

Australian big business launches campaign for austerity, market “reform”

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The Business Council of Australia (BCA), representing the country’s largest 120 corporations, has launched a new public campaign in the lead up to September’s federal election. BCA president Tony Shepherd addressed the National Press Club on Wednesday, outlining a series of measures aimed at boosting corporate profits and productivity, at the expense of the working class.

The speech marked the beginning of a six-month pre-election advertising and public relations campaign, directed as much at the opposition Liberal-National coalition as at the Labor government of Prime Minister Julia Gillard. Reflecting widespread dissatisfaction within ruling circles with opposition leader Tony Abbott, Shepherd complained about a political “vacuum” and declared that business did not “see a cohesive, integrated plan”.

Expressing concern that “the risk is that in an election campaign people are a bit nervous about coming out with anything too controversial,” Shepherd concluded his speech with an appeal to the major parties: “The plan we’re putting forward for Australia requires political leaders who are prepared to lose their jobs to get things done.”

In other words, the corporate elite is well aware that the demanded austerity agenda is deeply opposed by the overwhelming majority of ordinary people.

Shepherd’s speech was peppered with the usual bogus mantras about the “national interest” and prosperity and equal opportunity for all, while at the same time outlining, in thinly-veiled terms, the class war program required by big business.

Declaring the necessity to “face up to the world we live in,” the BCA president insisted that “adult discussions” were needed. He issued a long list of demands—including pro-business measures promoting

foreign investment, less regulation, lower taxes on corporations, a more “flexible” industrial relations system, further regressive “reforms” to the public education system, and privatisation of state-owned infrastructure assets. But the central and urgent measure outlined was a coordinated austerity drive. Shepherd insisted that “if we don’t get this one [fiscal policy] right, none of the rest of our actions will matter much.”

Shepherd demanded an “independent audit on the scope, size and efficiency of government” and a new “hard cap on the size of government”. This is code for slashing public spending on vital health, education, welfare, other social services and social infrastructure.

The ruling elites in Europe, the US and internationally have attempted to impose the full burden of the capitalist breakdown onto the backs of the working class, by clawing back every previously issued social concession. This social counter-revolution has set new benchmarks for governments around the world that are each seeking to maintain their national economy’s “international competitiveness”. In Australia, the ultra-wealthy regard as intolerable virtually all public expenditure that is still directed toward social need. Throughout the ruling elite, it is unanimously agreed that the welfare state must be abolished.

At the National Press Club, Shepherd claimed that by 2050, maintaining “exactly the same level of social services we’ve got at the moment” would see state and federal governments delivering budget deficits of \$70 billion every year. Declaring this “unsustainable”, he continued, “we’ve got to bite this one ... it is a tough one, it is a hard one, but it has to be addressed.” His proposed solution was to shift to scrap welfare programs and impose a fully-fledged “user pays” model for social services. “Look at what you can shift

back to the individual to take responsibility for,” he declared. “This could mean people will have to fund themselves a lot more and cannot rely completely on the state for everything from cradle to grave, that’s for sure.”

Corporations, Shepherd emphasised, required “cost-effective and competitive access to capital,” requiring that governments “pull out all stops to maintain Australia’s high credit ratings, including our sovereign credit rating.”

The business and financial elite, and its media mouthpieces, has long demanded that the Labor government implement European and US-style austerity spending cuts and “free market” economic restructuring measures. Now, however, there is an even greater urgency to the diktats. The mining investment boom, upon which the last period of Australia’s economic growth was entirely dependent, is now finished. A significant number of major resource projects have been suspended or cancelled, amid corporate concerns over rising costs, the high Australian dollar, and growing questions over future demand from China’s slowing economy.

Energy giant Woodside this week cancelled a planned \$45 billion natural gas hub in north-west Australia and suspended a \$15 billion extension of its giant Pluto gas project. Rio Tinto is also currently restructuring its Australian operations. The company’s new CEO, Sam Walsh, told shareholders at yesterday’s annual general meeting in London that “wage rates in the Australian mining sector have increased by 25 percent since 2008, outstripping inflation by 10 percent,” while productivity levels had decreased over the same period.

The BCA’s Tony Shepherd declared that Australia’s global competitiveness ranking needed to be boosted from its current rank of 20 to within the top 5 in the world. “Our labour productivity, while improving, is still poor,” he stated. “Our costs are high, our competitiveness is under challenge. How many major projects have to fail or be deferred, how many Australian businesses have to shut down, before we take action?”

This “action” involves slashing wages across the economy, and imposing productivity speedups and other measures undermining working conditions, in tandem with a social counter-revolution against all the basic rights of the working class. It is an agenda that is

now being discussed in business circles and readied for implementation after the September election, regardless of which parties form government.



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