

Australian bipartisan unity on war extended to budget austerity

Mike Head**24 September 2014**

When the Australian parliament resumed this week, the bipartisan front formed by the opposition Labor Party with the Abbott government on war in the Middle East, and last week's massive police "anti-terrorism" raids, was quickly extended to outstanding austerity measures in the government's May budget.

Moves are already underway, via backroom talks, to secure deals between the government and Labor to pass severe cuts to pensions, family benefits and student allowances. These measures will all be hived off from budget-related bills that faced being stalled in the Senate.

These developments highlight the domestic agenda behind the political establishment's rush to join the renewed US-led war in Iraq and Syria, the declaration of a heightened terror alert and Australia's largest-ever police raids on homes across Sydney and Brisbane. They provide the means of directing outward, against an external enemy, the pent-up class tensions produced by increasing social inequality and the mounting corporate assault on the jobs, wages and conditions of the working class.

Just weeks after US air attacks commenced in Iraq, the political impasse over the budget has given way to an emerging parliamentary front to impose the government's draconian budget measures. At the same time, the "war on terror" has been revived to provide the pretext for new anti-terror laws to boost the state apparatus that will in the future be used to suppress opposition to war and austerity.

When the budget was first handed down in May, Prime Minister Tony Abbott said he was confident that he could rely on the "good sense" of the Labor opposition to pass it. However, the budget, which set out a sweeping assault on essential services including lifting the pension age to 70 and ending free GP visits,

provoked a groundswell of opposition.

Labor leader Bill Shorten was compelled, temporarily at least, to posture as an opponent of what was widely regarded as blatantly unfair measures targeted at the most vulnerable sections of society—including pensioners, the unemployed and the disabled. The opposition parties, including the Greens, never had any fundamental opposition to the austerity agenda. Indeed, the previous Greens-backed Labor government imposed the largest-ever cuts to public spending.

In late June, even as the organisers of "March Australia" anti-budget demonstrations were promoting illusions that Labor and the Greens would help block the budget, the two parties combined to pass the budget's main appropriation bills, saying that it was essential to avoid a paralysing political crisis. They approved multi-billion dollar cuts to social spending while voting for a huge increase in military spending.

However, weeks of intensive negotiations between Treasurer Joe Hockey and various cross-bench senators, including from the right-wing Palmer United Party, failed to produce agreements on other measures that required separate legislation. Now Labor is moving to broaden its partnership with the government on war and terrorism to resolving the political impasse over the budget.

Late last week, in the wake of the police raids, Social Services Minister Kevin Andrews signaled a shift to striking deals with Labor, listing the government's "welfare reform" legislation for debate in the Senate this week. Government sources told the *Sydney Sunday Telegraph* they hoped the amended legislation would be passed by the following week.

Labor quickly confirmed it would support a new means test axing family tax benefits for families

earning over \$100,000. Previously, the means test was \$150,000. Labor will also vote for a tighter means test for the seniors' healthcare card, including untaxed superannuation income.

In addition, the Abbott government hopes that the Greens' senators will support axing the Seniors Supplement, worth up to \$876 a year to around 300,000 Australian retirees.

In return, the government will delay until next year seeking a vote on other long-term measures to cut pensions, including by reducing inflation indexation rates, and to force young jobless workers to wait six months for unemployment benefits.

A similar agreement has been mooted on cutting tertiary student allowances by freezing the indexation of student payments, student income bank limits and income and asset test thresholds until 2018. Labor will also support restricting the amount of time students can spend overseas while still receiving payments and removing relocation assistance for students moving house to take up scholarships.

Prime Minister Abbott confirmed the new direction on Monday, while reiterating the government's intent to deliver its planned budget cuts in full. "We absolutely stand by all of the proposals in the budget but we absolutely accept and understand that in the end (we) must get parliamentary support," he told parliament, adding "that is why we will talk to the opposition."

Labor frontbencher Jenny Macklin, who was social services minister in the previous Labor government, fatuously claimed that "people power" had forced Abbott and Hockey to retreat. Macklin said the government had "lost control of its budget." In reality, Labor is assisting the government to impose all the essential features of the budget.

The deals being prepared are prototypes for further pacts to salvage the thrust of the budget. Macklin assured the media that her party was prepared to support "sensible reforms." She told reporters: "I call on the government to get real—support Labor's amendments and scrap forever these cruel cuts."

Monday's editorial in Murdoch's *Australian* gave its stamp of approval to these moves. After months of lashing the government for failing to publicly "sell" its budget measures and get them passed, it declared: "Governments should push their agenda through

parliament any way they can but this newspaper has always believed that sensible accommodations between the major parties are preferable to deal-making in order to placate fringe parties such as the Greens or Palmer United."

While insisting that there are "no policy links between the budget challenge and the national security debate," the editorial drew the direct connection. "Tony Abbott has been eloquent and assiduous in explaining the rationale and impact of his terror response. And Bill Shorten has been sensible and articulate in offering bipartisan support. Imagine if both sides could apply this approach to the never-ending race of economic reform."

In other words, amid a rapidly deepening economic crisis, the agenda of the ruling class is war abroad and class war at home. Billions of dollars are being poured into military hardware and war deployments, and the police and intelligence apparatus, yet there is "not enough money" to provide basic social rights and services for retired workers, working-class families and students.



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