

Australian media demands austerity offensive via “double dissolution” election

Mike Head
21 April 2016

Australia’s media establishment welcomed Prime Minister Malcolm Turnbull’s announcement on Tuesday that he will call a “double dissolution” election on July 2, while insisting that Turnbull must use the election to clear the way for unprecedented attacks on social services and working class conditions.

Editorials and commentaries described Turnbull’s decision as a bold bid to assert his government’s authority and secure a “mandate” for “economic reform.” But they also warned that, for a start, his Liberal-National Coalition government must hand down a tough and “difficult” budget on May 3, even though sweeping social spending cuts will fuel popular discontent.

Turnbull has moved for a rare election of all members of both the House of Representatives and the Senate, the upper house—the first such double dissolution election for nearly 30 years. His government is trying to break through a protracted political impasse, with opposition and so-called independent senators, themselves fearing seething public hostility, blocking a range of budget cuts, especially to health, education and welfare.

The prime minister told parliament on Tuesday he would ask the governor-general, the Queen’s representative, to dissolve both houses for an election once the government had secured the passage of the supply bills in the federal budget, which Turnbull has brought forward to May 3.

Fears were voiced throughout the media commentary that Turnbull would fail to deliver the so-called “economic leadership” that he vowed to provide when he ousted his predecessor Tony Abbott last September. These concerns reflect the conundrum that has wracked governments, Coalition and Labor, over the past decade: how to retain voter support while imposing pro-

market measures that are antithetical to the interests of the majority of the electorate.

Concerns are also being expressed that Turnbull’s July 2 poll could backfire, resulting in the election of more “independent” or minor party senators, or a government unable to command a majority in the House of Representatives. Even if the government survives, it could fail to win enough seats in both houses to push through the bill that it used as a double dissolution trigger—a draconian bill directed against construction workers.

That would be an “abject and unprecedented humiliation” for a prime minister, the *Australian’s* editor-at-large Paul Kelly warned on April 20. Kelly described the July 2 election as a “significant test of the political and constitutional system.”

In the same vein, the *Melbourne Age* declared in its April 20 editorial: “Australia is at a crossroads. How this nation will develop beyond the mining boom, what standard of living Australians can and should expect in the next few decades, and whether the electorate has the stomach for the tough calls are some of the critical questions our political leaders must confront ahead of the July 2 election. High levels of government debt and unsustainable fiscal deficits must be reined in.”

An editorial in Murdoch’s *Australian* declared that Turnbull had been “too wishy-washy” since he deposed Abbott. He had to “show more certainty as he campaigns for a Coalition victory under his leadership in just 73 days.” The editorial insisted: “We can’t afford a do-nothing budget.” Turnbull and Treasurer Scott Morrison “must accept fiscal rectitude as their strength and demonstrate that they are capable of reducing expenditure, even in the shadows of an election.”

These demands are intensifying because of a rapidly

deteriorating economic situation. The implosion of Australian capitalism's two-decade mining boom is being compounded by slowing growth in China, a worsening global slump and signs that the domestic real estate bubble is starting to unravel.

Writing in the *Business Spectator*, columnist Alan Kohler warned that "cracks are starting to appear in the economy." He cited a jump in the National Credit Insurance trade credit risk index to its highest level ever—above the worst of the 2008–09 global financial crisis. The index measures the risk of creditors being hit by business insolvencies, such as the recent liquidations of Arrium steel, Queensland Nickel and the Dick Smith retail chain. Overall insolvency insurance claims in the first quarter of 2016 were 80 percent above the same quarter last year.

When Turnbull ousted Abbott last year he initially sought to boost the economy by repeatedly proclaiming that it was never a more "exciting" time to be an Australian, spruiking the opportunities supposedly offered by China's growth. That claim, always contemptuous of the reality of massive job losses, falling real wages and declining social conditions confronting millions of working people, can no longer be sustained. Last month, Turnbull unveiled a new theme: that Australians had to learn to "live within our means," that is, accept even greater cuts to living standards and essential programs such as health and education.

Now, however, the government is desperately casting around, seeking to match populist electoral pitches by the Labor Party opposition. In an attempt to capitalise on the widespread hostility generated by deepening social inequality, Labor has promised to reduce superannuation tax concessions for those earning above \$250,000 a year, curtail corporate tax evasion and conduct a royal commission inquiry into the banks, whose predatory practices have ruined thousands of their customers, including retirees, farmers and small business people.

In a revealing indication of the government's fears of losing the July 2 election, there are reports that it will outdo Labor by pledging to lower the superannuation tax concession cut-off point to incomes of \$180,000 per year. Only last year, Treasurer Morrison declared: "The government has made it crystal clear that we have no interest in increasing taxes on superannuation either

now or in the future ... unlike Labor, we are not coming after people's superannuation."

Labor's populist posturing and claims it will "put people first" is designed to contain the widespread discontent within the parliamentary framework and divert attention from its own long record of imposing the dictates of big business on the working class.

Addressing investors at a Credit Suisse conference in New York this week, Reserve Bank of Australia governor Glenn Stevens urged a return to the politics of the 1980s and 1990s. That was when the Hawke and Keating Labor governments, backed by the trade unions, deregulated the financial system, slashed corporate and high incomes taxes, privatised public services, including the Commonwealth Bank, and drove down wages and working conditions.

During the 1980s and 1990s, Stevens stated, Australia had "a strong leadership, who had an idea what to do and who seized the moment and got the community, albeit in some cases a bit grudgingly, to come along."

In reality, the Hawke and Keating governments, together with the unions, ruthlessly suppressed opposition among workers as they carried through the greatest transfer of wealth from the working class to the wealthiest layers of society in Australia's history. Stevens' invocation of that record is a warning of an even deeper offensive that will be launched after the July 2 election, regardless of whether Turnbull survives or Labor returns to office.



To contact the WWS and the
Socialist Equality Party visit:

wsws.org/contact