin from Barry Cotter, Secretary NSW branch ACOA to ACOA members, ACOA papers, Noel Butlin Archives, Z97 box 50
Victorian branch CES respondents, 353 supported a ban if industrial objectives were not met, while 350 also supported a ban on ‘humanitarian grounds’. 63

In addition, ACOA members were asked to consider, as trade unionists, the effects of the policy on fellow workers. The union saw a link between unemployment benefit policy and the oppression of all workers. Tighter benefit policies were seen to impede the effectiveness of all trade unions by punishing those who refuse unsafe, ill-paid or unsatisfactory work. ‘There can be no clearer example of perversion of social security arrangements for political ends—in this case divisions within unions are fostered, and a check upon industrial action is attempted.’64 In August a representative of the union, Paul Munro, met with Ian Viner to discuss ACOA action. Viner was informed of the union’s plans to implement a work-test ban. An unproductive discussion led to the bans being implemented almost immediately.

Three months later the ACOA began a public campaign as CES, DSS and CYSS members joined forces with the radical UWU to form an Anti-Work-Test Committee. On the 17th, the Committee led 100 protesters in a rally staged at a Melbourne swimming pool being opened by the Minister for Health, Ralph Hunt, who had become notorious for his ‘dole-bludger bashing’. One speaker threatened the minister claiming that ACOA members were ‘willing to put their jobs on the line’ if it meant that they would no longer be ‘compelled to do the hatchet work for a government more concerned with neat statistics than the needs of human beings.’65

By April the following year the campaign had strengthened. The ACOA had become more involved with the UWU and together they began distributing pamphlets urging the unemployed to ‘take action’. One pamphlet stated that changes to the work test had been intended ‘to bring about short-term political gain and to greatly benefit big

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63 DSS application of Work Test. ACOA survey of members, ACOA papers, Noel Butlin Archives, Z237 Box 25; Geoff Walsh, Among those opposed to the ban, RJ Fowler, of the Department of Employment and Youth Affairs stated that he ‘welcome[d] the opportunity to protect the Australian taxpayer...from certain members of the community’. See RJ Fowler, Letter to the Editor, Administrative and Clerical Officers Journal, 13 November 1979, Noel Butlin Archives Centre, Z97 Box 50 34/9/15
64 ACOA Federal executive agenda item 2. Administration of unemployment benefit, 27 Nov 1979, ACOA papers, Noel Butlin Archives, Z265 Box 140
65 ‘Protest over new dole rule’, The Sun Pictorial, 17 Nov 1979
business interests'.  

The ACOA also assured the unemployed that its members would interpret the dole rules as liberally as possible and that they believed that ‘if you are unemployed you have the right to receive benefits, and at least at poverty line rates.’  

The work-test ban was lifted in 1980 in response to government concessions to employ more front-line workers in its CES and DSS offices. However, the politicisation of the ACOA workers in regard to their role as public servants, the rights of welfare recipients, and the impact of welfare policy on industrial relations remained. Many workers continued to apply the ban covertly well beyond 1980.

The impact of the government’s welfare policy on industrial relations did not escape the ALP. Members such as Keith Johnson, Senator James Cavanagh and Deputy Opposition Leader Tom Uren made passionate speeches about the work test and its potential as a weapon for employers. In response to the work test introduced to parliament on 30 March 1976, Johnson argued:

It is a blatant attempt to cow those who are in employment and to discourage the taking of any action which may be regarded as being an assault on the established way of doing things or more likely a threat to the holy cow of profit. The new ‘guidelines’ as I think they are referred to place an enormous and terrible power in the hands of employers and can place an intolerable burden upon those who are employed or who seek employment... Very few if any people like being unemployed and most will go to extraordinary lengths to retain their employment. If there is no prospect of alternative employment or the receipt of unemployment benefit the employee is completely at the mercy of the employer.

At one public rally, held at Trades Hall in Sydney in 1976, Tom Uren urged workers to see the ‘dole bludger’ as a tool used by employers and the Fraser Government to

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66 Draft ACOA leaflet. A statement authorised by the federal executive of the Administrative and Clerical Officers Association, Noel Butlin Archives, Z265 Box 140  
67 Ibid.  
68 Law cites ‘several sources’ who have informed him of this pp.299–300  
divide workers.\textsuperscript{70} These words had the potential to speak directly to the workers who were told that the Liberal Government were vanquishing their economic enemies through the use of harsh new welfare policies. The potential existed for workers to see themselves as the victims of welfare policy and to see the benefits to the working class, and particularly the unskilled working class, in the introduction of a more relaxed welfare policy. Although concerns to this effect were at times expressed in parliament, they did not make their way into the papers and never really became a part of public welfare discourse. The most public use of this discourse was within the newsletter publications of the UWU and the UWM. The socialist influence within the UWU and the UWM led to the promotion of unity between the working class and the unemployed. It was claimed that their interests were the same, that they were of the same class and that they shared the same enemy: capitalism. The names of both organisations suggest not just a feeling of unity with workers but an identification of the unemployed as workers.

Articles such as ‘Unemployment = exploitation’ which appeared in the May 1979 edition of the Adelaide UWU’s Cheque Mate? spoke of the increasing use of casual non-ongoing labour to clear backlogs in workplaces. Workers were forced by DSS to take the work or lose the dole. No sick pay, holiday pay, or annual leave was awarded. The workers would at times be given an hour’s notice that they had become excess to requirements. One casual worker sacked in this manner joined the UWU and told the reporter that ‘his experience taught him a lot about the way employers can exploit the unemployed.’\textsuperscript{71} Most editions included cartoons of fat employers in top hat and tails doing things such as holding fists full of money or moving men and machines around on a chessboard, or holding whips and hoops through which the unemployed and workers were to jump.\textsuperscript{72} The capitalist class was seen as the enemy of all workers, employed or unemployed. Capitalism was seen as the cause of poverty and of financial burden for all non-capitalists.\textsuperscript{73}

\textsuperscript{70} Uren, T, MP, Speech to Public Rally on Unemployment, Trades Hall, Sydney, 6 October 1976, pp.913–16
\textsuperscript{71} Unemployed Workers Union (SA branch), ‘Unemployment=Exploitation’, Cheque Mate? no 5 May 1979
\textsuperscript{72} Unemployed Workers Movement (WA branch), Newsletter, September 1978 and October 1978
\textsuperscript{73} Unemployed Workers Union (SA Branch), ‘The money game: what is the real cause of poverty?’ Cheque Mate? No 20 (n.d.)
Protest incorporated these cognitive frames, targeting the ruling class as the enemy of all workers and welfare recipients. The most spectacular examples of this occurred in 1982 when unemployed workers occupied the notorious Melbourne Club, an exclusive inner-city men’s club incorporating Melbourne’s elite whose members included the entire council of the Melbourne IPA as well as the Prime Minister and the Minister for Employment and Industrial Relations Ian Viner. The first of these occupations, which occurred in October 1982, was organised by the Work for Today Coalition and involved 17 protesters entering the dining room at the club to stage a ‘lunch-in’. The protesters demanded free meals and accommodation be provided at the club for the unemployed, pensioners and children of working women. The second occupation involved hundreds of protesters who marched from the CAPU Stop the City rally to storm the Melbourne Club and hurl abuse at its members. Once inside protesters smashed two glass doors, threw furniture and bookshelves and smashed upstairs windows. One protester said ‘We want them to know that we are very angry. That is the ruling class in there, that’s the tax evaders’.75

This type of discourse and action, which draws the unemployed and workers together into the one cognitive frame, is reminiscent of the struggles of the 1890s and 1930s. As Charlie Fox has pointed out, organisations of the unemployed in the 1930s were generally founded by, and closely tied to, reformist labour unions or to the Communist Party. Both reformers and radicals fostered solidarity between the employed and unemployed organisations under their direction. The Communist Party, for example, feared that fascism would become an attractive option for the Australian working class and saw unity between the employed and unemployed as an antidote, urging that workers join the unemployed in their struggles and vice versa.76 In addition, the ACTU and Trades Hall Council became principal organisers of unemployed activism. While communists drew on a discourse that pitted the unemployed and workers against capitalists, reformers saw ‘the money power’ as the enemy of the unemployed and workers. It was they who had created unemployment in an attempt to smash the working class.77

74 Who’s Who in Australia, Information Australia, Melbourne, 1982
76 Fox, p.49
77 Fox, p.54
Despite the discursive solidarity displayed by the UWU during the 1970s and 80s, organisational solidarity between labour unions and the unemployed is difficult to find. In fact, the Melbourne Club protests may have resulted in the decline of what little unity existed. Although this type of action framed unemployed people as sharing in common with workers their struggle against the ruling class, labour organisations regarded the unemployed activists as too radical. Up to this point the UWU in particular had attempted to forge links with more powerful labour unions. For a brief period following its formation in 1977, the UWU was keen to establish an infrastructure upon which unemployed activists could rely for support. While unemployed activists had very little in the way of financial and power resources, it was agreed that if they could manage to establish themselves as part of a broader labour movement network, these all-important mobilising tools may become accessible. To these ends it courted Trades Hall and attempted to gain the support of the ACTU, and there is some evidence of success, with the ACTU releasing in 1980 a circular calling on local Trades Halls to organise protests against unemployment.\(^78\) Aside from isolated instances however, labour organisations were largely unwilling to connect themselves with unemployed politics and after the Melbourne Club protest of 1982, this willingness declined to almost zero. In 1983, the Labor Northcote City Council evicted the UWU from a building on Council owned land, demolishing the building within minutes of police sledge hammering down the doors and dragging 16 members out. The UWU attributed this to its 1982 radicalism and increasing criticism of the Labor Party.\(^79\)

Despite an inactive relationship with labour movement organisations, other resources were available to the unemployed. Throughout the 1970s, feminists made increasingly powerful calls for women’s right to work, a right that was challenged consistently during the recession. Their calls at times erected cognitive frames that cut across the taxpayer/dole bludger divide by grouping all women together in struggles over the right to work and to receive income independent of a male breadwinner.\(^80\) Women

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\(^{78}\) Ibid., p.32  
\(^{79}\) Ibid., p.39  
\(^{80}\) A number of organisations were active in mobilising women around right-to-work claims. Most prominent among them, Women’s Electoral Lobby (WEL), Women’s Employment Rights Campaign (WERC) and Women’s Employment Action Centre (WEAC). The South Australian
were often more effectively drawn into cognitive frames that offered an alternative to a ‘taxpayer’ identity, largely because tax cuts could not be constructed as offering the same financial benefit to women as to ‘primary breadwinners’, and because women, who were more often primary carers, had more direct contact than their males partners with services and benefits offered by the welfare state. For this reason many feminist organisations, the Women’s Electoral Lobby (WEL) included, fought against tax cuts, preferring increased redistribution to women via the welfare state. The WEL 1982 budget submission argued that the tax cuts and expenditure reductions announced in the budget ‘do not reflect the needs of women and their dependants’ and that

The lack of services for the aged and the young, as well as the disabled, ill, homeless and poor, places additional pressure on women. Therefore WEL believes that women in Australia would not support tax cuts which lead either to reductions in such services or the lack of essential expansion.\(^8^1\)

These discourses were helpful to unemployment benefit recipients. They erected an alternative to the taxpayer identity that the New Right forged for ‘average Australians’ and encouraged women to adopt the identity of ‘welfare recipient’. Feminist support for the welfare state was an important power resource for welfare recipients, but it too was limited. Feminists had more access to government and media than did radical unemployed activist groups, however, their institutional base was much weaker than that of the New Right. In fact, more often than not, the media and government members who adopted New Right discourses, attempted to discredit the claims of women as ‘special interest’ claims that supported only the welfare establishment and not average Australians. *The Australian* waged a campaign against women’s right to work in 1978, and attacked ‘middle class’ women who made demands upon the welfare state and the labour market. Also, feminist calls for women’s right to work and support for the welfare state did not really erect alternative identities for unemployment benefit recipients to challenge the ‘dole bludger’.

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81 Women’s Electoral Lobby, *WEL (Australia) Budget Submission 1982*
As I have argued above, discourses that sought to frame the ‘worker’ to include the unemployed were largely unsuccessful in the public arena. This was partly because they competed with New Right cognitive frames that mobilised institutional and financial resources to establish the worker as ‘taxpayer’. Although alliances between workers and the unemployed received some attention in the press during the ACOA work-test ban, they were never really framed within the media as anything more than opportunist radicalism on the part of the unemployed. More attention was given to the claims of overworked CES and DSS staff. Other distinctly anti-capitalist discourses that framed the unemployed and workers as allies in their fight against capital were virtually ignored by the media. These discourses were mainly relegated to activist pamphlets. Their potential as counter discourses was never fully realised within the public domain.

Conclusion

The shift to New Right frames in media and parliament depleted the institutional power resources of the Left and led to a colonisation of left-wing pro-welfare discourses by the New Right. The shift to New Right discursive frames therefore transformed the meaning of these discourses in such a way that they supported broader New Right agendas. Within these dominant frames suffering and liberal rights discourses reinforced claims that the provision of welfare is bad for the poor, that bureaucracy is invasive and incompetent, and that privacy and independence should be paramount. Therefore, this chapter has revealed the extent to which resistance can be contained by dominant discourses.

It has also revealed the potential within left-wing discourses to erect alternative cognitive frames that challenge the taxpayer/dole bludger dichotomy. As Barbara Hobson has argued, the ‘process of identity formation itself is crucial for understanding the ability of collectivities to articulate claims and exercise power in welfare states’. But when these collective identities are denied access to the power resources that exist in media and parliament they are destined to remain peripheral.

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The New Right were able to combine a process of agenda-supportive cognitive framing with financial and institutional resources unmatched by the Left. It is this combination that has led to the domination of New Right welfare agendas in Australia.
Conclusion

In this thesis I have traced the construction of the ‘dole bludger’ as the enemy of the ‘average Australian taxpayer’, finding that this construction stems from the New Right’s formative period in Australia. The welfare discourse popularised during this period helped promote a general shift away from a Keynesian ‘common sense’ supportive of the welfare state, drawing Australia instead into a period of neo-liberal ‘common sense’. This new ‘common sense’ cast ‘taxpayers’ as the supreme bearers of economic rights, and the welfare state as intruding on those rights. The ‘dole bludger’ then, has arisen from the way in which the New Right has been able to draw the economic needs and desires of non-welfare-recipients, including workers, into a broader New Right hegemonic project being constructed on a global scale.

The ‘dole bludger’ is a particular indigenous manifestation of a global New Right hegemonic project. As I have indicated in tracing its genealogy, the term ‘bludger’ has unique connotations within Australia and New Zealand, conjuring images of ‘useless’ and ‘devious’ workers who coast on the efforts of others, ‘parasitic’ bureaucrats who maintain a false sense of superiority over blue-collar workers, and pimps who get by on the earnings of their ‘battler’. The term ‘dole bludger’ maintains these connotations and applies them to the relationship between the worker and the welfare recipient, translating the New Right vision of the welfare state into an Australian vernacular.

The first three chapters of this thesis have been concerned to point out that the origins and discursive content of the ‘dole bludger’ lay in the development of the New Right hegemonic project in America. The discursive and ideological shift that occurred in America after the simultaneous rise of inflation and unemployment in 1969 was then transferred to Australia via economic think tanks and principal players within the government’s inner-circle. As well as demonstrating the New Right as the driving force behind the ‘dole bludger’, these chapters have demonstrated the institutional and financial resources available to the New Right in its early stages, resources that increased throughout the 1970s. The following chapters have pinpointed the moment at which the New Right struggle to shift welfare-state perceptions moved into the
mainstream, revealing that the economic ‘stagflation’ of 1974 provided an
opportunity for the New Right to build what Antonio Gramsci refers to as an ‘historic
bloc’ and in doing so, to increase its popular influence. My thesis has illustrated how
and why the media and political actors adopted New Right welfare frames as well as
examining what media and political actors brought to the New Right project.

A foremost concern of this thesis has been to illuminate the process by which workers
are encouraged to identify with the New Right welfare project; that is, to see
arguments for disabling the economic rights of the unemployed and contracting
welfare state services as ‘in workers’ interests’. By illuminating this process I have
revealed the extent to which New Right welfare discourses recognise and use the very
real economic constraints felt by workers in their day-to-day lives, casting them as the
concerns of all Australian ‘taxpayers’ and placing the blame upon the welfare state
and upon ‘parasitic’ benefit recipients in particular. This finding supports Gramsci’s
theory of hegemonic projects, here articulated with reference to the New Right by
Stuart Hall:

[Neo-liberalism’s] success and effectivity does not lie in its capacity to
dupe unsuspecting folk but in the way it addresses real problems, real
and lived experiences, real contradictions—yet it is able to represent
them within a logic of discourse that pulls them systematically into
line with policies and class strategies of the right.¹

The dole bludger versus taxpayer dichotomy provides us with a perfect example of
how the New Right were able to drive such a major shift in welfare-state discourses in
Australia and to discursively construct workers not just as collaborators in
dismantling the welfare state, but as the ‘forgotten people’ on whose behalf they
spoke.

Discourses about a ‘new class’ of welfare state bureaucrats have, of course, supported
this claim. Through this discourse workers have been encouraged to see the welfare
state as something alien to them, something that supports not only dole bludgers but

¹ Stuart Hall, quoted in Hay, Re-stating Social and Political Change, p.139
also parasitic ‘elites’ keen on gaining financial benefit in the industry at the expense of the ‘average Australian taxpayer’. Throughout this thesis I have shown that ‘new-class’ discourse has supported ‘dole-bludger’ discourse and, like the latter, can also be traced back to the formative years of the New Right. While other work examining new-class discourse in Australia traces its earliest manifestations to the 1980s and 1990s, this thesis has shown that it is intricately tied to the New Right anti-welfare-state agenda that emerged in Australia in 1974.

There have only been a handful of studies examining dole-bludger discourse in Australia. This is the first to acknowledge the role of the New Right in shaping this discourse and the first to use a Gramscian framework in theorising it. It is also the first study to trace the New Right version of new-class discourse back to the New Right’s formative period in Australia, the early 1970s, and to illuminate its links with the ‘dole bludger’. While other studies of new-class discourse highlight the way in which it has been used by the Right to render illegitimate the social justice and equality-seeking claims of women, immigrants, and Indigenous Australians, its implications for the unemployed have until now been secondary.

Discursive frames that incorporate the economic needs and desires of the worker have been essential to the success of New Right welfare agendas in Australia. But they are not sufficient on their own to bring about a major discursive and policy shift like the one that occurred in Australia after 1974. It is essential that institutional and financial resources accompany these discursive frames. As this thesis has shown, think tanks funded by large corporate donations have penetrated educational institutions, workplaces and political offices with their literature, while media and political actors, for a variety of reasons, have become the major purveyors of New Right welfare discourse. The combination of effective cognitive framing and resource mobilisation has made the New Right’s struggle against the welfare state difficult to counter.

Nonetheless, attempts have been made by the Left to counter dole bludger versus taxpayer frames, as the final chapter of this thesis has shown. The Left has, however, lacked effective discursive frames that incorporate the worker as a central figure in their fight for the welfare state. For the most part welfare-state advocates in the 1970s concentrated on the struggles of the unemployed without linking these to broader
economic struggles with which workers could identify. In addition, the shift to New
Right frames in media and parliament made it very difficult for counter-discourses to
be heard. A major blow to the institutional resources of welfare advocates came as the
ALP shifted away from the welfare state in 1975. As this thesis has shown, the ALP
have contributed to the New Right project, publicly responding to New Right
constructions such as the ‘economic crisis’ and the ‘dole bludger’ with discursive
reinforcement of these frames and with economic rationalist policies. After this shift
within the ALP, academic, religious, activist and community sector literature became
the most prominent vehicle for left-wing welfare discourses. While these do constitute
institutional resources for the Left, the media and political construction of new-class
‘elites’ led to the views contained within this literature being dismissed as not
reflecting the views of ‘average Australians’.

We can trace much of the tenor of current welfare policies and discourses back to the
1974 shift. Although it has been common to disregard the dole bludger as a
phenomenon of a past era, not worthy of much attention today, an analysis of current-
day concepts such as ‘work for the dole’ and ‘mutual obligation’ will reveal the extent
to which the dole bludger is still alive and well. Current taxpayer versus welfare
recipient discourses incorporate much of the logic present in the 1974 shift, casting
the taxpayer as ‘victim’ and adding a requirement that he or she be ‘compensated’ by
the welfare recipient. In addition we have seen a further extension of this taxpayer as
victim mantle with ‘battler’ increasingly used to describe the taxpayer when
juxtaposed with beneficiaries of government schemes and benefits; not only ‘dole
bludgers’, but Indigenous Australians, single mothers, and on many occasions,
women in general.

Nor is the term ‘dole bludger’ dying out. In March 1996 a media scandal emerged in
which three teenage siblings, Shane, Bindi and Mark Paxton, were ‘exposed’ by the
Channel Nine program A Current Affair as ‘dole bludgers’. An examination of the
media coverage and parliamentary debates following the ‘expose’ reveals continual
use of the term and continual reference to taxpayers as victims of their ‘rort’. The
same year, the Minister for Social Security, Tasmanian Senator Jocelyn Newman,
introduced a hotline colloquially referred to by the media as ‘dob in a dole bludger’. It
was piloted in northern Tasmania, an area including the city of Burnie, which at that
time had the highest unemployment rate in Australia. Newman backed up her policy by claiming ‘Nobody can in all conscience endorse sorting of the social security system…at the expense of the battlers’ and ‘we believe we should be supporting the needy not the greedy.'

It is common now to claim that the ALP have, since the time of Gough Whitlam, abandoned the ‘battlers’ in favour of middle-class voters, but this claim stems from the fact that these categories have been turned upside-down since 1974, so that addressing the needs of the marginal poor via the welfare state is now regarded as a ‘middle-class’ value, supported only by ‘new-class elites’ and ‘bludgers’, whereas tax cuts, even when they favour high-income earners, are regarded as ‘a win for the battlers’. Since 1975 the ALP has reinforced this inversion, distancing itself further and further from the welfare state in order to demonstrate its commitment to ‘average Australia’.

For another ‘common sense’ to contest the New Right a number of factors will need to be in play. As this thesis has shown, the New Right were successful in dismantling the Keynesian ‘common sense’ because they were able to use effective cognitive frames that drew the economic struggles of workers into line with a New Right agenda, and they had access to the institutional resources necessary to bring about change. Importantly, they were able to take advantage of these institutional and discursive resources at a time of economic upheaval, during which the old hegemonic project, Keynesianism, could be challenged.

There is no rule that says a shift to the Right must be followed by a shift to the Left. Equally, another right-wing project offering a different approach to the welfare state might displace the New Right. There is, however, some scope for the Left to offer an effective challenge. The industrial relations changes introduced at the end of 2005 by the Howard Government have, for example, been challenged by the ACTU, resulting in a ‘your rights at work’ campaign, which includes a large, well-funded, advertising blitz; market and shopping centre stalls, and a travelling bus of politicians and media celebrities addressing schools and local communities. This campaign has offered an

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alternative identity to that of 'taxpayer'. In doing so it has detached the economic needs of workers from the New Right agenda, providing instead a discourse that pits 'average Australians' against their bosses and the Coalition. Workers are not wedded to the 'taxpayer' identity that pits them against the welfare state. It is a question of offering an alternative with which workers can identify, and possessing the institutional resources to make it stick.

The dole bludger versus taxpayer dichotomy has been essential to New Right success in Australia. Similar New Right attacks upon the welfare state have occurred in America and the UK using a different vernacular. This global project has affected the unemployed in such a way that their economic-justice claims have become 'illegitimate', while those who could speak on their behalf have either been discursively detached from 'average Australians' or have jumped ship altogether. On the other hand, understanding how and why this came about is useful to those wishing to reinvigorate the economic justice claims of the unemployed. This thesis is an attempt to contribute to that goal.
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