

# Australian Labor leader replies to budget with empty populism

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Labor Party leader Bill Shorten gave a two-faced performance last night in delivering the official opposition reply to the Liberal-National Coalition government's May 8 budget.

Shorten, a long-time trade union bureaucrat and former senior Labor government minister, postured as a champion of “the real forgotten people,” of “working families, pensioners and Australians doing it tough” against the “multinationals, big banks and big business.”

This populist stance showed the acute concerns in the Labor and union leadership of the social and political discontent that is threatening to erupt outside the control of the parliamentary order.

At the same time, speaking in the interests of the very same financial and corporate elite he condemned, Shorten indicted Prime Minister Malcolm Turnbull's government for not cutting the budget deficit and public debt rapidly enough to prepare for “global bad news.”

Shorten asserted: “This is not good enough in a time of trade conflict between America and China, in an age of soaring global debt and rising US bond markets... It may not be politically fashionable, but it's time to be responsible.”

These remarks expose the fraud of the minimal promises that Shorten offered of small tax cuts and the partial restoration of cuts to health and education that have been inflicted by Labor and Coalition governments alike, especially since the 2008 financial crisis. All such pledges will be jettisoned as soon as world capitalism plunges into another meltdown or descends into trade war and war.

Shorten's televised speech had a pantomime character, complete with a cheer squad in parliament's public gallery. But he offered nothing of any substance to address the social reality that faces millions of working-class people—falling real wages, decimation of permanent jobs, soaring living costs and deteriorating basic services

and infrastructure.

With immediate electoral considerations in mind, Shorten said a Labor government would almost double the tiny income tax offsets of up to \$10 a week for people on annual incomes below \$125,000 that the government, for its own desperate reasons, announced in the budget.

At least five by-elections are now looming, probably next month, after the High Court this week disqualified four Labor MPs on the reactionary nationalist basis that they did not renounce dual British citizenships in time before they nominated for election.

Shorten theatrically challenged the government to make these by-elections, and the next general election, which could be as early as August, a “referendum” on tax. But his offering of “a genuine tax cut for middle- and working-class Australians” was miniscule. He could not afford to jeopardise Labor's underlying pitch to big business.

Labor's “genuine” tax cut consists of tax refunds, delayed until July 2020, worth between \$7 and \$18 a week for those with incomes of up to \$90,000 a year and scaling down to zero for those on \$125,000 or more. These tax offsets would not pay for a single day's public transport fares or petrol costs.

Labor will also support the government's proposed increase in the \$87,000 tax threshold to \$90,000 from July 1, a move that will hand higher-income households up to \$764 a year, rising to \$8,350 a year from 2024–25.

Shorten attacked the Turnbull government for producing a seven-year virtual “flat tax” scheme that would give an individual on \$200,000 a tax cut of \$7,255 per year—16 times higher than a worker on \$40,000. But he did not rule out backing much of the government's plan.

Shorten claimed that Labor “stands on the side of ordinary Australians.” Yet, like Turnbull, he proposed no increase in the sub-poverty level unemployment and youth allowance payments. Successive Coalition and Labor governments have frozen the payments to coerce

youth and workers into low-paid, insecure work.

Nor was there any opposition to the massive military spending—more than \$200 billion over the next decade—being undertaken by the government to honour pledges made to the US to boost preparations for conflicts with China. Labor is as committed to militarism as the Coalition. The military spending means deeper cuts to welfare, schools, hospitals and social housing.

By his silence, Shorten also endorsed the hundreds of millions of dollars being poured into the intelligence, police and border force agencies to monitor and suppress dissent and enforce cruel anti-refugee measures.

Shorten denounced the government's proposed company tax cuts, much of which would go the banks whose predatory activities are being aired at a current royal commission into the finance industry. There were lines such as "the choice is simple: Labor will put back \$17 billion extra into the schools and the prime minister will put \$17 billion back into the banks."

This is sheer hypocrisy. As recently as November 2010, as the Gillard Labor government's financial services minister, Shorten advocated similar company tax cuts to "keep all sectors of our economy competitive" internationally.

It was the Hawke-Keating Labor governments between 1983 and 1996, with the complete collaboration of the trade unions, that laid the foundations for the vast shift of wealth into the hands of the super-rich ever since. The Rudd-Gillard Labor governments of 2007 to 2013 propped up the banks and began to slash health and education spending to impose the burden on the working class.

Beneath Shorten's "fair go for all" rhetoric, there was no substance. He vowed to "put back" some of the billions of dollars sliced from schools, public hospitals, TAFE vocational colleges and universities by the Coalition government, but was silent on the cuts inflicted by the previous Labor government, in which he was a key minister.

Shorten's references to "years of flat wages, rising power bills and increasing health costs" were driven by more than short-term electoral calculations. Labor and the unions are desperately trying to channel the mounting political hostility of working-class people back into the parliamentary framework.

At the beginning of this year, Shorten delivered a speech in which he sounded an alarm about the growth of popular disaffection. The essential task of the political elite, he declared, was "restoring faith in parliament." He

said: "This question is far bigger than [Prime Minister] Malcolm [Turnbull] versus me, or Liberal versus Labor—this is about restoring confidence in our democratic system and our public institutions."

This was followed by two speeches by Mark Butler, the Labor Party's national president, warning of the fall of Labor Party and union membership and support to record low levels.

Like Shorten's budget reply, Butler's speeches were delivered against a backdrop of ever-more glaring social inequality, worsening working and living conditions, rising concerns about the dangers of war, and indications that the pent-up anger in the working class could erupt in major industrial battles, as is already happening in the US and Europe.

Labor and the unions have been the key institutions in Australia that have subordinated the struggles of the working class to the capitalist profit system since the 1890s—particularly in periods of intense crisis such as the world wars, the 1930s Great Depression and the global upheavals between 1968 and 1975.

In those periods, national economic regulation enabled the Labor and union servants of the Australian ruling elite to offer limited social reforms to the working class, and contain the development of a revolutionary movement against the capitalist system.

Over the past 35 years, Labor and the unions, in response to the globalisation of capitalist production and the shattering of national economic regulation, have been transformed. They cannot defend capitalism through social reforms. Rather, they defend the profit system by serving as the enforcers of the corporate demands for the constant reduction of workers' conditions and the destruction of public services and welfare to meet the benchmarks of "international competitiveness."

In 2018, backed by the unions and pseudo-left organisations, Labor is seeking to claw its way back into office with populist rhetoric. Labor's aim is to shore up the parliamentary order and impose the corporate agenda of austerity, profiteering and war preparations.



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