

# Australian Labor government in growing crisis over budget and IR bill

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Just over five months after scraping into office with less than a third of the primary vote, Australia's Labor government is already in a deepening political crisis, currently centred on the industrial relations bill that it is scrambling to push through parliament.

Despite there being only a handful of parliamentary sitting days left for 2022, Prime Minister Anthony Albanese and Workplace Relations Minister Tony Burke insist that all 250 pages of the fraudulently named "Secure Jobs Better Pay" bill must go through both houses of parliament before the end of the year.

Why the rush? That can be explained only by the fear in ruling circles of mounting discontent throughout the working class over the sky-rocketing cost of living.

The government and its partners in the trade union bureaucracy are cynically depicting the bill as a means to lift wages. The exact opposite is true. It is a mechanism to bolster the capacity of the unions to suppress strikes, enforce a new wave of workplace restructuring and confine pay rises to less than half the official inflation rate, which is expected to surge to 8 percent by the end of the year.

Labor's first budget, handed down on October 25, was a political turning point. It tore up what was left of Labor's phoney May election promises of a "better future," "higher wages" and a dramatic cut to electricity bills.

The budget was explicitly based on real wages continuing to fall for at least two more years, with mortgage interest rates continuing to increase, more than 150,000 jobs being lost in the same period, and prices for food and other essentials soaring—fuelled by domestic electricity and gas hikes of 56 percent and 40 percent respectively.

Millions of working-class households are facing lower living standards, financial stress and the possibility of home mortgage defaults.

Even according to the media polls, this was the most unpopular budget since the "emergency" austerity budget of 2014. Then the Liberal-National Coalition government imposed deep spending cuts, igniting mass opposition that led to the replacement of Prime Minister Tony Abbott the

following year.

All Labor's claims to want to "get wages moving" are lies. Burke has repeatedly declared for months that annual wage rises must be kept to around 3.5 percent. Echoing the orders of the financial markets, transmitted through the Reserve Bank of Australia, he has described this cap as an "anchor point."

As the WSWs has explained in detail, the IR bill is designed to block strikes by workers, not permit them. It reinforces the reactionary anti-strike laws first imposed by the Hawke and Keating Labor governments and the Australian Council of Trade Unions (ACTU) in the 1980s and 1990s.

In particular, the bill enhances the powers of the pro-business Fair Work Commission, the industrial court created by Labor and the unions, to prevent or ban industrial action. Most of all, by proposing a regimented, union-controlled form of "multi-employer bargaining," the bill seeks to expand the dwindling union coverage over sections of workers, so that the union bureaucrats can suffocate workers' struggles.

The various amendments that the government is making to the bill in a bid to retain the support of employers underscore that agenda. Burke has inserted into the bill multiple new restrictions on workers taking any industrial action. One would impose a six-month "grace" period before multi-employer bargaining could commence. Another would require a majority vote in each workplace before industrial action could be taken. Last night the government tabled some 150 amendments in a bid to satisfy employers and ram the legislation through parliament.

Anxious to reinforce their industrial policing role, the union apparatuses are bombarding union members with emails and social media messages imploring them to send messages to senators urging them to vote for the bill. A November 7 mass email by the Australian Council of Trade Unions (ACTU) claimed: "The 'Secure Jobs Better Pay' bill is an **absolute game changer** for our wages" (emphasis in original).

Ludicrously, the email said the bill would “provide an improved mechanism to fix the wages crisis and ease the cost-of-living burden.” In reality, the legislation aims to shore up and extend the union-controlled enterprise bargaining system, which has straitjacketed workers since the 1990s, producing the lowest levels of industrial action in Australia’s post-World War II history.

The emerging opposition of workers, reflected in the first widespread strikes for a decade by school and TAFE teachers, nurses, and health, aged care and child care workers, is compounding an historical political crisis.

May’s election produced the smallest vote in a century for the two traditional parties of capitalist rule—Labor and the Liberal-National Coalition. This is the product of decades of intensifying corporate-driven attacks on working-class jobs and social and working conditions by successive governments, both Labor and Coalition.

Because the vote for the hated Morrison Coalition government fell the most, Labor was elected despite its support dropping to near record low levels in working-class electorates. It is depending very heavily on the unions to stifle the opposition of educators, health workers and other workers to low pay, intolerable workloads, unsafe pandemic conditions and budget cuts.

These union apparatuses, however, are widely discredited. Their membership has collapsed to about 14 percent of the workforce, and just 5 percent among young workers. That is a direct result of betrayal after betrayal of workers over the past four decades, with the unions enforcing the anti-strike laws on behalf of employers and governments.

Sections of business are opposing the “multi-employer bargaining” provisions in the IR bill. That is because they have drawn the conclusion that the unions’ capacity to serve this policing role is increasingly exhausted, so employers must impose their dictates on workers without them.

This is under conditions in which, in the name of “budget repair,” working-class households are being made to pay for the massive handouts—over \$400 billion—in corporate bailout packages in the first two years of the COVID-19 pandemic, on top of the pouring of billions into the financial markets since the 2008’09 global financial crisis.

The Labor government is seeking to impose on workers the full burden of the world economic crisis triggered by the refusal of capitalist governments to take the necessary action to end the pandemic, and the US-instigated war against Russia in Ukraine, which threatens humanity with the spectre of a nuclear World War III. This offensive will be intensified to finance vastly expanded military spending to prepare for a potentially catastrophic US-led war against China.

Already, the criminal “let it rip” pandemic policies of

governments—also enforced by the Labor and union bureaucracies—have exposed the readiness of the capitalist class to sacrifice lives for corporate profit and private wealth accumulation.

A warning must be sounded. The immediate response of the Australian political establishment as the pandemic first hit was to close ranks and resort to anti-democratic methods, deeply fearful of mass unrest. Prime Minister Scott Morrison and the state and territory government leaders—most from the Labor Party—formed a wartime-style “National Cabinet,” a de facto national unity regime bound by strict secrecy and confidentiality.

At the same time, the governor-general secretly centralised in the prime minister’s hands joint control of five extra key portfolios, covering federal emergency measures, government finances, border control, and the federal police and domestic intelligence apparatus.

Albanese’s government has retained the National Cabinet as a mechanism of rule and is attempting to obscure and bury the anti-democratic implications of Morrison’s secret ministries. Labor has particularly sought to shield the governor-general, who has potentially dictatorial powers in times of political crisis, as shown in the 1975 dismissal of the Whitlam government.

To answer Labor’s assault and the threat of authoritarian forms of rule, workers need to draw the necessary political conclusions. Above all, that means joining and building the Socialist Equality Party to lead the fight for a workers’ government committed to the reorganisation of society along socialist lines to put the social needs of the working people ahead of the profits of the super-wealthy few.



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