

Australian state government calls snap election

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The Liberal National Party government in the northern Australian state of Queensland called a sudden election yesterday for January 31, reflecting a worsening economic slump and political impasse nationally. It is the first election held during the January holiday period in Australia for more than a century.

By calling the election two months earlier than expected, and with only 25 days' notice, Queensland Premier Campbell Newman is cynically hoping to scrape back into office before the full impact of the collapse of the mining boom that partially shored up the state's economy after the 2008 global financial crash.

His decision also has national implications, underscoring the mounting crisis confronting Prime Minister Tony Abbott's federal Liberal-National coalition government, which has been unable to overcome intense popular opposition to key austerity features of last year's budget.

The poll's timing ensures that it will occur before federal parliament resumes to consider the Abbott government's renewed efforts to pass deeply unpopular measures such as upfront fees to see doctors, welfare cuts and higher tertiary education fees. Widespread hostility toward Abbott's government was a major factor in last November's defeat of a Liberal National government in the state of Victoria.

Newman's desperate decision to call the election in the middle of the summer holidays underscores the increasingly volatile state of parliamentary politics in Australia. After decades of imposing pro-business policies, both major parties—Liberal-National and Labor—are regarded with revulsion.

Newman's government holds 73 of the 89 seats in the Queensland parliament, due to its landslide 2012 defeat of the previous two-decade Labor government. Labor

was despised throughout the working class because of its own budget cuts, \$15 billion worth of privatisations and the destruction of thousands of public sector jobs. These measures were imposed in an unsuccessful bid to stop the global financial markets stripping the state of its AAA credit rating after the 2008 meltdown.

Elected on the basis of anti-Labor sentiment, and never popular, the Newman government soon incurred the wrath of working people when it retrenched 14,000 public servants, and unveiled a plan to sell-off another \$37 billion worth of public assets to try to satisfy the demands of the financial markets. Media polls have indicated that Newman could lose his seat in parliament in a landslide in the opposite direction that could even sweep the first-term government from office.

Newman claimed that he was forced to call the snap poll in order to end "ongoing election speculation" that was "jeopardising" the state's economic recovery. The reality is that Queensland, together with the other main mining state, Western Australia, is being increasingly hit by plummeting export commodity prices, particularly for coal and gas in Queensland's case, and the flow-on effects of mining shutdowns and thousands of job losses.

Queensland has become one of the sharpest expressions of the slump overtaking Australia as a whole, except for over-heated real estate markets. The economy has been hit hard by the slowdown in China, downturn in Europe and lack of any global recovery from the 2008 breakdown.

Queensland's image as a "boom state," buoyed by mining and tourism, was always a mirage for wide layers of the working class, with high levels of unemployment in many areas. But it now has the worst official jobless rate (6.9 percent) in the country, well above the national average of 6.3 percent. Even that

figure disguises the depression levels of more than 20 percent in some southern suburbs of Brisbane, the state capital, and the levels of more than 10 percent elsewhere. Youth unemployment rates are up to double those figures.

Last month, the Newman government's mid-financial year budget review gave a glimpse of the deteriorating economic situation. Treasurer Tim Nicholls revealed another \$1 billion revenue downgrade for the year, largely due to falling coal prices and royalties. Payroll tax income also dropped, because of lower wages and fewer jobs.

Nicholls admitted that the 2014–15 budget deficit would be \$571 million higher than the estimate he delivered in May, bringing it to \$2.842 billion. It was a far cry from his first budget, handed down in 2013, which declared there would be a surplus by 2014–15.

As the economic crisis and social distress has intensified, the Newman government has been in the forefront of imposing police-state measures designed to intimidate and silence discontent. Working hand in glove with the federal government, it has conducted large-scale police raids in working class areas on the pretext of combatting terrorism and gangs. Fatal police shootings have become commonplace—five since September alone. The country's most draconian anti-association laws have been introduced under the guise of outlawing “bikie” gangs. The G20 summit in Brisbane in November was used to mount a massive police-military operation, flooding the city with thousands of armed officers, including rooftop snipers.

The Newman government's snap poll has the backing of business and the corporate media, which is pushing for his privatisation and budget slashing program, which he labels “tough choices,” to provide a model for the Abbott government. Today's *Australian Financial Review* editorial applauds Newman's “audacious” approach to the election, and declares: “A convincing return for Mr Newman, fighting a campaign on tough policy with more to come, could help provide the circuit breaker that the Abbott government needs if it is to push on with worthwhile reforms.”

Writing in the *Australian* however, demographer John Black warned that Newman's gamble could backfire, and, if so, Abbott himself could be ousted before the next scheduled state election, in New South Wales on March 28.

The approach of the Labor Party, led by Annastacia Palaszczuk, a former state transport minister who implemented large increases to train, bus and ferry fares, is just as cynical as Newman's. With the backing of the trade unions, Labor is equally as committed as the Coalition to restoring the budget to surplus at the expense of the working class, but has refused to elaborate what measures it will take to do so.

Despite being a leading member of Anna Bligh's previous state Labor government, Palaszczuk claimed to have had an epiphany after the 2012 election, issuing a public apology for Bligh's sweeping privatisations. But she is clearly offering Labor to the corporate elite as a more reliable vehicle for imposing the austerity program, saying the Newman government was defined by “chaos and dysfunction.”

Queensland is home to key military bases, including in Brisbane, Townsville, Cairns and Cape York, which are integrated into the US-led war in the Middle East and Washington's “pivot” to Asia to confront China militarily. But this, the most important issue of all facing the working class—the mounting danger of war as the global economic crisis worsens—will not be mentioned in the official election campaign.



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