

Australia: How to fight the Abbott government's budget

The Socialist Equality Party Australia
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The “March Australia” protests on May 18 are the first expression of the broad opposition that is developing toward the Coalition government's budget. The policies unveiled by Treasurer Joe Hockey on May 13 represent a dramatic escalation of the three-decade assault on the living standards of the working class. The austerity agenda initiated by the previous Gillard Labor government is being extended into the complete dismantling of what remains of social welfare, the age pension and the public health system.

Australia is to become the first country in the world with a retirement age of 70. The ability to see a doctor without an up-front payment will be ended. Unemployed people under 30 years of age will be left destitute, without income for six months, and then forced into work-for-the-dole schemes. The incomes of millions of working-class families will be slashed by over 10 percent as increased taxes and cuts to welfare benefits take effect. From 2016, students will be charged tens of thousands of dollars in annual fees as the university system is fully deregulated.

How are workers and youth to fight this onslaught on living standards?

The March Australia organisers claim that they are “unassociated with any political party or organisation.” They have a very definite political orientation, however. Their obsessive focus on denouncing the Liberals seeks to promote a collective political amnesia of the record of the Labor governments in laying the foundation for the Abbott government's attacks. Their campaign against Abbott and Hockey is based on the unstated premise that returning Labor and the Greens to power would be a “lesser evil.”

The issue facing workers and young people is what attitude to take to Labor and the Greens. They should recall what happened under the governments of Rudd and Gillard. They enforced the draconian Newstart unemployment regime, raised the pension age from 65 to

67, extended welfare quarantining, imposed harsh tests for disability pensions and slashed single parents' benefits. Labor established the “competitive market” framework for the de-regulation of tertiary education, and imposed the mechanisms that will be used to privatise entire areas of public health, education and disability services.

Labor initiated the criminal policies toward refugees, the establishment of new American military bases, massive arms purchases and Australian support for the Obama administration's military build-up against China. The Greens and Independents who propped up the last minority Labor government bear full political responsibility for its policies.

Regardless of which big business party won the last election, harsh new austerity measures were going to be imposed in this budget. Australia is not “exceptional.” It has been fully drawn into the maelstrom triggered by the 2008 global financial crisis and ensuing economic meltdown. The slump developing in China and across Asia is ending the “mining boom” and fuelling the frenzied demands by corporate Australia for cuts to taxes and wages.

Labor opposition leader Bill Shorten denounced the budget policies as “purely ideological changes that go to the very core of the prime minister's character.” But the regressive and inhumane character of the budget is not simply the product of individuals. Hockey and Abbott, like Rudd and Gillard, function as mouthpieces for the interests of finance capital. Shorten and Greens leader Milne now posture as opponents of Abbott, but they imposed all the austerity measures of the previous Labor government.

In the United States and across Europe, governments, whether of the “left” or “right,” have driven tens of millions of people into conditions of poverty not seen since the 1930s. The social counter-revolution underway internationally is not the outcome of “ideology” but the

failure of the capitalist system. Government policy openly seeks to destroy all the remaining social gains made by the working class in the post-World War II period, in order to protect and enhance the obscene levels of wealth held by a tiny financial oligarchy.

Hockey's declaration that the "age of entitlement is over" and that this budget's measures are just "the first word" is the position of the banks and investment funds, the ultra-rich and the privileged upper middle class. Australia's status as a financial hub in Asia is threatened by the vastly intensified global competition for investment. The concern of the financial elite is not the size of Australia's deficit or debt, but the fact that they pay a 28.5 percent corporate tax, while the rate is 16.5 percent in Hong Kong, and that the Australian minimum wage is \$32,370, compared with just \$15,080 in the US. They want wages cut to "internationally competitive" benchmarks and social welfare permanently eliminated so taxes can be reduced.

The attitude of the financial aristocracy was summed up in the May 16 editorial of Murdoch's *Australian*. It dismissed anyone opposed to the budget—that is, the majority of the population—as "the whiners and whingers, the grafters and grumblers, the loonies and looters," while condemning Abbott and Hockey for not being "tougher" and imposing "deeper cuts."

A genuine struggle against the budget cannot be based on swapping one set of politicians for another within the parliamentary establishment. The issues facing the working class—the destruction of social conditions, the onslaught against democratic rights and the ever-growing danger of war—are all interconnected outcomes of the breakdown of world capitalism. There is no way to isolate a particular country from the rapacious demands of global finance. The international unity of the working class to end the profit system must be the conscious strategy of Australian workers and youth.

The most vehement opposition to this perspective comes from the various pseudo-left organisations such as Socialist Alternative and Socialist Alliance. They are at the forefront of the campaign to tie the working class to the Labor and union apparatuses, and promote the illusion that the budget can be halted through protests and parliamentary manoeuvres.

Ahead of the May 18 rallies, Socialist Alternative called for the union movement to "take a lead" and organise "strikes and mass demonstrations" that "clearly demand that Labor and the Greens block this budget" in the Senate and "bring down the government."

The unions do not and will not defend the interests of the working class in any sense. For three decades, they have fully collaborated with the attack on the social position of the working class under the nationalist banner of making Australia "internationally competitive." The unions today are corporatist apparatuses, staffed by highly-paid functionaries who have the most intimate ties to big business through their joint management of superannuation funds and other financial enterprises.

The working class should draw the lessons from the experiences of workers in Europe. No action organised by the European unions has been aimed at bringing down the capitalist governments imposing austerity. Instead, dozens of one-day general strikes and numerous street demonstrations have been used to divert workers into impotent appeals to different factions inside the parliament. The result has been unchecked social devastation, the demoralisation of opposition and the strengthening of extreme right-wing tendencies across the continent.

A fight against austerity requires the mobilisation of the working class, not just against the Abbott government, but against the profit system. It requires complete political independence from Labor, the unions and the entire parliamentary establishment.

The struggle must be guided by a socialist and internationalist perspective that aims at the working class taking political power and establishing a workers' government. The banks and major industries must be expropriated, a radical redistribution of wealth carried out and all aspects of economic and social life democratically reorganised to meet the needs of the majority, not the private profits of a minority.

This is the perspective fought for by the Socialist Equality Party, the *World Socialist Web Site* and the Fourth International, led by the International Committee. We urge all those who are committed to fighting for the social rights of the working class to attend the SEP public meetings in June, read our program and join and build our party.



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