Australian government delivers a callous, anti-working class budget

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On the eve of announcing an election for next month, the Liberal-National Coalition government last night handed down a blatant vote-buying budget pitched at satisfying the demands of big business and the wealthy, and appeasing voters in vulnerable electorates, while feigning concern for "low to medium income families."

The first budget produced since last August's removal of Prime Minister Malcolm Turnbull, it provides a glimpse of the anti-working class agenda that drove the coup by the Coalition's "hard right" faction, which installed Scott Morrison as his replacement.

Throughout his speech, Treasurer Josh Frydenberg repeatedly declared "no new taxes." This was designed to assure the wealthy elite that a Coalition government would continue to slash social spending and corporate taxes, whatever electoral lip-service it felt compelled to make to "fairness" to try to head off widespread discontent and anger.

Households on above-average annual incomes over $46,000, and up to $126,000, were promised cash handouts this year of up to $2,160 for a dual-income family, via income tax offsets. It will do nothing to alleviate the mounting pressures produced by falling real wages, collapsing house prices and deteriorating social services and infrastructure.

But for the poorest and most vulnerable members of society, those on less than $46,000, there was nothing at all. For some welfare recipients, there will be small one-off payments of $75 for singles and $125 for couples, supposedly to cover soaring power bills.

All these handouts are cynically aimed at stimulating immediate consumer spending in order to boost retail and related profits, and attempt to stave off a developing economic slump.

With particular cruelty toward hundreds of thousands of unemployed workers, the government rejected calls for a $75 a week rise in the sub-poverty NewStart allowance. The current payment amounts to just $39 a day and has not increased in real terms since the 1990s.

Another $2.1 billion will be gouged out of welfare recipients over the next five years by yet another Centrelink "data matching" crackdown on people trying to augment their pitiful benefits by working in low-paid casual, temporary or part-time jobs.

Equally callous is the massive "underfunding" of the National Disability Insurance Scheme (NDIS), which is the result of disabled people and their carers being unable to access assistance packages, or facing cuts and long delays. By some calculations, the NDIS "underspent" about $3 billion this financial year and the same next year—almost equivalent to the government's projected $7.1 billion surplus for 2019–20.

"We are six years into the [NDIS] rollout and we have heard of people waiting two years for a wheelchair," Kirsten Dean from disability advocate group Every Australian Counts told the media.

More "savings" totalling several billion dollars have been achieved by paying out less for aged pensions, as the eligibility age steadily increases to 67, and by cutting thousands of people off welfare payments altogether.

On every front of dire social need, such as the mental health crisis, the dental health disaster, the lack of affordable housing, the chronic under-funding of public schools, hospitals and universities, the budget offered little or nothing. Refugee support services were further cut by nearly $80 million a year.

A $525 million "skills package" supposedly offering training to youth and jobless workers, contains only $55 million in new money over five years, and follows a $200 million cut last year.

By contrast, the corporate elite has been promised yet more tax cuts. Planned multi-billion-dollar corporate tax cuts will be brought forward by a year. An immediate tax write-off for asset purchases will be raised from $20,000 to $30,000 and extended to companies with annual turnovers of $50 million, up from $10 million.

By 2024, the government pledged to introduce income tax cuts for the wealthiest layers. Its virtual "flat tax" plan would lower the rate to 30 percent for all income from $45,000 up to $200,000 a year. This would give households on and above that level $11,640 in annual tax savings.

In another effort to shore up big business, government corporate regulators will be given $600 million over five years to "restore public confidence" in the financial sector. A royal commission exposed systemic predatory practices and abuses by the banks and finance houses, all permitted by the same regulators.

Under the phony banner of "easing congestion," a promised 10-year $75 billion infrastructure program will be boosted to $100 billion, primarily satisfying business transport and freight requirements. This spending also features flagrant pork-barrelling. It is highly targeted to local projects in electorates, many in rural and regional areas, that the government fears losing in next month's election.

More electoral bribes are certain to be offered during the election campaign. The budget sets aside $3.2 billion for handouts, under the heading "decisions taken but not yet announced."

All the budget's projections are likely to be blown out of the water, however. Treasurer Frydenberg's speech began with a patent lie. He became the fifth consecutive treasurer—Coalition and Labor alike—to claim to be delivering a budget surplus. "Back in black," he proclaimed.

In reality, the accompanying Treasury papers point to an array of "downside risks"—further housing price falls, a deepening construction slump, slowing growth in China, the US-China trade war, the Brexit crisis, and stagnating economies in Japan and Europe. A temporary rise in global iron ore prices, mainly caused by a mine disaster in Brazil, is expected to go into reverse, potentially halving the projected surplus.

The Treasury warned of "ongoing risks to the global economy" and "major economic and financial shocks that may be encountered in the future." It demanded "strong fiscal management." In other words, regardless of which party heads the next government, further austerity and profit-driven measures will be unleashed against the population.

In order to prepare for social unrest, the repressive apparatus of the state is being strengthened. Millions more dollars will be poured into further increasing the staffing, resources and surveillance capacities of the Australian Security Intelligence Organisation (ASIO), the Australian Federal Police (AFP) and the electronic spy agency, the Australian Signals Directorate (ASD).

These agencies have been vastly enlarged already since 2001, as part of the fraudulent "war on terrorism." Now they are being taken to a new level, in the name of combatting "foreign interference" and "cyber warfare." These are code words for heightened political surveillance, enforcement of the anti-democratic "foreign influence" laws passed last year, and censorship of on-line activity.

ASIO and the AFP will get an additional $571 million, raising their staff numbers by 107 and 312 respectively over the next financial year, plus $35 million to set up a "Foreign Interference Threat Assessment Centre." The ASD will receive $4 billion through to 2023 for a Cyber Security Response Fund, ostensibly to protect the "integrity" of elections from "foreign meddling."

These measures also feed into preparations for war, including by demonising China and Russia. Military expenditure will increase by $1.3 billion to $38.7 billion in 2019-20. This will keep rising every year, to reach 2 percent of gross domestic product in 2020–21, to meet commitments made to the US to boost preparations for potential conflicts with China. Procurement of submarines, frigates, warplanes and other weaponry over the decade will cost more than $200 billion, which could build hundreds of schools and hospitals.