Australian government and big business demand cheap labour and end to COVID restrictions

Mike Head
10 March 2021

An *Australian Financial Review* business summit this week became a platform for the corporate elite and the crisis-wracked Liberal-National Coalition government to escalate their drive to exploit the COVID-19 pandemic to intensify the decades-long offensive against the jobs, wages and conditions of the working class.

Ever-more anxious to satisfy the demands of big business, Prime Minister Scott Morrison laid out an agenda with three main planks to boost corporate profits: 1. End all COVID-19 lockdowns, border closures and other safety restrictions, 2. Launch a massive temporary migration program to supply employers with cheap labour, and 3. Scrap or cut the wage subsidy and welfare payments to coerce workers into low-paid jobs.

On the first front, the financial newspaper reported: "States and territories must abandon their policy of eradication and stop closing borders every time there is a small outbreak of the coronavirus, because the vaccine rollout is lessening the health risk and the economic recovery is at stake, business and political leaders say."

New South Wales Premier Gladys Berejiklian, Qantas chief executive Alan Joyce and Morrison "were part of a concerted push" to insist that governments had to "put faith in the vaccine rollout and drop their obsession with having zero cases every day."

With his government's survival in question as a result of rape allegations against Attorney-General Christian Porter, amplified and driven by corporate media, Morrison emphasised that he "understands" the business "frustration" with the continuation of pandemic restrictions that cut across the full reopening of the economy.

Morrison told the gathering that "encouraging signs" from Israel and Britain about the efficacy of vaccines meant Australia could soon start treating the coronavirus as nothing more than a "bad flu." A new "risk management" approach was needed that gave greater consideration to "economic risk," compared to "health imperatives."

Berejiklian, whose Coalition state government was put on notice when she faced her own media scandal last year, won applause for leading the charge. She declared that as the most vulnerable people were immunised, "success measured by zero cases a day is a flawed model." Border closures were an "embarrassment."

Joyce, the Qantas chief, underscored the profit interests at stake. He claimed that had it not been for a COVID-19 cluster in Sydney over Christmas and the other states shutting their borders, Qantas would have been back to 100 percent domestic capacity, rather than the current 60 percent.

Despite the continuing global pandemic and the spread of new more transmissible coronavirus variants, Joyce and CSL chief executive Paul Perreault urged the reopening of international borders. The "sooner the better," Perreault said.

On the second front, Morrison flagged an uncapped temporary migration scheme to fill jobs that he said Australian workers refused to do. Temporary workers would be compelled by visa conditions to take low-paid and insecure jobs, and denied the right to even apply for permanent residency or citizenship unless they remained in them.

Answering questions, Morrison placed no limit on the proposed scheme, saying temporary work visas were always "demand-driven" by the needs of employers. Areas in dire need included hospitality and agriculture, and "another 1 million aged-care workers alone would be needed by 2050."

Temporary visas would enable the government to direct

© World Socialist Web Site

workers to where employers required them. “Conditionality is one of the great advantages of the temporary visa program. You can’t put conditions on permanent visas,” he said.

On the third front, Morrison reiterated his government’s decisions to axe the JobKeeper wage subsidy scheme and the welfare payment “coronavirus supplement” on March 28. These measures were adopted a year ago to provide businesses with multi-billion dollar stimulus packages and to prevent a social and political crisis over the highest unemployment levels since the 1930s Great Depression.

The programs are now being terminated, directly exposing more than 2.5 million workers to unemployment and sub-poverty JobSeeker dole benefits on $44 a day, in order to further push them onto low wages and poor conditions.

Morrison said “mutual obligations” on dole recipients were being ratcheted-up as a means of tackling “large gaps” in the workforce produced by the previous reliance of employers on “tens of thousands of backpackers,” as well as Pacific islanders, international students and other temporary visa holders. Jobless workers face being cut off benefits unless they apply for 20 jobs a month, even though there are, on average, about 10 unemployed or underemployed workers for every vacancy.

This jobs crisis is about to worsen, and that will be used to intensify the pressure on workers. According to a Commonwealth Bank report this week, around 900,000 workers will still rely on JobKeeper in the days before it is scrapped on March 28, and some 110,000 will then lose their jobs, particularly in the transport, arts and recreation, accommodation and food services industries.

Another report, by CreditorWatch’s latest Business Risk Review, pointed to the added prospect of widespread bankruptcies of small and medium-sized business. It said the number of external administrations had soared 61 percent in February compared to the previous month. Although insolvency protection laws ended on January 1, businesses with debts of under $1 million were given an additional three months to work with an insolvency practitioner to restructure their operations.

Under these conditions, Morrison outlined the government’s intent to start clawing back, from social spending, the mountains of cash handed to the financial elite through last year’s bailout packages. He said the federal, state and territory governments had poured in a total of $398 billion, or 19.5 percent of gross domestic product, over 12 months. “It’s not sustainable,” he declared. “Because you simply cannot run the Australian economy on taxpayers’ money forever.”

In his bid for continued business backing, Morrison claimed that Australia was “leading the world out of the global pandemic and the global recession it caused.” In reality, millions of workers remain unemployed or under-employed and the Department of Health secretary, Brendan Murphy signalled yesterday that the government would not reach its target to vaccinate four million people by early April.

Significantly, Morrison boasted of forming the bipartisan National Cabinet a year ago, bringing together the federal, state and territory government leaders—the majority of whom are from the Labor Party—to achieve “unprecedented cooperation.”

As if to reinforce this united front, federal Labor Party leader Anthony Albanese was the opening speaker on the summit’s second day. Facing mounting moves against his leadership, he was asked by the *Financial Review*’s political editor Phil Coorey how Labor would improve its dealings with the business community.

In response, Albanese recalled his service to the corporate elite during the last federal Labor government of 2007–2010. “You can look at what I did. I created Infrastructure Australia and the urban policy forum. That gave the business community a seat at the table to allocate capital,” he said.

As the summit demonstrated, while the pandemic has not, so far, had the same devastating public health impact as in most other countries, it is being used no less than anywhere else in the world to restructure working and social conditions for the benefit of the wealthiest layers of the ruling class.

Albanese’s pledge to big business—reiterating his constant theme since being installed as leader following Labor’s 2019 election debacle—shows that Labor and its trade union partners will seek to continue to police that offensive.

Regardless of whether Morrison’s government survives, or whether Albanese is ousted as Labor leader, this assault can be answered only by workers breaking out of the Labor-union straitjacket and building new genuine working class organisations to fight for a socialist program based on social need, not private profit.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site