

The Australian budget and the fight for social equality

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One month after delivering its first budget, Prime Minister Tony Abbott's Liberal-National Coalition government is facing widespread and escalating opposition to its brutal austerity program.

Drafted on the orders of international finance capital, the budget seeks to impose onto the Australian working class a social counter-revolution similar to that already unleashed against workers and youth in Europe, the US and elsewhere over the past six years.

This has come as a sudden and sharp shock to millions of ordinary people, who have been inundated by the political and media establishment with unrelenting rhetoric about Australia's "exceptionalism" as the "lucky country" and "land of opportunity."

These myths were wheeled out with even greater force in the immediate aftermath of the 2008–09 global financial crisis, as multi-billion dollar mining exports to China temporarily cushioned the economy. Australia, the population was told, had escaped the financial crisis, becoming the "economic model" for the rest of the world.

The China boom, however, was always a deeply unstable phenomenon. The ongoing global recession has seen a sharp fall in iron ore and coal prices, and the mining industry is in deep crisis. Under the banner unfurled by Treasurer Joe Hockey of "ending the age of entitlement," the ruling elite has responded to this vast economic shift by demanding the destruction of what remains of the post-World War II welfare state, along with all the social gains made by the working class over the past 70 years.

The direct targets of the May 13 budget are working class and lower middle class families, along with unemployed youth, students, aged pensioners and the disabled, many of whom will be thrust into permanent

poverty.

Far from Australia being "exceptional," the pension age is to be progressively lifted to 70—the highest of all advanced industrialised countries—while young unemployed people aged under 30 will be denied welfare for six months and then forced to "work for the dole." University education will be privatised, with students forced to take on punishing debts at high interest rates that will leave them in hock to the banks for decades. Hospital and school funding will be slashed, and free visits to GPs scrapped.

None of these measures was canvassed in the course of last year's federal election campaign. Abbott came to office not on the basis of a positive vote, as the government and its backers claim—much less a "mandate"—but due to a historic negative vote against the former Labor government, which did everything it could to implement the requirements of the financial and corporate elite. For this reason, Abbott's government anticipated an initial uproar, but calculated that it would quickly dissipate.

Instead, just eight months into its first term of office, the government is in turmoil. Suddenly, after being covered over for the past two decades, the unrelenting rise of social inequality has erupted as the major political issue. Popular anger is being directed, in particular, at government lies about "equality of sacrifice."

The facts speak for themselves. The National Centre for Social and Economic Modelling calculates that over one-third, or \$6 billion of the budget cuts will affect households earning between \$45,000 and \$63,000—the middle 20 percent of income earners. Families in the bottom 20 percent of income earners, receiving \$35,000 or less, will be worse off by at least \$1,056 per year. The wealthiest 20 percent, bringing in more than

\$200,000 per family, will lose just over \$600.

As *Sydney Morning Herald* business writer Ross Gittins commented on Monday: “It’s the ‘end of entitlement’ for people in the bottom half, but no change to the entitlements of the well off.”

Recent opinion polls show a collapse in government support, with Labor now leading Abbott’s Coalition by 10 points. A poll by Essential Media last weekend revealed that 53 percent of the population, including an unprecedented 41 percent of Coalition voters, wanted the opposition Labor Party to block at least some of the budget measures.

The extent of hostility is producing sharp leadership tensions within the Liberal Party, and conflicts between Abbott’s Liberals and their coalition partners, the National Party. Under siege from constituents, at least three National Party MPs are threatening to vote against Abbott’s paid parental leave scheme, which disproportionately favours the wealthy. At the same time, state Liberal governments in Queensland, New South Wales and Victoria, which all face elections within the next 12 months, are currently carrying out political manoeuvres to delay implementing federal budget measures.

Last week, Independent MP Andrew Wilkie called for Labor, the Greens and the minor parties to reject the entire budget by refusing to pass the financial appropriation bills, that is by blocking “supply,” which would force an early election.

Fearful of being brought to office on a wave of mass opposition to the budget, Labor and the Greens, having prepared the way for Abbott through their combined assault on the working class under the Gillard and Rudd governments, have categorically rejected doing anything that would bring the government down. Their greatest concern is to ensure parliamentary stability by suppressing the development of any independent movement of the working class.

Likewise, the trade unions, after remaining virtually silent for weeks, have called a token anti-budget protest in Melbourne and a union delegates’ meeting in Sydney tomorrow. These events are designed to promote the lie that the return of a Labor-Greens government is the only option for the working class. This sharply underlines the need for workers to break from the straitjacket of the unions and fight for the development of an independent movement of the

working class.

This is only possible on the basis of a socialist and internationalist perspective, that fights to unify Australian workers with their counterparts around the world in the struggle to overthrow capitalism. As the budget makes plain, jobs, decent living standards and the provision of high-quality healthcare, education, social welfare and other necessities of contemporary life are incompatible with the continued existence of the private profit system.

What is required is not yet another pro-business Labor-Greens administration or any other parliamentary combination, but the establishment of a workers’ government that will expropriate the banks and major industries and place them under social ownership and democratic working-class control, in order to meet the needs of all, not the wealthy elite. This is the perspective of the Socialist Equality Party.



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