

Australia's floods: a failure of government and the profit system

Socialist Equality Party (Australia)
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The tragic loss of 33 lives and the destruction caused by the floods that have engulfed Queensland and other regions of Australia over the past two months have exposed the criminal indifference of every level of government for the lives and property of ordinary working people. Elementary measures to protect communities from predictable flood events were either not undertaken or were rejected outright because they “cost too much” or were obstacles to short-sighted, profit-driven development.

Governments and the media have sought to depict the floods as a natural disaster. The destructive outcome, however, has largely resulted from political decisions.

One of the major causes of the deluge that swept through Toowoomba's streets, which killed four people in several hours, was ill-planned urbanisation. Housing and commercial development had transformed the two creeks that merge in the city into narrow concrete channels. In Lockyer Valley townships such as Grantham, upstream de-vegetation contributed to the wall of water that engulfed houses and vehicles. Local people received no flood warnings and many could not be rescued because the poorly-resourced and largely volunteer emergency services have insufficient helicopters and other equipment to cope with major disasters.

Eighty percent of Emerald, in the heart of the Bowen Basin coal region, was flooded on December 29. Many of the town's homes were built on flood plains, primarily to meet the demands of major coal companies such as Rio Tinto and BHP-Billiton for a readily available workforce.

Brisbane, with 2.2 million residents, suffered its sixth highest flood in history, with the Brisbane River peaking at 4.46 metres. Yet, the damage was far greater than the 1974 floods because of extensive building on flood plains. More than 20,000 homes and businesses were inundated throughout central Brisbane and adjacent Ipswich. Governments, developers and building companies ignored or suppressed a series of reports by experts, including a 1999 Brisbane River Flood Survey, which warned of the inadequacy of the city's land planning and emergency strategies.

Numerous victims had bought or built properties on the basis of assurances by governments and developers that the Wivenhoe Dam, completed in 1985, had substantially flood-proofed Brisbane. The authorities had known this to be false since at least 2007, when they buried an official report revealing that Wivenhoe's capacity failed to meet national standards. A

comprehensive recommendation to raise the height of the dam by eight metres was dismissed by the state Labor government because of its \$248 million price tag.

There is no question but that rationally planned development, and the expenditure of a few hundred million dollars, would have prevented loss of life and billions in damage. But an economic system driven by the profit motive, and a political system that excludes the working class from any say in society's organisation, blocked such necessary measures.

Working people can place no confidence in the Queensland government's judicial inquiry into the flood disaster. Like previous royal commissions, including the one conducted into the 2009 Victorian bushfires, it is designed to stifle criticism, cover up the underlying socio-economic causes of the disaster and whitewash the political responsibility of successive governments. Whatever recommendations are made, nothing will be done to halt or curb the destructive short-term profit operations of the corporate elite, laying the basis for even worse catastrophes.

Ordinary people have responded to the floods with selfless acts of solidarity, defending lives and property and volunteering in huge numbers for clean-up efforts. Nearly \$200 million has been donated to the Queensland premier's relief fund. But this instinctive human response is being cynically exploited to smother the questions of who is responsible for the disaster, who should pay for damage repair and who should control the rebuilding effort.

Everyone is “doing their part” and “sharing and sticking together,” Prime Minister Julia Gillard claimed in her January 27 National Press Club address. The truth is that the insurance industry has refused to assist those who do not have flood coverage and is looking for every loophole to avoid paying those who thought they did. Landlords have hiked rents by as much as 50 percent for those desperately looking for alternative accommodation. Gillard and her Queensland counterpart, Premier Anna Bligh, have provided only grossly inadequate temporary relief payments, which have been accompanied by stringent means tests that disqualify many working people, who have lost nearly everything, from receiving aid.

“We will rebuild,” Gillard declared in her speech, but the \$5.6 billion package she announced is contemptible. It covers but a fraction of the flood damage, already estimated at \$20 billion. Of Labor's package, only \$720 million is for emergency assistance for half-a-million flood victims, including small business people

and farmers—an average of just \$1,440 each.

The lion's share of federal "relief"—nearly \$5 billion—will be devoted to repairing the economic infrastructure, such as freight railways, roads and ports, that service the mining industry.

Corporate interests dominate the so-called reconstruction. The Labor governments' handpicked Queensland floods taskforce advisory group consists of banking, trucking and construction company representatives, ranging from the Business Council of Australia president to a Macquarie Bank director.

The mining industry, which made profits in excess of \$67 billion last year, will pay nothing toward the repair bill. Nor will the major banks, which made some \$37 billion, mostly from mortgage lending and other parasitic investments.

Working people will pay the cost, via Gillard's \$1.8 billion tax levy—the bulk of which will be paid by workers earning between \$50,000 and \$80,000, and via \$3.8 billion in spending cuts, including to education, housing, environmental and other programs. Gillard warned she would announce further cuts if the recovery costs exceeded \$5.6 billion.

The prime minister has insisted that none of the funds would be used to repair or rebuild the homes of uninsured householders, in line with demands from the insurance giants that no such relief be provided because it would affect their profits—which totalled \$4.5 billion in 2009-10. Typifying the contempt of the financial industry as a whole towards flood victims, Insurance Council of Australia boss Rob Whelan stated: "We don't want people to turn away from insurance, which is about providing for your own risks in your own way, and then relying on government to bail you out whenever there is a problem."

The financial establishment had no concerns when the Labor government announced a blanket guarantee for the banks—potentially costing tens of billions of dollars—as the global financial crisis intensified in 2008-09. In fact, the floods disaster is now being exploited by Gillard to bring forward budget cuts and market-driven restructuring to make the working class pay for the failure of the capitalist market. The *Australian Financial Review* hailed Gillard's "courageous decision" to start cutting education, rental affordability and other programs it denounced as "unproductive" and "unnecessary".

Like governments around the world, the Labor government is completely subservient to the dictates of the financial markets. That is why Gillard has endlessly reiterated her pledge to eliminate the budget deficit by 2012-13, regardless of the flood devastation, and vowed to push ahead with her pro-business "reform" agenda.

Tens of billions of dollars have already been handed over to the wealthiest layers of society in tax cuts under both the Howard and Gillard governments. Just a small fraction of the record super profits accumulated by the banks, insurance and mining companies, combined with a redistribution of wealth away from the obscenely wealthy upper strata would more than cover every cent of the reconstruction cost, as well as provide funds to prevent other such disasters in the future. For example, a 10 percent levy on the top 0.1 percent of income earners, the 15,000 who receive more than \$693,000 per year, would yield more than \$1 billion per year. A 10 percent levy on the banks, mining and insurance giants would bring in an additional \$11 billion per year, making a total of

\$12 billion—more than twice Gillard's niggardly sum.

Meanwhile, the Gillard government has exploited the lack of adequate civil disaster services to set a further precedent for the domestic deployment of the military. More than 1,500 armed forces' personnel have been mobilised in Queensland and Victoria, in the largest such operation since Cyclone Tracy, which destroyed much of Darwin in 1974.

The deployment of the military—a state apparatus answerable only to the powers-that-be—is an affront to democratic rights. It is no accident that Major General Mick Slater began his "command" of relief operations with a warning to the media and the public that they should not express any "divisiveness"—that is, make any criticisms or condemnations of government neglect and indifference. Soon afterward, Queensland police threatened Grantham community representative Martin Warburton with arrest if he attempted to challenge Gillard and Bligh over the failure of their governments to provide timely warnings and adequate assistance in the flood-ravaged Lockyer Valley.

The floods crisis demonstrates the necessity for the complete reorganisation of society on a socialist basis, so that it is planned rationally and democratically to meet social need, not the profit demands of a tiny financial elite. The banks, insurance companies, construction giants and mining conglomerates must be placed under public ownership and democratic control. The billions of dollars in social wealth they currently monopolise must be harnessed to establish proper flood mitigations measures, land use and emergency warning programs, as well as raising living standards and ending poverty.

A socialist reconstruction program is only possible through the revolutionary political mobilisation of the working class and the establishment of a workers' government. It requires the formation of genuinely independent organisations that represent the working class and are prepared to wage a direct struggle against the Labor government and its masters in the financial and corporate elite. That is the program of the Socialist Equality Party.

Click here for the full coverage of the Australian flood crisis.



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