Australian government delivers sham pre-election budget

Mike Head
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Every annual Australian government budget is a political charade, full of misleading claims of "record" social spending and false promises, mostly to be delivered in many years' time. But the Albanese Labor governments' fourth budget, handed down last night, is the most fraudulent in living memory.

The biggest lie was Treasurer Jim Chalmers' claim that the Australian economy had "turned the corner," making it an "exception" to the worldwide shockwaves driven by the Trump administration's economic warfare. Chalmers' assertion flew in the face of his own vague references to worldwide "uncertainty," "volatility," rising "trade disruptions," slowing growth in China and wars raging in Europe and the Middle East.

Like Prime Minister Anthony Albanese's government as a whole, Chalmers avoided any mention of the Trump administration, let alone any criticism of its fascistic program and global tariff war, economic and military aggression. But that is the reality now convulsing the world economy, triggering slump, geo-political confrontations and the escalating danger of war.

The budget was obviously a desperate attempt to survive the federal election that Prime Minister Anthony Albanese will call within days, and must be held by May 17. All the polls point to the likelihood that seething political disaffection will produce an unstable minority government whichever party "wins".

Such is the budget's fraud that most of the legislation for its various supposed "cost-of-living" relief measures will not be drafted, let alone passed, before the government shuts down parliament for the election.

Even if these promises were to be delivered, they would do nothing to alleviate the intense financial stress being experienced by working-class households as a result of soaring mortgage payments, rents, power bills and food prices.

Over the past four years, these households have suffered the greatest cut in living standards since the 1950s. The budget's promised pitiful $5 a week income tax cut in 16 months' time, with another $5 a week a year later, would not even cover the cost of a cup of coffee.

Moreover, the five million people trying to survive on sub-poverty unemployment benefits or aged or disability pensions will get no relief at all. That is what Chalmers calls "responsible economic management."

Much worse is to come. Once the election is out of the way, the next government, whether headed by Labor or the Liberal-National Coalition, will soon announce the necessity to revise the budget's upbeat economic forecasts and cut social programs to boost military spending, as demanded by the Trump administration, to prepare for war.

This budget was not even intended to be delivered. Albanese had planned to call an early election for April 12, to hide the deteriorating global economic reality as much as possible.

That plan was derailed earlier this month by Cyclone Alfred. Its devastating floods, wind damage and power blackouts affected about five million people in Brisbane and surrounding regions for more than a week, forcing Albanese to posture as the leader of the official relief effort.

The government now hopes that this budget will allow it to get through an election based on false promises, even more blatant than in 2022, when Labor barely scraped into office, on the back of intense hostility to the previous decade-long Coalition government.

In 2022, Labor cynically pledged a "better future," including a $275 a year reduction in household electricity bills. Instead, power bills have doubled, despite government rebates of $300 a year, which this budget proposes to terminate in December.

The fraudulent character of this budget is underscored by the fact it is virtually a bipartisan one. The Coalition led by Peter Dutton has matched nearly every "cost-of-living" sop, while holding out the prospect of larger tax cuts. Both the main post-World War II parties of capitalist rule are trying to keep the public in the dark.

There was one partial indicator in the budget of what is to come.

Defence Minister Richard Marles confirmed on Monday the government would bring forward $1 billion in military spending from the 2028-29 financial year, now to be spent in 2026-27 and 2027-28. Marles said it would allow the government to speed up construction of Stirling base for US nuclear-powered submarines near Perth, boost missile stockpiles and buy new frigates for the navy.

Starting with a 20 percent tariff on Chinese imports, the Trump administration is dramatically intensifying Washington's economic and military aggression against China, which successive US administrations have designated as the main threat to US global hegemony.

Working with the previous Biden administration, the Labor government has already turned Australia into a major platform for a US war against China, but that is not enough for the Trump White House.

Marles' announcement was immediately denounced by

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prominent commentators, such as Greg Sheridan, the foreign editor of the Murdoch media's *Australian*, as nowhere near enough to meet the Trump administration's demands for an increase in military spending from 2 percent to 3 percent of gross domestic product (GDP).

This was the government's second major bid to appease Trump, having just made a $800 million downpayment on the $368 billion to be spent buying long-range nuclear-powered submarines from the US and UK governments.

The budget papers show that the Labor government is vowing to increase military outlays to nearly $59 billon this coming financial year, or about 2.04 percent of GDP, rising to $74 billion or around 2.23 percent of GDP in 2028-29.

That can only mean further cuts to public health, education, welfare and other social spending. However, to reach the demanded 3 percent target will require many billions of dollars more to be slashed.

Today's editorial in the *Australian Financial Review* declared: "The treasurer has failed to awaken Australia to the need to make savings in other areas to invest more in national security."

Labor's "cost-of-living" fraud and social spending cuts

In another warning of what is to come, Finance Minister Katy Gallagher said the government had found another $2.1 billion in "savings and reprioritisations," taking the total to $95 billion in its four budgets, mainly taken out of the NDIS disability scheme, public health and public education.

The budget's "cost-of-living" pittances are not only inadequate but highlight the government's failures over the past three years. For example, its "Help to Buy" scheme will offer financially-stressed young homebuyers a little easier access to huge loans, but only in return for the government part-owning their homes. This will only further fuel rises in housing prices and the profits of developers.

Prominent among the government's claims of providing cost-of-living relief are declarations that it is "saving Medicare" and rescuing overwhelmed public hospitals. Primarily, it has promised to increase incentive payments to doctors to "bulk bill" their patients, that is, to treat them without charging fees, by billing Medicare instead.

This is another far-off pledge. The government fancifully claims that 90 percent of patients will be able to see a doctor fee-free, but only by 2030.

According to the official figures, however, the percentage of patients being bulk-billed has fallen sharply under the Labor government since 2022 from 88.5 percent to 77.5 percent, despite Labor's previous such promises.

Buried in the media coverage is the fact that the Labor government has actually cut public health spending in real terms, along with public education.

Federal government spending for health will be $124.8 billion for the 2025-26 financial year, up by just 8 percent from the $115.5 billion in 2021-22. That is a cut compared to the official inflation rate, which averaged almost 5 percent annually during that period. Medical costs rose even faster.

Likewise, the Albanese government has pledged to spend an extra $16.5 billion to increase the federal share of public school funding from 20 percent to 25 percent within a decade. Yet the budget papers show only $407.5 million in additional funding over the next four years, and all subject to meeting performance targets mostly based on narrow NAPLAN standardised testing.

As for the public universities, the Labor government has continued their chronic underfunding. It is promising to raise research funding by just 10 percent over the next four years—another cut in real terms. That is on top of its reactionary cuts to international student enrolments, leading to at least 2,000 job losses, and its endorsement of the Trump administration's cancellations of research grants deemed detrimental to Trump's far-right and militarist agenda.

Under the government's nationalist "Future Made in Australia" program, the budget outlined more than $3 billion to add to subsidies to corporate giants to produce "green metals," like aluminium and iron. That roughly doubles last year's handouts for critical minerals and "green hydrogen." These are strategic war industries.

As well as demanding much higher military spending, today's AFR editorial condemned the budget for not containing "a full-throated tax, workplace and deregulation policy response to bolster the economy's growth prospects."

These are code words for an all-out offensive against the jobs and conditions of workers, in order to both further boost corporate profits for the billionaires and fund the war effort.

Against this bipartisan offensive, the Socialist Equality Party will stand candidates in the election, despite being denied the basic democratic right by the Australian Electoral Commission to have our party name on the ballot papers.

We will campaign as boldly and widely as possible throughout the working class for the only progressive alternative to capitalism's plunge into war, genocide and dictatorial oligarchic rule—that is a socialist program for the total overturn of this diseased social order.

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