

Social crisis to intensify after Western Australian election

Dragan Slavkov and Celeste Lopez
9 March 2013

As Western Australians vote in today's state election, the corporate elite has made it plain that the next government, whether Liberal or Labor, must move far more ruthlessly to cut social spending and drive down wages and conditions.

During the election campaign two global rating agencies, Moody's and Standard & Poor's, put WA's AAA credit rating on a "negative outlook," warning of downgrades unless public spending was slashed. In other words, austerity has been placed at the top of the agenda in the so-called mining boom state.

Anxious to secure ruling class approval, the opposition Labor Party has made this the central focus of its campaign, accusing Premier Colin Barnett's Liberal government of "reckless spending and economic mismanagement."

The social reality facing the working class is already far removed from the image, promoted in the media, of a state teeming with prosperity for all. The gulf between a tiny wealthy elite and the working people has become a yawning chasm. While resources exports—primarily iron ore and gas—have created fortunes for billionaires like Gina Rinehart and Twiggy Forest, ordinary people have suffered soaring utility and housing costs and deteriorating public services.

Over the past four years, since the last election, household energy prices increased by about 57 percent, gas costs by 45 percent and water sewerage and drainage charges by 29 percent. More than a third of regional electricity customers are struggling to pay power bills, according to a recent report. The state's disconnection rates are now the second highest nationally. Privately-owned utility Alinta Gas disconnected more than 20,000 properties during the past two years for non-payment of bills.

These cut-offs are just one symptom of the rising

financial stress. In one survey, 8.7 percent of residents said they were running into debt and a further 11.9 percent were drawing on their savings, a sharp increase on the figures of 5 percent and 7.4 percent recorded 12 months earlier.

The burgeoning cost of housing is the most obvious pressing issue. By last June, the average rent for a four-bedroom house was \$430, consuming 30-40 percent of low and moderate household incomes. Average rents rose by 13.2 percent in 12 months.

Housing costs are even higher near mining areas. Anglicare, a charity, compiled figures showing rents of \$420 a week for a one-bedroom unit in Broome, in the state's north. The average rental price in the state's north west was estimated at \$1,374 per week. Local residents were being priced out by the exorbitant rents being extorted from the fly-in, fly-out (FIFO) workers hired by mining companies.

Homelessness has become a common phenomenon in the state. The Institute of Health and Welfare found that between 2010 and 2011, an estimated 19,500 people from regional areas received support from a specialist homeless service.

Waiting times for public housing have blown out. By last April, according to the housing department's own figures, 2,493 applicants had been waiting for between five and seven years, 639 for between seven and ten years and 23 for more than a decade.

Hospital waiting lists have also lengthened under the so-called healthcare "reform" program driven by the federal Labor government. As of last August, 47,000 West Australians were waiting to see a public hospital specialist. Mental health staffing levels are also about 50 percent less than they should be.

Last year saw an increase in "ambulance ramping"—where paramedics have to wait outside busy

emergency departments to hand over patients. In July 2012, ambulances parked for a total of more than 2,000 hours. The situation in the hospitals has been aggravated by shortages of aged care beds—there are just 12,754 such beds in WA, but more than 75,000 people over the age of 80, a figure due rise to 200,000 over the next decade.

The state government has touted a new flagship hospital in Perth, the Fiona Stanley Hospital, currently under construction, but its opening will see the downgrading of other major hospitals, with no real net increase in bed numbers, despite a growing population.

The hospital crisis is just one aspect of the systemic under-funding of essential social infrastructure. Inadequate public transport, the result of years of neglect by successive Labor and Liberal governments, has produced worsening traffic congestion in Perth, the state capital.

While WA has one of the lowest official unemployment rates in the country, currently 4.1 percent, many young people have been forced into insecure casual jobs. More than a quarter of part-time workers aged 15-24 years want to work more hours, according to an Australian Bureau of Statistics (ABS) report released in February.

Conditions are worsening for Aboriginal youth—one of the most vulnerable layers of the working class. Indigenous youth detention rates in WA have become the highest in the country. Aboriginal youth are more over-represented in the criminal legal system than when the federal Hawke Labor government's Royal Commission into Aboriginal Deaths in Custody report was released 22 years ago.

With the resources boom just starting to unravel—the state's economy still grew by nearly 15 percent last year—the social crisis will intensify as mining royalties and related revenues stop filling the state government's coffers. Under the impact of the deepening global slump, mining companies are already scaling back their operations, as well as their planned projects, and demanding a ramping-up of “productivity”—a euphemism for slashing mining workers' wages and conditions.

Throughout the election campaign, the entire political establishment—Labor, Liberal, National and Greens—has sought to bury the social reality, as well as the implications of the world economic crisis and the

looming imposition of austerity measures. As soon as the election is out of the way, however, the assault on jobs, living standards and basic services will escalate, widening the already glaring levels of inequality in Western Australia.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact