

Australian PM's summit displays union-business "consensus"

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2 October 2015

Just over two weeks after taking office, Australian Prime Minister Malcolm Turnbull yesterday convened a three-hour closed-door summit of 25 government, business, trade union and social welfare leaders in Parliament House. The purpose was to discuss how to impose the far-reaching attacks on jobs, social and working conditions being demanded by the financial elite amid a deteriorating economic situation in Australia and globally.

Attended by 10 government ministers, four senior officials, including Reserve Bank Governor Glenn Stevens, and 11 "sector" leaders, the event produced a striking paradox. It was a gushing display of consensus by the assembled participants, with its key figures calling a media conference after the meeting to highlight their enthusiasm for the new spirit of unity and cooperation engendered by Turnbull. But the participants refused to reveal any specifics, for fear of alerting the population to the severity of the corporate agenda that they have committed to help Turnbull "sell" to the public.

Australian Council of Trade Unions (ACTU) secretary Dave Oliver welcomed the "serious and sensible discussion" and noted that, by contrast, he had never had a conversation with Turnbull's ousted predecessor, Tony Abbott. Business Council of Australia (BCA) chief executive Jennifer Westacott called it an "outstanding" and "terrific" meeting. Australian Council of Social Service (ACOSS) CEO Cassandra Goldie hailed the new "collaborative environment" where everyone agreed that "nothing was off the table" in terms of economic "reform."

Yet, the trio insisted that no details were agreed, no commitments were made and no timelines were set for workplace and tax changes or government savings measures. Westacott emphasised that a highlight of the summit was a decision not to issue a communiqué. Instead, there would be further consultations, and summit

leaders are likely to attend December's scheduled Council of Australian Governments (COAG) meeting to discuss cuts to social spending.

The atmosphere of "consensus" generated from the meeting underscored the commitment of the trade union movement to collaborate with Turnbull's Liberal-National government in imposing cuts in jobs, wages, conditions and living standards. ACTU secretary Oliver declared: "We all have one thing in common and it's all about growth." His language recalls the union-government-business partnership that prevailed under the Hawke and Keating Labor governments' accords with the ACTU during the 1980s and 1990s, which enforced a major free-market restructuring of the Australian economy that involved the widespread destruction of jobs and conditions.

In their media comments, none of the summit participants referred to the underlying agenda, spelled out in corporate media editorials and commentaries in the lead-up to the meeting. It includes cutting the company tax rate from 30 percent to 25 percent to make it "globally competitive," increasing the regressive Goods and Services Tax (GST) to shift the burden onto the working class, slashing Medicare and other social spending and restructuring workplace relations.

On the eve of the summit, the BCA, which represents the 130 largest companies operating in Australia, provided a picture of what it termed "the jobs of the future." It released its response to the government's Productivity Commission draft report on workplace relations, laying out a blueprint for a "radical" gutting of conditions. The BCA called for the abolition of weekend wage penalty rates to enable a "24/7 economy," the stripping back of all industrial awards and enterprise agreements to include only minimal "safety net" provisions, and the introduction of individual work contracts.

One of the plans reportedly discussed at the summit was for businesses to employ young people for “skills, training and experience” in return for exemption from unfair dismissal laws. With youth unemployment rates of around 20 percent in major working class areas, such a plan would allow young “trainees” to be employed on low-paid, insecure conditions as a battering ram to drive down the conditions of all workers. Australian Chamber of Commerce and Industry (ACCI) CEO Kate Carnell, another summit attendee, said proposals on education and training were discussed, but told media that “we won’t talk about [that] until we’ve worked them up.” Carnell said the ACCI and ACOSS, the umbrella welfare group, would do “solid work” together to devise the program for Turnbull.

Another issue on which there was apparently unanimous agreement, but no detail, was tackling “waste” in government spending, including in public health. That would dovetail with the government’s review of more than 5,000 medical procedures currently subsidised by the Medicare system—a review designed to ration access to health care for those who cannot afford private health insurance or treatment. More broadly, adopting the slogan of “waste” would help slash social spending across the board under conditions where the federal budget, which is already in deficit, faces further losses of billions of dollars in tax revenues because of China’s slowdown and falling export commodity prices.

To help window-dress this offensive as one of “shared sacrifice,” the *Australian Financial Review* reported there was “near-unanimous agreement” at the summit on a review of superannuation and capital gains tax concessions to high-income recipients, as part of a tax “reform” package for the next federal election, due within a year. The review, to ensure the concessions were still “fit for the purpose,” would be a trade-off for the ACTU and ACOSS to publicly drop their opposition to increasing the GST.

In addition, Westacott announced just before the summit that the BCA will launch a “substantial” advertising campaign in coming weeks to “convince the community of the need for change” on taxation. “We have to stand beside government in winning the hearts and minds, if you will, on tax reforms because there are trade-offs,” she said. Significantly, the ad blitz will be conducted in two stages. The first will avoid specifying which taxes the BCA wants changed. A second phase, no doubt advocating a GST rise and a company tax cut, will be devised in concert with groups such as ACOSS.

Greens leader Richard Di Natale was not invited to the summit but on Wednesday he delivered his first speech to the National Press Club since ousting his predecessor, Christine Milne, in May. He declared his party’s desire to join the prime minister’s “mature debate about the direction of the country.” Di Natale warned of the fragility of the parliamentary system, with an “unprecedented” degree of “disillusionment and disengagement with our political establishment.” He said his leadership would seek to “restore some trust and faith” in official politics because people were “angry” and felt “outright hostility” toward “our politicians.”

This popular hostility is the result of decades of widening social inequality, declining social services and the destruction of thousands of jobs throughout basic industry, now compounded by the collapse of the mining boom and a further wave of closures in the car, steel, shipbuilding, engineering and other industries. Successive Labor and Liberal-National governments have enforced these attacks, assisted by the trade unions and the Greens.

This social offensive now must be escalated because of the deepening impact of the world economic turmoil on Australian capitalism. Today’s *Australian Financial Review* editorial, while applauding the “bright and positive” summit called by Turnbull, insisted that it was only “the first step in combating complacency over our national circumstances.” It noted an International Monetary Fund (IMF) report on Thursday that, after rising for a quarter century, Australia’s national income per capita had fallen since 2012 and was unlikely to recover “until the 2020s.”

The IMF called for an “ambitious reform agenda,” including taxation changes, to prepare for a possible further downturn in China and even lower commodity prices. This is the agenda that Turnbull has been appointed to prosecute, in partnership with the unions, business and welfare groups.



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