

# The Liberal-Labor-Greens austerity consensus

Patrick O'Connor, SEP candidate for Melbourne  
25 June 2012

The Labor Party campaign in the Melbourne by-election is seeking to tap into widespread hostility towards the state Liberal government's spending cuts with the utterly bogus claim that it opposes the measures. However Premier Ted Baillieu's budget delivered last month was simply following the lead of the federal Labor government in implementing the austerity agenda being demanded by the corporate and financial elite, both nationally and internationally, amid an escalating global economic crisis.

In its May 8 federal budget, Prime Minister Julia Gillard and her government pledged to deliver budget surpluses every year for the foreseeable future, whatever the social consequences. In Victoria, the state government announced it was slashing \$2.9 billion from public spending, including the laying off of 4,200 public servants and the gutting of the Technical and Further Education (TAFE) system. Other state governments—Labor and Liberal—have announced similar socially-regressive budgets.

The Labor Party and the Greens are equally committed to austerity. Replacing the Baillieu government with a Labor or Labor-Greens coalition government in Victoria would do nothing to reverse the Liberals' anti-working class measures. Yet Labor's candidate in the Melbourne by-election has erected prominent billboards to demand an end to the TAFE and other spending cuts and to exhort voters to "make this a one-term Baillieu government."

What a hoax! Workers should recall the bitter experiences of the past decade. The state Labor government, in office between 1999 and 2010, was hailed in the financial press as the most pro-business administration in Australia. It repeatedly cut business and investment taxes and pioneered the extension of privatised and highly lucrative infrastructure developments through Public Private Partnerships (PPPs). Premiers Bracks and Brumby underfunded vital social services, including transport, health, and education, and were at the forefront of promoting right-wing "free market"

policies.

Many of Baillieu's policies have followed seamlessly from Labor's initiatives.

Take TAFE, for example. The Labor government's "reforms" resulted in the proportion of students enrolled in the public technical education system plummeting from 75 percent in 2007 to 48 percent in 2011. At the same time, private providers increased their share from 14 percent to 40 percent. The Liberals are simply accelerating this process. Up to 1,500 TAFE jobs are likely to go, some students will face a quadrupling of their course fees, and many courses will simply be eliminated. These include Victoria's only full printing industry apprenticeship program and its sole non-university Auslan (Australian Sign Language) course. The cutbacks amount to social vandalism—and the Labor Party is implicated in every measure.

Labor was thrown out of office in Victoria in November 2010, after 11 years in power, because of bitter opposition to its right-wing agenda. The largest anti-government swings were registered in major working-class electorates. The election result was just one expression of the growing hostility towards Labor in the working class, at the state and federal level. In August 2010, following her anti-democratic removal of Kevin Rudd, Julia Gillard failed to win a parliamentary majority—the first time a first-term government had suffered such a fate since 1931.

Brumby's defeat was greeted with perplexity and regret in corporate circles. He had been endorsed by the media and business lobby groups for another term, reflecting the ruling elite's confidence in Labor to impose its austerity agenda on working people.

Following the eruption of the global financial crisis in 2008, growth rates plunged from nearly 5 percent a year, driven especially by the housing and construction sectors, to

less than 2 percent. Like his counterparts internationally, Brumby attempted to make the working class pay for the crisis. In 2009, his Labor government imposed a 2.5 percent wage rise limit—a real pay cut—on all public sector workers, reduced from 3.25 percent. Baillieu has simply maintained this limit.

The manufacturing sector has been especially hard hit. Wages have either stagnated or declined. A report by Insight Economics last year concluded that average manufacturing wages in Victoria in 2011 were the same as in 1997-98. Meanwhile, job losses have accelerated. Of the more than 100,000 manufacturing jobs destroyed in Australia between 2008 and 2011, nearly one-third were in Victoria. Particularly badly affected have been car, steel and aluminium.

In 2010, despite deeply felt anti-Labor sentiment, the Liberal-National coalition just scraped into office with 45 parliamentary seats, against 43 for Labor, an expression of broadly felt alienation from both major parties. And Baillieu only won office by concealing his program. In the 2010 election campaign, he made no mention of spending cutbacks, instead issuing populist criticisms of the Labor government over mounting job losses and rising living costs.

In his first budget, Baillieu failed to make the savage public spending cuts required by the media barons and big business. But this year he has snapped to attention. Workers should be warned: last month's budget is only the first instalment of ever more severe spending cuts, being driven by the deteriorating international economic situation.

The Labor Party now claims to oppose the very cuts it would most certainly be implementing if it were in office. Its campaign is aimed at channelling mounting working-class opposition to Baillieu's agenda back behind the bankrupt two-party parliamentary setup, and preventing it from taking an independent road.

The Greens are playing a key role in this increasingly transparent charade. Like Labor, they, too cynically claim to oppose the state government's cuts. But their record, both in Australia and overseas, is no different. In Germany, Ireland, and other countries, the Greens have, in recent years, enthusiastically slashed social programs for workers and welfare recipients. In Tasmania, the Greens have joined the Labor Party in a coalition government that has imposed some of the most severe cuts to health, education, and other services in decades. Their state leader and education minister Nick McKim eagerly embraced the shutting down 20 public

schools in the face of overwhelming public opposition. At the federal level, the Greens prop up the minority Gillard government and voted for its budget.

In my campaign for the Melbourne by-election I have discussed with workers and young people that there is no alternative to job losses and savage cuts within the existing political framework. The same agenda of state repression, job destruction, and wage cutting that is being implemented across Europe is rapidly emerging here. Decent living standards and properly resourced public services cannot be achieved by voting to office one or other of the major parties, or by voting Green in the false hope that they will exert pressure on the government of the day. The working class needs to strike out on a new road, making a conscious political break from the Labor Party and the trade unions, which have ruthlessly enforced all the cutbacks and sabotaged any resistance by workers. Many workers are beginning to make the connection between the processes underway in Europe and the US, and those underway in Australia, and are becoming deeply concerned.

But anxiety, frustration and anger do not constitute an alternative road forward. The working class must take up the fight for a new political party based on a socialist and internationalist perspective. That party is the Socialist Equality Party. My campaign in the Melbourne by-election is aimed at clarifying the central political issues confronting working people and youth internationally and on that basis encouraging the development of an independent struggle for a workers' government, the overthrow of the capitalist system, and the socialist reorganisation of society. In Australia and internationally, this is the only realistic alternative to the relentless drive towards ever-deeper social inequality, repression and war.

*Authorised by Nick Beams, 113/55 Flemington Rd, North Melbourne VIC 3051*



To contact the WSWs and the Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**