

Australian opposition leader commits to austerity election campaign

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Opposition leader Tony Abbott delivered a speech at the National Press Club yesterday, effectively launching the Liberal-National coalition's campaign for the September 14 federal election. His address, following on from the speech delivered by Prime Minister Julia Gillard at the same venue a day earlier, made clear that the unprecedented seven-month election campaign will be dominated by the major parties' plans to slash public spending, eliminate social programs, and advance the ruthless austerity agenda demanded by the financial elite.

Gillard declared that the Labor government would implement further "structural savings" in this year's budget that would involve "tough, hard decisions", involving billions of dollars in spending cuts. Abbott similarly declared that he "won't shirk the hard decisions" and would find the necessary "savings" to fund the Liberal Party's pro-business proposals. Attacking the government for abandoning its pledge to deliver a budget surplus this year, he emphasised the opposition's determination to eliminate the deficit and reduce federal debt.

At the same time as Abbott delivered his speech, his "razor gang" (expenditure review committee) was midway through a three-day, closed-door meeting. The Fairfax press reported on Tuesday that "everything from the smallest programs to major expenditure items will be on the table", with each of the opposition shadow ministers given a "line-by-line grilling" to find new programs to cut. The report anticipated further opposition plans for "significant reductions" in public sector jobs, on top of the tens of thousands of sackings that Abbott has already promised.

A policy paper issued by the opposition last month, "Real Solutions for all Australians", also outlined reactionary measures targeting welfare payments to

unemployed workers and the disabled.

Abbott has repeatedly refused to detail how he will implement his plan to slash spending by tens of billions of dollars. The opposition and the Labor government alike are acutely conscious of the overwhelming opposition within the working class towards their shared pro-business program. Shadow treasurer Joe Hockey blurted out the bipartisan agenda in a speech last year in London, in which he declared that the "age of entitlement" was over and that the population had to get used to significantly lower living standards. Irrespective of which of the major parties forms government after September 14, the working class will confront the most ruthless attacks seen since the 1930s, in line with the austerity measures unleashed in Europe and the US.

The protracted official campaign will be dominated by a series of diversions and lies. Abbott spoke out of both sides of his mouth during his National Press Club address, on the one hand castigating the government for not sufficiently slashing spending, while on the other hand criticising the regressive cuts that have been imposed. He declared that "when this government claims that it's attacking 'middle-class welfare', it's just attacking the middle class", adding that the \$16 billion family tax benefit scheme was "tax justice, not handouts."

Abbott was again sharply criticised in the financial press for this line. The *Australian Financial Review* published an editorial today entitled, "Abbott leaves much to answer." It declared that "Australia's budget crunch is more serious than both sides of politics concede", adding that "it is not clear that he [Abbott] is prepared to make the necessary hard decisions."

The editorial highlighted the contradictory character of many of the opposition leader's policies. Abbott has

promised to junk the mining and carbon taxes—appealing to the specific sectional interests of targeted constituencies within corporate Australia—while adding that he was also bound to rescind various pro-business measures that the Labor government has funded through these taxes. These include tax cuts and measures boosting the superannuation financial industry. Abbott has also resisted intense pressure to abandon his promise to create an expanded \$3 billion paid parental leave scheme, funded by a new tax on Australia’s largest corporations. The *Australian Financial Review* complained that the “ultra generous” scheme amounted to “classic middle-class welfare.”

Abbott has maintained the pledge as part of his attempt to counter Gillard’s appeal to feminist identity politics. Yesterday he declared that parental leave had been the “Holy Grail of the women’s movement” and that he had a “convert’s zeal” on the issue.

The opposition leader’s entire speech was divorced from reality. Gillard, for her own purposes, centred her address around the global economic crisis, the slowdown in China, and the changed situation confronting the Australian mining industry. Abbott, on the other hand, made no mention of any of this. This was partly due to his absurd effort to claim that the better economic figures when the Coalition was last in office—that is, prior to the 2008 global meltdown—were proof of the Liberal Party’s superior economic management. Abbott promised a return to what he called the “lost golden age of prosperity” under former Prime Minister John Howard—a clear pitch to the upper-middle class layers who benefited from the debt-fuelled property and stock market boom in the years before the global financial crash.

The opposition leader was similarly silent on every question of foreign policy—including the escalating strategic tensions in East Asia driven by Washington’s provocative drive to counter China’s influence—underscoring the deep divisions wracking the Liberal Party. Abbott has lined up behind Gillard’s unconditional backing for the Obama administration’s Asian “pivot”—his “Real Solutions” policy paper promised to “enhance US access to bases in Australia.” Abbott’s predecessor and leadership rival Malcolm Turnbull has clearly expressed his opposition to this stance, reflecting the concerns of sections of the

corporate elite about the consequences of a war between the US and China, Australia’s most important trading partner.

Neither Gillard nor Abbott is assured of retaining the leadership of their respective parties ahead of the September election. The prime minister still confronts the bitter opposition of former Prime Minister Kevin Rudd and his supporters within the Labor caucus, while Abbott sits atop a fractious Liberal-National coalition, divided on a series of major domestic and foreign policy issues. The election campaign has begun amid the same climate of deep political crisis that has characterised official politics in Australia since the June 2010 Labor Party coup against Rudd.



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