

# Australian government faces crisis over failed budget measures

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Editorials and commentary have appeared in the Australian press over the past week expressing the rising frustration in ruling circles with the failure of Prime Minister Tony Abbott and his Liberal-National government to implement the austerity measures demanded by big business.

More than six months after its May budget, the Abbott government still has not been able to push through key features, estimated to reduce spending by \$20–30 billion over four years, and now has to start preparing next year's budget. Moreover, the outlook for the Australian economy is deteriorating rapidly amid the worsening global breakdown, a slowdown in China and the end to the Australian mining boom. With parliament about to shut for the year and few prospects of any movement on the budget, questions are being asked in ruling circles about the future of Abbott and his government.

The most striking comment was an editorial in Murdoch's *Australian* on November 22 entitled "The Abbott government is doomed without narrative." Written following the G20 leaders' summit in Australia, it was a withering assessment of Abbott's failure to exploit the gathering to re-energise his domestic agenda.

The editorial declared: "The nation has not witnessed such a prestigious cavalcade since the Asia Pacific Economic Cooperation [APEC] forum in Sydney in 2007. Its potent mix of star power, symbolism and relevance is political gold. Although foreign policy, with its attendant grandiosity and bewildering acronyms, is not a vote winner in the Australian context, the Abbott government is inexplicably missing a precious opportunity to shine."

The gushing language aside, the G20 summit was another demonstration of just how remote and isolated all the "world leaders," not just Abbott, are from ordinary working people. The only way they can strut before the cameras is behind a wall of security that ensures they do not come into contact with anyone who was not

systematically screened and vetted. Moreover, a thoroughly tame media ensures that their empty platitudes will not be questioned or challenged.

In reality, all "the globe's supreme economic and political players" lauded by the editorial are confronted with intractable economic and political problems. US President Obama arrived fresh from the loss of both congressional houses to the Republicans in mid-term elections. Japanese Prime Minister Shinzo Abe was forced to call an early election after arriving home to the news that Japan was in recession. Britain's David Cameron, France's Francois Hollande, Italy's Matteo Renzi and Germany's Angela Merkel enjoyed the G20 as a respite from the stark realities at home of economic slump and widespread political disaffection. None of the leaders has a solid base of support to ram through the universal austerity agenda of finance capital.

Abbott's misfortune was that he was the host and on home soil. His government's crisis was expressed in the crass ineptitude of his televised welcoming speech to G20 leaders on November 15. Abbott recited one-line election campaign slogans, bemoaning the "difficulty of trying to put good economics into practice given the political constraints we have" and complaining that his measures were floundering for lack of support in the parliamentary upper house—the Senate.

Abbott's ridiculous performance hardly projected the image of confidence and vigour expected by G20 leaders. They wanted to keep up at least the appearance of confronting global problems such as economic stagnation, conflict, Ebola and climate change. Media commentators canned the speech as "cringe-worthy" and a national embarrassment.

The *Australian* editorial declared that "the Prime Minister was losing the battle to define the core issues and to explain to voters what he is doing and why. At stake is his political credibility, no less. Mr Abbott risks becoming

a ‘oncer’[a one-term prime minister] if he allows his opponents to constantly control the agenda.” It contrasted Abbott’s “inability to capitalise on the past fortnight of global prestige and successful trade diplomacy” with former Labor Prime Minister Paul Keating, who, it declared, would have linked the summit successes to “a grand narrative about our future in the region... and the need to keep opening our eyes, hearts and reform ambitions in the face of Asia’s economic transformation.”

The newspaper identified the economy as “where the ineptitude is most marked” and described the “selling” of the budget as a “debacle.” Voters had been “left with the impression ... that it was a litany of broken promises, designed to inflict severe pain on low-income workers and the poor.” The result, the editorial declared, was “an unmitigated disaster.”

After a week of parliamentary inaction on the budget and more bleak economic news, the *Australian* published another strident editorial last Saturday headlined: “Stop the silly slogans, start fixing the damaged budget.” It warned that “we are ill-prepared to weather the next economic shock.” As previously, it advised Abbott to start telling “a sophisticated story about the nation’s looming moment of fiscal truth” and to “build a positive narrative about how reforms, as disruptive as they might seem, will underpin growth and employment.”

These editorial writers, however, as conscious representatives of the Australian capitalist class, are acutely aware that the government faces an objective problem in “selling” policies that are diametrically opposed to the interests of the majority of the population. It was not simply incompetent salesmanship that led broad layers of working people to conclude that a co-payment for medical services, higher university fees, six months of no benefits for the young unemployed and a general wind-back of welfare payments, pensions and government benefits was going to inflict pain on workers and the poor.

For the past three decades, successive governments, beginning with those headed by the Labor prime ministers Bob Hawke and Paul Keating between 1983 and 1996, have rammed through pro-market restructuring measures that have dramatically deepened the social gulf between rich and poor and generated widespread disaffection and opposition. Keating did not just rely on “a grand narrative” to dupe voters, but on the trade unions to suppress resistance and opposition in the working class. Moreover, after 13 years of Labor rule, Keating suffered a

landslide defeat in the 1996 election, in which, as one commentator put it, the working class was “waiting with baseball bats” to punish Labor. Likewise John Howard, who headed the following Coalition government and also praised as a master of the grand narrative, was eventually so hated that in the 2007 election he became the first sitting prime minister to lose his own seat since 1929.

The legacy of three decades of lies and superficial spin is an electorate that is deeply suspicious and hostile not only to the government of the day, but to the entire political establishment. Like his predecessors, Abbott won the 2013 election not through his superficial campaign slogans and empty promises, but as a result of widespread hostility, especially in the working class, to the previous Greens-backed Labor government, its broken promises and harsh austerity measures. After just over a year in office, the Abbott government is already despised for its manifestly unfair budget, but is under pressure from the corporate elite to push it through—come what may—in order to try to stave off a major fiscal crisis.

While the *Australian’s* advice to Abbott is to spin a “grand narrative,” there is a growing recognition in ruling circles that lies, half-truths and appeals to the national good will not overcome the deep-seated opposition and resentment in the working class that is the stumbling block to pushing its policies through parliament. For all the attempts by bourgeois commentators to write off the class struggle, the capitalist establishment is acutely aware that its austerity agenda will sooner or later provoke open resistance in the working class. The massive display of state force at the G20 summit, like other international gatherings, to wall off the “world leaders” from the population must be a warning to the working class that other, more autocratic, methods of rule are being prepared.



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