

Australian “cost-of-living” budget fails to stem political disaffection

Mike Head
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Media polls published yesterday indicate that last week’s federal budget has not reversed growing working-class discontent with the Labor government over worsening social and housing conditions, as well as its support for the US-backed Israeli genocide in Gaza.

Prime Minister Anthony Albanese’s government desperately framed last week’s budget as a package to alleviate the cost-of-living crisis. That sham was based on several pittances, such as a one-off \$300 rebate on soaring energy bills, including for the rich, plus previously-announced income tax cuts that overwhelmingly benefit the wealthiest households.

Post-budget polls point to primary voting support for Labor falling further below the near-record low vote of 32.5 percent it obtained at the May 2022 federal election. Labor only scraped into office in 2022 because of a significant collapse in support for the previous almost decade-long Liberal-National Coalition government, including an anti-Coalition landslide in Western Australia.

According to a Resolve Strategic poll conducted for the Nine network newspapers, Labor’s primary vote slipped from 30 to 29 percent over the past month, while the Coalition vote remained stuck at 36 percent. Other polls also had Labor’s vote at below the 2022 level.

As always, media polls provide only a pale and distorted picture of the discontent in working-class areas. They reported that only about a quarter of respondents considered that they would be better off as a result of the budget.

The *Australian’s* Newspoll further reported that only 27 percent of voters believed Labor’s budget would be good for the economy. That was “the lowest score on this measure since Newspoll began assessing voters’

reactions to budgets in 1999.”

That was despite Albanese and his ministers crisscrossing the country to try to sell the supposed cost-of-living relief and the budget’s “Future Made in Australia” agenda of handing huge subsidies to big business, primarily to mine and produce strategic war-related critical minerals.

Labor’s cynical 2022 election promise of “a better future” has proven a lie. Recent [data](#) has shown that households in Australia are experiencing the largest fall in living standards in half a century, and have been for two years, mostly under the Labor government.

Even that underestimates the impact on working-class people, who are being hit hardest by the sky-rocketing cost of living and rising unemployment rates. Virtually every day, there are media reports of people living in vehicles, skipping meals, forgoing medical treatment and/or turning off heating because they cannot pay their rents, mortgage or other bills.

The official inflation measure, the Consumer Price Index (CPI), camouflages the cost of living for a household where wages are the primary source of income. That has increased by 9.3 percent over the past year, the highest rise since 1987 according to the Australian Bureau of Statistics.

The national unemployment rate is also misleading. It rose to 4.1 percent last week, in line with the government’s budget calculations that it will increase to 4.5 percent by next year. That would throw up to 150,000 more workers out of a job. In reality, the jobless rate is already nearly twice the national average in many working-class areas.

The budget’s previously announced rejigged “Stage Three” income tax cuts deliver a bonanza to the most affluent 4 percent of the population, those on \$200,000 or more per year. They will get \$4,529. That is about

seven times as much as low-wage workers on \$40,000 a year, who will get \$654.

There is no relief at all for more than three million households living below the tax-free threshold of \$18,200 a year or depending on sub-poverty pensions or welfare payments.

The budget's supposed \$7.8 billion "cost-of-living package," also featured a one-year freeze on payments for medicines on the Pharmaceutical Benefits Scheme. But such temporary measures only add to the distrust from last year's budget, whose "\$14.6 billion cost-of-living package" did nothing to dent the financial stress being experienced by workers and their families.

If the poll results were replicated at the next federal election, which the government must call before May, Labor would lose office or at best form a minority government with the support of the Greens, as the previous Labor government of Julia Gillard did from 2010 to 2013.

An *Australian Financial Review* editorial declared with alarm that its Freshwater Strategy poll "finds little voter enthusiasm for either major party, with the two-party preferred vote of Labor and the Coalition still tied at 50:50, and Anthony Albanese and [Coalition leader] Peter Dutton sharing a 9 percentage point net disapproval rating. It suggests Australia is headed towards a minority Labor government, supported by the Greens, in the first half of 2025, with all the political madness that would come with that."

This has heightened speculation in the corporate media that Albanese might call an early election in the hope of securing a win before the economic situation worsens, due to resurging global inflation and US tariff and other economic warfare measures against China, by far Australia's largest export market.

As the WSWS pointed out last week, the budget was a fraud on the economic front as well, based on false hopes of a cut to punishing home loan interest rates by the end of the year, and on continuing high commodity export prices despite the Biden administration's escalating economic and military moves against China.

Moreover, the more than \$200 billion in reduced income tax revenue over the next decade will mean deeper cuts to public health, education and other social spending, on top of the hundreds of billions to be spent on the AUKUS alliance and other military preparations for a US-led war against China.

The Labor government is also fully committed to the other US war fronts—the Israeli genocide in Gaza and the war against Russia in Ukraine—and to almost doubling annual military spending to \$100 billion by 2033–34.

Both the government and the Coalition are trying to divert the rising political and social unrest by falsely blaming immigrants and international students for the growing lack of affordable housing.

The government has vowed to halve net overseas migration from 528,000 last year to 260,000 by next year, primarily by capping overseas student numbers, on whom universities have relied to offset their chronic under-funding.

Opposition leader Peter Dutton promised even bigger cuts in his budget reply speech last Thursday night and radio interviews on Friday, seeking to outdo the government in scapegoating "foreign" students and "foreign" investors.

In reality, the housing crisis has been created by the corporate developers, including a slew of multi-billionaires. They have profited from their grip over housing supply, aided by incentives, deregulation and the decimation of public housing by successive governments, both Labor and Coalition.

All these developments point to a still deepening political crisis, not just of the Albanese government but the ruling establishment as a whole, as working-class living conditions worsen and the plunge into war intensifies.



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