

Australia: Victorian Labor government makes election pitch to big business

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Ahead of the election on November 24 in the Australian state of Victoria, the Labor government is attempting to retain office by promoting its pro-business and “law and order” credentials. The right-wing pitch underscores the gulf separating the entire political establishment from the interests of working people.

The last decade has seen unprecedented parliamentary instability in Australia, reflecting the collapse of the old electoral bases of support for the Labor Party and Liberal-National Coalition.

The last Victorian election, in 2014, saw the incumbent Coalition government thrown out after just one term in office—the first one-term government since 1955. The Labor Party won power with a bare parliamentary majority, holding 45 of the 88 lower house seats.

A hung parliament is threatened in this year’s poll, with the Greens aiming to capitalise on hostility towards the major parties and win more than the three inner-city seats in the lower house that they currently hold.

The Labor Party’s election campaign centrally involves touting its economic credentials. Treasurer Tim Pallas declared on October 10 that the state has “the fastest growing economy in the nation,” with “more than 370,000 jobs” created since 2014.

Premier Daniel Andrews has repeatedly issued similar statements, deliberately covering up the reality that record population growth is chiefly responsible for the increased economic activity.

A Ponzi scheme economy has emerged, with population growth fuelling a speculative property bubble that has boosted profits for the banks and finance companies. The state capital of Melbourne now has 5 million people and is expanding by 2.7 percent or 125,000 people each year. This is the fastest growth rate in Australia and reportedly puts it among the top five of all cities in advanced economies.

Living standards have worsened for the working class.

The *Age* last year reported that this growth was “masking nearly a decade of stagnation in the Victorian economy, which has seen living standards fall in four of the eight years since the global financial crisis.” The newspaper continued: “If Victoria had the low population growth of Germany, the economy would have experienced at least three recessions since the global financial crisis.”

The state’s income growth per person was just 0.8 percent between mid-2008 to the end of the 2016 financial year, seven times lower than the national average.

The opposition Liberal Party has been stirring up reactionary anti-immigrant sentiment in the election campaign, pledging to add to the federal government’s plans to force new residents to live in regional areas. Opposition leader Matthew Guy declared that if the Labor Party was re-elected, “we will continue to see a Melbourne that expands forever.”

The problem confronting the working class, however, is not too many people—everyone ought to enjoy the democratic right to freely live and work wherever they wish—but rather a political and economic system that functions to maximise corporate profit and the private accumulation of wealth by an elite minority.

Population growth has been a boon for property speculators, while the state government has provided virtually no basic infrastructure for the new working class suburbs that are rapidly emerging on Melbourne’s outskirts. Seventeen suburbs have been created in this year alone.

The fastest growing area in Australia surrounds the new suburb of Mickelham, formerly a rural area but now part of Melbourne’s outer north. Family-owned dairy farms were sold off for tens of millions of dollars, subdivided into house blocks which were then sold for \$500,000 each, with mortgages granted after a 5 percent deposit.

Aside from houses and a petrol station, there are almost no amenities. One public school that until recently taught

the children of local farmers, has seen enrolments balloon and children herded into portable classrooms. Families in neighbouring Craigieburn have reportedly been waiting 18 months for a childcare position for a single day a week.

The government's failure to adequately invest in social infrastructure and basic services has placed enormous pressure on schools, hospitals, and public transport across Melbourne and the state.

The Labor Party's election campaign boasts of record infrastructure investment, but spending commitments are firstly far less than what is required, and secondly, overwhelmingly oriented to the transport and logistical requirements of business and not the needs of ordinary people.

The Grattan Institute think-tank calculated in 2016 that Victoria would require between 140 to 220 new schools over the next decade to keep up with student enrolments. This year the government opened just 11 new public schools, with 9 more due to commence in 2019.

Numerous public schools in Melbourne have more than double the "maximum" student capacity, with children crammed into portable classrooms that reduce the size of playing and sporting areas. Wealthy families continue to send their children to elite private schools. This month, the government announced it would hand over another \$400 million in public funds to private schools.

The Labor government has functioned as the ruthless instrument of finance capital and big business. Four years ago, just prior to becoming premier, Daniel Andrews visited New York to meet with credit agencies and promise them that he would "do everything to guarantee" Victoria's AAA credit rating.

This pledge has been delivered by denying public services the money required, so as to run up budget surpluses due to average \$2.5 billion over the next four years. At the same time, the government has delivered tax cuts to corporations through a lowered payroll tax rate. It has provided new profit-making opportunities through the privatisation of public assets, including the Port of Melbourne worth \$10 billion, and the Land Titles and Registry office worth \$2.9 billion.

The government, working hand-in-hand with the trade unions, has suppressed attempts by different sections of workers to defend their wages, jobs, and conditions.

Real wage cuts have been imposed on different public sector workers via regressive new industrial agreements. These include public school teachers, who remain the lowest paid in Australia, working in schools that are the

lowest funded per student.

The Labor government has used the draconian anti-strike provisions of the Fair Work industrial legislation against different groups of workers, including power workers in the Latrobe Valley. It has also helped engineer the ongoing de-industrialisation of the economy. Manufacturing accounted for 16 percent of Melbourne's economic output in 1998, but last year this shrank to just 6 percent.

The liquidation of the car industry, enforced by the Labor and Liberal parties and the trade unions, has produced mass unemployment in several working class centres. The official unemployment rate in Broadmeadows, where the now-closed Ford plant was located, is now 25 percent.

The Labor government has also poured money into the police force as part of a reactionary "law and order" campaign. In late 2016, Premier Daniel Andrews pledged an extra \$2 billion to expand the police by 20 percent, with an additional 3,100 officers. The move is part of the preparations nationally by the ruling class to suppress social opposition among workers and youth.

The Andrews government has legislated a number of draconian new laws, including harsher mandatory sentences for young people and restrictions on the right to bail. It has imprisoned children in high-security adult prisons.

According to figures released in June 2017, in the preceding decade the prison population rose by more than 70 percent, far higher than population growth. The Labor Party has also helped fuel a racist campaign targeting youth of Sudanese and Somalian origin, on the bogus pretext of combatting "African gangs."

The working class faces no choice in the electoral contest between Labor, the Liberals and the Greens. Whichever party or combination of parties comes to office after November 24, the outcome will be a right-wing government committed to enforcing the dictates of finance capital and big business.



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