

Australia: Queensland government backflips on pensioner concessions

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Within 48 hours of handing down its budget last week, the Liberal National Party government in the state of Queensland was forced to reverse one of its pivotal features—cuts to the concessions that governments have provided for decades to aged pensioners and other senior citizens for utility bills and other essential services.

When state Treasurer Tim Nicholls delivered the budget on June 3, he insisted that federal Liberal National government's \$223 million reduction in funding for concessions over four years—announced in last month's national budget—would be passed on directly to pensioners.

Cuts of around 15 percent were planned on rebates, including for electricity, water, gas, municipal council rates, trains, buses and vehicle registration. The impact would have been devastating, costing retired workers hundreds of dollars per year, and raising the spectre of elderly people being unable to pay for basic services. Only days earlier, the Queensland Competition Authority announced a \$200 annual increase in average electricity bills.

The reaction to the axing of concessions was anger and shock over the sweeping assault on pensioners, other welfare recipients and low-income households in the federal budget. This included indexing pension rates and entitlements so that many recipients will be at least \$600 a year worse off by 2017, imposing upfront fees to see doctors and gradually delaying the pension age to 70.

Amid a continuing groundswell of opposition throughout the working class to the federal budget, Newman's government was suddenly confronted by the prospect of pensioners marching through the streets in protest.

Ray Ferguson, Queensland president of the

Australian Pensioners and Superannuants League, told reporters that a previously organised protest rally against the federal budget could become a march. "What are pensioners supposed to do?" he asked. "Do they pay their electricity account, do they put food on their table, or do they go without their medicine?"

Queensland's Council on the Ageing reported that its office had been inundated by calls from angry people. Talk-back radio callers began voicing their outrage. "You guys don't know what's going on in the real world. Why pick on the pensioners?" one caller told Australian Broadcasting Corporation local radio. Brisbane pensioner Charles Achilles told the *Australian* he felt "completely devastated and flabbergasted," commenting: "We're easy prey in the eyes of the people who run our government."

When Premier Campbell Newman announced the about-face on June 5, he condemned Prime Minister Tony Abbott's government. "Passing on some of the Commonwealth's cut to pensioner concessions is clearly not an acceptable outcome for Queenslanders," he declared.

Newman sounded an alarm about the popular opposition to the federal budget, which also included \$80 billion worth of cutbacks to state governments over the next decade for public health, education and other basic services. "It is the Commonwealth government that has caused the problem with pensioner cuts and increased charges," he said. "We will continue to send a clear message to Canberra that Queenslanders won't stand for these kinds of cuts."

The premier announced that the state government would bear the \$54 million cost of the concession cuts for 2014–15. Despite rhetorical championing the elderly, he gave no commitment beyond that.

Newman's backflip reveals definite fears in ruling

circles nationally about the ongoing hostility toward the federal budget. Within days, the Liberal-National government in neighbouring New South Wales announced that it would not try to pass on the concession cuts in its budget. There are concerns that the naked inequity of the Abbott government's measures, targeted against the poorest layers of the working class, could trigger a movement that could get out of the control of the political establishment as a whole.

For all of Newman's confected outrage, his government, like its federal and state counterparts, remains intent on imposing the austerity program demanded by the financial and corporate elite. Having already eliminated about 14,000 public sector jobs in 2012-13, the Newman government used this budget to unveil \$33.6 billion in public asset sales, of which \$25 billion will be handed directly over to the global banks to pay down state debt.

Thousands more job losses will result, with the facilities to be privatised or leased out to include the Ergon Energy retail business, SunWater industrial pipelines, Stanwell Corporation, CS Energy, the Port of Townsville and the Mt Isa Rail Line Port of Gladstone.

Queensland, previously labelled a boom state because of its huge coal and other mining exports to China and other Asian markets, has been hit hard by the sharp downturn in coal and other commodity prices over the past 18 months. A slowdown in China is now intensifying the impact of the 2008 global financial crisis, which quickly led to the international credit ratings agencies stripping Queensland of its AAA rating.

The Labor opposition, while posturing as an opponent of the pension cuts and asset sales, is equally committed to satisfying the financial markets. In her budget reply speech, Queensland Labor leader Annastacia Palaszczuk said Labor would match the government's debt reduction program, but refused to divulge any details. She said she knew too well that the public would not support asset sales, because that "message was sent so loudly at the last election campaign."

Labor suffered a crushing defeat in 2012, after 14 years in office under premiers Peter Beattie and Anna Bligh. A major factor was Bligh's 2009 announcement of a \$15 billion selloff of public enterprises, together

with the destruction of thousands of jobs, in order to try to salvage the AAA credit rating.

Before being thrown out of office four years later, Bligh's government implemented that assault with the full backing of the federal Labor governments of Kevin Rudd and Julia Gillard. Labor could only do so with the assistance of the trade unions, which systematically blocked any struggle by their members against the job cuts and other measures, paving the way for the Newman and Abbott governments.

These same unions are now trying to contain the intense opposition to the federal and state budgets and channel it behind the return of Labor administrations that would only further deepen the offensive.



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