

# Australian PM outlines new pro-business “productivity” agenda

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12 July 2013

Prime Minister Kevin Rudd yesterday addressed the National Press Club to outline what he dubbed a “new national competitiveness agenda.”

The speech, a pro-business manifesto, marked the first elaboration of Rudd’s economic program since he replaced Julia Gillard as prime minister late last month. Rudd detailed his government’s advanced preparations for a ruthless offensive against the social position of the working class, working with big business and the trade unions to slash wages, undermine working conditions, and impose mass layoffs.

The address came amid clear signs of a rapidly emerging economic crisis in Australia. The country’s major trading partner, China, is experiencing sharply slower growth and a potentially explosive credit crunch, while the International Monetary Fund this week again downgraded growth forecasts for other so-called emerging markets, as well as the advanced economies in Europe and North America. Across much of the Australian economy, recessionary conditions have already seen a wave of job losses. The latest official unemployment figures, released yesterday, showed the full-time jobless rate at 6.1 percent, the highest level since the global financial crash. There are now more than 700,000 officially registered unemployed workers, more than at any time in the last 15 years.

Rudd began his speech by emphasising: “The truth is in 2013—the China resources boom is over. While the export of resource and commodity volumes are up, the prices we receive for them have now fallen almost 25 per cent since their peak and may well fall further... Right now, we find ourselves at a cross-over point for our national economy.”

The prime minister declared that this “cross-over point” and “transition” required the implementation of a “new national competitiveness agenda, with a new sense of national urgency.” Promoting his multiple discussions in the last fortnight with representatives of the Business Council of Australia (BCA), the lobby group for Australia’s largest corporations, and the Australian Council of Trade Unions (ACTU), Rudd demanded a “clear-cut policy direction that

puts productivity first, driven by a new sense of partnership between government, business and unions.”

The unions have responded enthusiastically, with ACTU secretary Dave Oliver declaring, “We’re more than happy to engage constructively with the business community ... we think it’s a good thing that we can get government, employers, and unions together in the one room dealing with some of the significant issues.” BCA President Tony Shepherd described Rudd’s speech as “a welcome response to issues the Business Council has been raising for some time.”

The prime minister declared that he wanted “to bring the nation together, not pull it apart”, adding that he had “never believed in class warfare.” In reality, Rudd is preparing to orchestrate a class war on the working class on behalf of big business and finance capital.

He harked back to the 1983–1996 Hawke-Keating governments as proof that “Australian Labor Governments know how to manage the great transitions in our economy.” Labor prime ministers Bob Hawke and Paul Keating presided over an unprecedented escalation of social inequality, as the wages share of national income was slashed and the corporate profit share rose to record levels. Hundreds of thousands of workers were condemned to long term, and often life-long, unemployment as entire sections of industry deemed “uncompetitive” were destroyed. These measures were actively enforced by the trade unions, and, like Rudd’s contemporary agenda, were justified in the name of the “national interest.”

The prime minister yesterday outlined a list of specific pro-business policy proposals. He promoted “reform” in seven areas: the electricity and gas sectors, industrial relations, business productivity and activity in Asia, corporate “red tape”, education and skills, infrastructure, and the promotion of small businesses. He did not explicitly spell out the government’s intentions in each area, but the financial press was clear on what was meant—privatising state-owned electricity assets, undermining environmental regulations limiting coal seam gas (fracking) development, encouraging

corporations to better utilise the workplace “flexibility” provisions outlined in the government’s repressive Fair Work industrial relations legislation, reducing trade union influence in new construction and mining projects, and developing more privatised infrastructure projects.

Rudd only obliquely referred to what is the central objective of his government’s “productivity” drive—slashing labour costs in Australia to levels equivalent to the low wage Asian manufacturing platforms.

Warning of the “danger that Australia will begin to price itself out of international business”, the prime minister insisted that the core target of his “competitiveness agenda” was annual labour productivity growth of at least 2 percent. Average growth in the last decade has been 1.4 percent. Rudd is now demanding that this be immediately ratcheted up by more than 40 percent—meaning that fewer workers will be made to do more for lower wages.

The *Australian Financial Review* today noted that the first three months of 2013 recorded unusually high private sector productivity growth, at an annualised rate of around 2 percent. Commsec economist Savanth Sebastian explained that businesses “are cutting costs, cutting hours, and still getting the same production out of their staff.” The Rudd government wants to permanently entrench and accelerate this trend, working with business and the unions to impose a never-ending round of workplace speedups, layoffs, and wage cuts.

The car industry is at the forefront of this drive. Following the announced shutdown of Ford Australia by 2016, directly triggering the loss of at least 1,200 jobs, General Motors Holden management is demanding its workforce accept a wage cut of around \$200 a week, threatening to similarly mothball its plants unless this is agreed to. The company is proceeding with the full backing of the government and the trade unions, with representatives from each collaborating closely on various “tripartite” auto industry bodies.

In the US, after the financial crash of 2008–09, the Obama administration worked with the United Auto Workers to slash car workers’ wages in half in order to restore corporate profitability. As Obama had intended, the move spearheaded a wave of corporate wage cutting across the American economy. The Labor government similarly now intends to use the attack on Holden workers as a signal for a wider offensive against “excessive” wages across the Australian economy.

None of these issues are being openly canvassed. The unofficial election campaign that is underway is an utter fraud, with both the major parties acutely aware of the enormous hostility among ordinary people towards their common pro-business restructuring and austerity agenda, which will only be unveiled after the vote is out of the way.

Around the world, the ruling elites’ drive to make the working class pay for the economic breakdown has seen a turn towards authoritarian forms of rule. In several European countries, the European Union and IMF have installed unelected “technocratic” governments in an effort to prevent the outcome of elections having any influence on the implementation of the demanded social counter-revolution. Similar processes are underway in Australia.

Rudd has moved to exploit the deep public hostility to the anti-democratic way he was removed from office in the 2010 Labor Party coup. Under the bogus guise of “democratising” Labor, Rudd is preparing to make it virtually impossible for serving prime ministers to be removed from office by their colleagues. Rudd’s intention is to make it easier for him and his successors to impose pro-business measures, and to ignore the opposition of working people. Earlier this year, the BCA launched a campaign for stepped up “free market” reforms, with its president Tony Shepherd explaining that “the plan we’re putting forward for Australia requires political leaders who are prepared to lose their jobs to get things done.”

Rudd calculates that his changes to the Labor leadership rules will assist him to “get things done” on behalf of the ruling elite while keeping his job. As he explained: “Too often political leaders are going to become timid and intimidated by the usual avalanche of opinion polls when difficult decisions are taken. The whole quality of government and governance starts to decline as political leaders have to look constantly over their shoulders.”



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