

Australian PM announces unprecedented seven-month election campaign

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In a speech to the National Press Club on Wednesday, Labor prime minister Julia Gillard announced that the federal election will be held on Saturday, September 14. The release of the election date more than seven months in advance of the actual ballot is historically unprecedented. It is the Labor government's response to strident and continuing demands by the corporate and media elite that the two main establishment parties—Labor and the opposition Liberal-National coalition—unveil their policy agendas under conditions of rising global political tensions and what Gillard herself described as the “biggest economic meltdown since the Great Depression.”

Gillard's announcement was made just one week after she began the new political year with the launch of her government's so-called “National Security” strategy. Reduced to its essentials, the strategy consists of a guarantee to Washington that Labor will unambiguously align Australia militarily and politically with the Obama administration's provocative “pivot to Asia” to contain China and with American militarism in the Middle East, Africa and every other part of the globe.

Her speech this week was another guarantee—this time to satisfy the economic demands of the financial markets and big business. If Labor holds onto power, Gillard pledged to deepen her austerity cutbacks to social spending and enforce a renewed assault on wages and conditions to ensure the “competitiveness” of Australian-based corporations amid the global struggle for shrinking markets.

Gillard is seeking to win the backing of the corporate elite for Labor's re-election with a clear majority. One of her central pitches was that the challenges of the global crisis demanded “certainty and stability”—rather than the instability that has surrounded her minority government since the August 2010 election resulted in the first hung parliament in 70 years. She called for a policy debate and

an end to the scandals and personal vitriol that has dominated politics over the past year as opposition leader Tony Abbott has sought to force an early election. His strategy failed, largely because it received no significant corporate or media backing under conditions where the opposition had made no commitment to the agenda of austerity.

Both establishment parties are acutely conscious of the deep hostility of broad sections of the population to the entire parliamentary setup, engendered by decades of attacks on living standards at the hands of successive Labor and Coalition governments. Labor is so despised that it would be decimated if an election were held today. At the same time, Abbott and the Coalition parties are viewed with suspicion and contempt.

Gillard signalled in her speech that Labor will spend the next seven months making cynical appeals for electoral support by feigning sympathy for the plight of the millions of ordinary working people whose social conditions have been driven down.

She spoke of the “pressures on living standards” and the “struggle to make ends meet” meaning it could “seem far harder to get ahead in the post-GFC world.” She raised that the “uncertainties and pressure we live with have led some of us to be concerned that our children won't live a better life than us”, and claimed that “nothing matters more than the jobs of working people.” She declared repeatedly that the Labor Party was concerned about “opportunity”, “fairness” and “meeting the needs of modern families.”

In reality, Labor is modelling its re-election campaign on that of Barack Obama in the US, who dressed up his defence of corporate interests with similar populist rhetoric. The fraudulent and two-faced nature of Gillard's claims was made clear by her focus on policies to boost corporate competitiveness and productivity at the expense of the working class. Every measure raised by Gillard will

deepen social inequality, poverty and exploitation, and further erode public education, health and welfare.

The centre-piece of Labor's economic agenda, the prime minister made clear, is addressing the impact on business of the 60 percent increase in the value of the Australian dollar over the past three years. The rise in the currency is due to the confluence of historic levels of government-encouraged investment, especially by transnational mining conglomerates; the deliberate devaluation of other global currencies, particularly the US dollar; and the exploitation by financial speculators of higher-than-average interest rates in Australia. With the Labor government's backing, employers are imposing job cuts and restructuring across the economy, including in the car plants, steel, the airlines, the ports and, in the past several months, in mining as well.

Every sector of industry has continued the long-term trend of replacing full-time positions with part-time and casual jobs. The average working week has fallen to a historic low of just 32 hours, and the estimated combined unemployment and underemployment rate is hovering close to 20 percent.

Labor's duplicity was exposed in Gillard's assertion that Labor had created "836,000 jobs" in Australia since the global financial crisis. In fact, the policies she announced on Wednesday will drive unemployment and underemployment far higher. She declared that the high dollar demanded more "industry-specific plans" that increase productivity—the corporate euphemism for stripping workers of overtime and other penalty rates, greater flexibility to hire and fire and the outright lowering of wages.

Gillard insisted that her government's announcement in December to withdraw its pledge of a surplus in the next May budget did not mean Labor had retreated from imposing historic cutbacks to public spending. She declared that her government would find major "structural savings" and take "tough, hard decisions."

Pointing to the dimensions of the "savings", or austerity cuts, that had to be made, Gillard noted that federal revenues had been slashed by \$30 billion a year since 2008 and, as a proportion of GDP, had reached the lowest level since the recession in the early 1990s. At the same time, Labor had to finance the roll-out costs of long-term restructuring to public education, health and disability support.

The Gillard government is introducing US-style performance-based testing and local autonomy systems into both the school and health system, and a National

Disability Insurance Scheme (NDIS). It is attempting to portray these policies as social reforms that benefit the population. In reality, its education agenda, which Gillard described as her "crusade", will mean a wholesale assault on teachers' conditions, the closure of so-called "underperforming" public schools in working class areas and the continuing drive towards privatisation. The NDIS is being implemented to slash the rising cost of the federally-funded Disability Support Pension. In public health, funding reductions by the federal and state level governments are already leading to cutbacks at hospitals around the country, while profitable niche areas are being privatised.

Gillard vowed that billions of dollars of spending cutbacks would be announced in the lead-up to the May budget, to enable Labor to pursue this regressive agenda in education and health care. While she omitted to mention it in her speech, the prime minister last week gave a categorical guarantee to Washington that military spending would not be cut and that billions of dollars would be found to purchase new submarines, jet fighters and other hardware—pointing to the need for further spending reductions elsewhere.

In the wake of Gillard's speech, the corporate elite is already bringing pressure to bear on the Liberal-National opposition. The head of the Australian Chamber of Commerce and Industry Peter Anderson immediately called for a "bidding war" on economic policy between the major parties. Liberal leader Abbott will make a speech to the National Press Club on Thursday, which will be judged in business circles on the basis of the concrete policies he announces.

In line with governments around the world, Gillard has launched a protracted election campaign that will be dominated by an agenda of austerity, militarism and war.



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