

Australian PM outlines bipartisan austerity offensive

Oscar Grenfell**17 June 2020**

In a nationally-televised address yesterday, Australian Prime Minister Scott Morrison outlined plans for sweeping cuts to social spending, further government handouts to big business and a stepped-up offensive against jobs, wages and conditions. All of these attacks on the working class are to be enforced in partnership with the Labor Party and the trade unions.

Morrison's speech, to the pro-business Committee for Economic Development of Australia forum, was part of a broader discussion in ruling circles on the need for a "snap-back." This is aimed at forcing ordinary people to pay for the economic crisis triggered by the coronavirus pandemic.

Morrison made clear that his Liberal-National government plans to continue withdrawing the meagre relief measures introduced as more than a million workers were laid off or stood down in the first six weeks of the pandemic.

At the same time, the corporate elite is seeking to exploit the crisis to implement a pro-business overhaul of industrial relations and workplace conditions, involving the further destruction of full-time jobs, ever greater levels of casual and precarious work, and the stripping of the limited workers' entitlements that remain.

Morrison touted the "reopening of the economy" being presided over by federal and state governments, Labor and Liberal-National alike, as the first step in a return to "growth," a code word for the resumption of corporate profit making.

In practice, all the safety restrictions aimed at containing COVID-19 are being overturned and workers are being herded back into workplaces, even as the coronavirus continues to circulate. The dangers have been indicated by a new spike in confirmed infections in Victoria, the country's second most

populous state. There have been 18 new cases over the past 24 hours, following more than 20 during the previous two days.

Morrison noted that broad sections of the economy had never closed, even at the height of the pandemic. Construction and manufacturing workers were forced to remain in their places of employment by the corporations and unions, despite the impossibility of social distancing in often crowded workplaces.

The PM reiterated that the JobKeeper subsidy would be withdrawn in September. Under the program, unveiled in May, the government has paid the wages bill of some businesses to the tune of \$1,500 a fortnight per employee. The government already has stripped the payments from childcare workers.

While the workings of JobKeeper remain shrouded in secrecy, it appears that the payment primarily has been provided to large corporations, such as Boeing. Morrison admitted that only around 1.6 million workers are currently covered by the scheme, despite previous claims that some 6 million would be subsidised.

While JobKeeper amounted mainly to a cash handout to big business, its removal is aimed at creating the conditions for widespread job cuts and restructures.

Morrison declared that continuing the program, and a six-month increase to unemployment benefits, would "dull the dynamism of the economy and prevent the adjustments that must necessarily take place." He declared that some of the jobs destroyed over the past four months would "never return."

Morrison sought to cover up the extent of the economic and social crisis. All figures indicate that unemployment is at its highest levels since the 1930s Great Depression, and that the global economy is mired in a massive contraction.

Official data released this week showed an 8 percent

joblessness rate in New South Wales, the most populous state. The real numbers are far higher. During the pandemic, layoffs in some industries, such as tourism and hospitality, have accounted for up to a third of previously employed workers.

The rollback of pandemic subsidies will be accompanied by reductions in government spending after decades of cuts to education, healthcare and other essential services. “There will always be a case made for spending more and for spending longer, and there are plenty who are happy to make that case. But it is not a wise or responsible course,” Morrison said.

This will be combined with further handouts to big business. Morrison spoke of “boosting revenues through pro-growth policies that lift investment.” He announced the bringing forward of \$7.8 billion in infrastructure spending by federal, state and local governments, and said the federal government would provide a further \$1.5 billion.

Much of the money is being spent on large-scale projects, including roads, dams, council building projects and rail services, geared to the needs of mining and other major industries.

The transparent purpose is to ensure the profits of the lucrative construction and property sector, which underpins the fortunes of many of the country’s wealthiest individuals.

At the same time, regulations are to be slashed. Morrison is seeking to cut the approval time for construction and other projects under federal environmental regulations to just 30 days, sparking warnings of further environmental degradation. He also foreshadowed attempts to eliminate other “red tape” regulations, viewed as an obstacle by the corporate elite.

These initiatives are to go hand in hand with a pro-business transformation of industrial relations. Last month, Morrison announced the establishment of five groups to provide recommendations to the government on changes to workplace conditions by September.

Composed of trade union, government and corporate representatives, the purpose of these tripartite panels is to work out ways to further cut penalty rates, along with leave, sick and holiday pay entitlements, and create the conditions for a continuous pro-business onslaught on workers’ rights.

This program has the full support of the corporatised

unions and the Labor Party. Speaking after Morrison yesterday, Labor leader Anthony Albanese repeated his previous calls for policies to promote “growth.”

While appealing for “equity” and a “fairer” tax system, Albanese touted the bipartisanship and “national unity” adopted by the political establishment throughout the pandemic. “We scrutinised the government’s actions and put forward constructive ideas, but even when those ideas were rejected, we acted in the national interest and voted for all of the government’s emergency fiscal measures,” he said.

In his earlier speech, Morrison had likewise hailed the coming together of business, the official parties and the unions. This “great togetherness” would need to be maintained, Morrison said, amid the “economic transition.”

The “togetherness” of Labor, the Liberal-National Coalition, the employers and the unions is directed against the working class. The purpose of the “national unity” is to stifle widespread opposition to mounting unemployment, poverty, the massive cash handouts to big business and the pittance provided to those thrown on the scrapheap.

The appeals issued by Morrison and Albanese are in preparation for the suppression of the social and political struggles that the ruling elite knows its program will provoke.



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