

Australian opposition leader condemns Labor budget's "class warfare"

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Last night's budget reply delivered by opposition leader Tony Abbott underscored the continuing crisis wracking the official political establishment in Australia. Abbott insisted that greater government spending cuts be imposed, but refused to heed business and media demands that he outline exactly which social spending programs he would eliminate. Much of his address to parliament was taken up with a Murdoch-media fuelled "debate" over the Gillard Labor government's so-called class warfare measures.

Earlier this week, Prime Minister Julia Gillard and Treasurer Wayne Swan slashed real government spending by 4.3 percent, the largest reduction in 25 years. The Labor government has promised to deliver budget surpluses for the next four years, and make whatever additional spending cuts are necessary as the global economy suffers new shocks. Last Tuesday's budget signalled that austerity is now the axis of the government's economic policy, in line with the ruthless cutbacks being imposed on working people in Europe and the US.

In this context, the corporate elite wants the opposition Liberal-National coalition to pressure the government to go far further, while at the same time presenting itself as a credible alternative government.

A series of media-sensationalised corruption allegations could bring down the minority Labor government at any time. An early election, according to every published poll, would wipe out Labor and see Abbott installed with a huge majority. But there are serious concerns within ruling circles with his ability to implement their agenda. Abbott's speech was aimed at trying to alleviate these concerns.

"I applaud the treasurer's eagerness to deliver a surplus," he declared, and then questioned the Labor budget's rosy forecasts for world and Australian economic growth in the next four years, suggesting that greater cuts would be needed. He also condemned the government's move to raise

its debt ceiling by \$50 billion. However, the opposition leader refused to detail how he would deliver on his promised tens of billions in cuts, pledging only a "once-in-a-generation commission of audit to review all the arms and agencies of government to ensure that taxpayers are getting good value for money."

The *Australian Financial Review's* commentator Laura Tingle responded in an article entitled "Fuss, bluster ... but not much in the way of detail." She noted that "in his third attempt as opposition leader, [Abbott] was even less bogged down in his own policies than he was in 2010 or 2011 ... there is nothing in Abbott's speech about the coalition's attitude to individual budget measures, and even less about what the opposition would do to find alternative savings."

The *Australian* responded similarly, complaining that the opposition leader had "elected not to deliver an alternative budget but to mount another political attack." The Murdoch broadsheet again praised shadow treasurer Joe Hockey for his "age of entitlement" speech, delivered in London last month, which concluded that global financial markets would no longer tolerate any significant government spending on welfare, social infrastructure, health or education. Hockey spelled out the economic agenda that both the Labor and Liberal parties wish to implement—a vast pro-business economic restructuring aimed at savaging working-class living standards.

Abbott, however, like the Labor government, has tried to sidestep any public commitment to this deeply unpopular program, creating major tensions within the opposition coalition parties. His suggestion that the opposition could "consider" Labor's new subsidy payment to parents of school children, was overruled by Joe Hockey and other Liberal MPs, while his proposed \$3 billion maternity leave scheme, to be funded by a new tax on Australia's largest corporations, remains bitterly opposed by many of his caucus colleagues.

In his speech Abbott hailed the previous Howard government's economic record, effectively repudiating recent statements by Hockey and former Liberal leader Malcolm Turnbull that Howard had permitted excessive government spending in his last few budgets. The *Australian* today criticised Abbott for "falling into the complacency trap of standing on the competency of the Howard years." Howard, the editorial continued, "might have concocted a reliable recipe, but Mr Abbott has a different set of ingredients and needs to demonstrate to Australians what he intends to do with them."

The new "ingredients" flow from the deepening world economic crisis, which was hardly mentioned in the opposition leader's budget reply, along with the continuing sovereign debt crises around the world, the demands of the financial markets and accelerating austerity.

In opening, Abbott took his cue from the Murdoch media and condemned the government's "class war" budget—a reference to the Labor government's desperate attempt to salvage some standing in the polls, and provide a populist veneer to its austerity budget. Funds that had been set aside for a planned one percent reduction in the corporate tax rate were instead directed to meagre welfare measures and cost-of-living subsidies. An annual "Schoolkids Bonus" was announced, family tax payments were slightly increased, and one-off cash bonuses enacted for some welfare recipients. These pathetic measures, given the breadth and depth of the social crisis facing millions of ordinary working people, were characterised by Gillard and Swan as the centre-piece of their "battler's budget."

The prime minister stated that she made "no apologies" for Labor's drive "to serve low- and middle-income Australians ... Abbott is here to serve the rich." She added that Abbott and his colleagues should get out of Sydney's upper-middle class North Shore area, to learn what life is like for "real families."

In reality, the Gillard government is the direct representative of the banks, the major companies, and large corporations. One of the budget's major "savings" was stripping single parents with young children of their existing parental payments and placing them on unemployment benefit, a move that will plunge tens of thousands of vulnerable families into poverty.

Abbott declared that "the fundamental problem with this budget is that it deliberately, coldly, calculatedly plays the

class war card." He added that he was "grateful that our country has normally been free from the class struggle that's raged elsewhere, to other countries' terrible cost." On the contrary, virtually every key juncture of Australian history has been marked by major struggles waged by working people in defence of their class interests. Over the past three decades, while the working class has been pushed back, as a result of the betrayals of the Labor Party and trade unions, the ruling class has launched an unprecedented offensive against the social position of the working class.

The Murdoch press has expressed a definite nervousness over the Labor government's sudden efforts to make a class appeal. Despite their limited and bogus character, the danger is that in this new era of permanent austerity, criticisms of the ultra-wealthy will resonate among working people, backfire on the Labor government, and open the door for the emergence of a genuine oppositional, left-wing political movement.

This nervousness found peculiar expression today with the *Australian's* reference to the *World Socialist Web Site's* analysis of the budget. On Wednesday the WSWS referred to the *Australian's* front page cartoon of Wayne Swan in an "Occupy Treasury" t-shirt and in front of a hammer and sickle flag, declaring: "This outlandish response only underscores the fact that the ruling establishment will tolerate no deviation from the imposition of austerity measures squarely onto the backs of the working class."

Attempting to ridicule this assessment, the *Australian's* editorial today claimed it had been accused of a "capitalist plot." The editorial concluded by again exhorting Gillard to follow the example of the former Hawke-Keating Labor governments, describing the period from 1983-1996 as "unquestionably, Labor's most successful post-war period." This was the period when Labor spearheaded a vast restructuring of the Australian economy, driving down real wages, destroying entire sections of industry deemed "uncompetitive" on the world market, and presiding over an unprecedented increase in social inequality as a narrow layer at the top accumulated enormous profits and personal wealth.



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