

Australian Labor's budget reply: Bipartisan backing for tax cuts to the rich, austerity for workers

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Last night, opposition Labor leader Anthony Albanese demonstrated his party's full commitment to the agenda of massive tax cuts for the wealthy, austerity measures for ordinary people and a future of low-paid, precarious labour or unemployment for the working class, outlined in the Liberal-National Coalition government's federal budget on Tuesday.

Albanese's budget reply was a graphic display of the pro-business bipartisanship that has been maintained throughout the global pandemic and the economic slump that it has accelerated. It was yet another declaration that there is, and will be, no opposition from Labor, nominally the opposition in parliament.

That is because Labor, no less than the Coalition, is seeking to make the working class pay for Australia's recession, the deepest in decades, and to use the crisis to engineer an even greater transfer of wealth to the corporate and financial elite.

Albanese spoke having already given assurances that Labor would join with the government to rush the budget measures through parliament within days, before anybody has had a chance to even scrutinise them.

This includes all of what the *Australian Financial Review* correctly described as an "absolutely staggering" "tsunami of money headed for the corporate sector over the next few years," the centrepiece of which is at least \$50 billion in tax cuts, wage subsidies and incentives for large businesses and the wealthiest individuals.

Albanese also has not questioned the fanciful economic forecasts underlying the budget, from predictions of economic growth in Europe and the US, to a rebound of Australian gross domestic product by four percent or more next year, the roll-out of a universal vaccine for COVID-19 in 2021, and the containment of any future outbreaks of the coronavirus, under conditions of a surging global pandemic and a pro-business lifting of all lockdown measures.

None of this is based on evidence or empirical data. Albanese's acceptance of the government forecasts provides the grounds for a Labor government, if it is brought to office, to discover a "black hole," junk its various pledges and impose deep-going austerity measures.

Albanese began his reply with a paean to "national unity," aimed at covering up the fact that over the course of the year, the government and Labor have handed the corporations more than \$400 billion in bailouts and subsidies, an unprecedented sum, while millions of workers have been thrown out of work, or have suffered cuts to their real wages and conditions.

Whatever limited and phony criticisms of the government Albanese advanced, he was above all at pains to stress Labor's commitment to the agenda that has been set down by the corporate elite: forcing workers back into their places of employment, regardless of the dangers of coronavirus infection, mobilising for low-paid, precarious labour the vast pool of people left unemployed or underemployed and "rebuilding our economy," in the interests of big business.

To this end, Albanese pointed to Labor's record of lockstep bipartisanship this year. "Throughout this crisis, my colleagues and I have been constructive," he declared.

This included support for the vast sums provided to the corporations, in the form of the JobKeeper wage scheme and other subsidies, as well as the overturn of coronavirus safety measures, demanded by big business, and rejections of calls from epidemiologists and workers for workplace and school shutdowns where community transmission had occurred.

Albanese also backed the creation of the national cabinet, an extra-constitutional body composed of the federal government, along with state and territory leaders, Labor and Liberal alike. It has ruled through fiat, under conditions in which parliament has been shut down for most of the year, and has conducted its deliberations, including those directly involving business chiefs, in secret.

Albanese gave a "shout out" to the trade unions, which Labor and the government have collaborated with closely to enforce the "back to work" drive, impose major cuts to wages and conditions and use the pandemic to bring forward a further pro-business overhaul of industrial relations and workplace conditions.

The Labor leader favourably referenced the fact that "cleaners and supermarket workers" had been compelled to work "around the clock to keep our economy going," often in

dangerous conditions and with poverty-level pay. He also hailed the “trade unions agreeing to temporarily put aside hard fought industrial gains” on the bogus pretext that this would “maintain jobs and keep businesses going.”

Albanese sought to differentiate himself from the government on two fronts. Firstly, he issued weasel words of concern about the plight of the poor, and secondly, he put forward Labor’s own pro-business policies, centreing on “infrastructure” projects that would be a boondoggle for various sections of the corporate elite and that would act as a government support for the establishment of a permanent low-wage economy.

The vague populist rhetoric, replete with references to Albanese’s own hardships before he became a life-long Labor Party apparatchik, were meaningless and unconvincing. Albanese pointed to record low wage growth, increasing poverty and other social ills. These, however, are products of the policies of successive Coalition and Labor governments, including those that he has participated in. But Albanese did not advance a single concrete policy that anybody could even claim would address the social crisis.

Albanese was installed as Labor leader following the party’s defeat in the May, 2019 federal election. Under conditions of widespread hostility to the incumbent Coalition, Labor’s vote fell to a century low, reflecting anger, especially in working class areas, over the onslaught on jobs and social services imposed by previous Labor administrations.

Labor’s response was to declare that the defeat was the result of its use of tepid populist rhetoric. Albanese was duly installed, pledging an end to any criticisms of the “big end of town,” and a “vision” for “economic growth.” His budget reply was a continuation of this lurch even further to the right.

One of his central pledges was to remove annual caps on the childcare subsidies that parents are eligible to receive. As with other promises, the headline and the fine print did not coincide. Declarations by Labor promoters in the press that the party was moving towards affordable, universal child care were belied by what Albanese actually said: “[O]ur long term goal is to investigate moving to a 90 per cent subsidy for child care for every Australian family.”

This policy, moreover, was couched entirely as a component of a broader pro-business agenda. The lack of accessible childcare, Albanese said, “costs workplaces. Not just day-to-day productivity but years of valuable experience and knowledge and skills.” In practice, this will mean ensuring parents are forced into primarily low-paid work, while the subsidies will underwrite the profits of the large businesses that dominate the childcare sector, as a result of its corporatisation under Labor and Liberal governments.

Similarly, Albanese made reference to the needs for “skills and training,” but this was to create a situation in which, “On every major work site receiving Federal Government funding, one out of 10 workers employed will be an apprentice, a trainee or cadet.” In other words, fully 10 percent of workers in some

sectors will be paid beneath the minimum wage for the industry, without any rights and with only the slimmest prospect of a full-time permanent job at some unspecified point in the future.

A Labor government, Albanese claimed, would expand social housing, a pro-business institution involving private business and NGOs providing supposedly affordable dwellings to the poor.

The state of the sector, which has mushroomed with the gutting of genuine government-operated public housing, is indicated by Albanese’s reference to the fact that at least 100,000 such dwellings are in need of “urgent repair.” Handing subsidies to businesses to conduct maintenance would be one of the “the best way[s] to provide immediate stimulus to the economy,” he said.

Other vague pledges included a call for the construction of trains in Australia and for government subsidies to a handful of other manufacturing sectors. Again, this would consist of major public tenders to private businesses, and would be premised on wage suppression to ensure that the builds were internationally competitive. This included a new energy policy, supposedly aimed at meeting a woefully inadequate goal of zero percent carbon emissions in 2050, that Albanese bragged was supported by the major mining companies that are among the chief polluters.

Nothing that Albanese outlined would result in a growth of productive business investment, let alone the revival of the decimated manufacturing sector.

In addition to covering up the mounting class divisions, Albanese’s promotion of nationalism dovetailed with Australia’s central role in the US drive to war, principally directed against China. His only reference to the massive, bipartisan military spending further expanded in the budget, was to call for more weapons of war to be built in Australia (see: “Australian government unveils military boost aimed against China”).



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