

Australian prime minister rushes to election over-shadowed by Trump and cost-of-living crisis

Mike Head
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Labor Prime Minister Anthony Albanese yesterday called what is effectively a crisis election for May 3, immediately dissolving parliament just three days after his government delivered a sham budget.

Like the budget itself, this election is a conspiracy involving Labor, the Liberal-National Coalition and all the parliamentary parties to hide the reality from the working class as much as possible.

Whoever cobbles together the next government will abandon all its promises under conditions of the global economic slump and plunge into trade war, genocide and war accelerated by the shockwaves from the fascistic Trump administration in the United States.

To suppress any real discussion and get the election out of the way before the economic and political situation worsens worldwide and in Australia, Albanese has called the election for the shortest time legally possible—just five weeks. That includes two long weekends.

The Labor government could become the first in Australia since 1931 to lose office after just one term. That was during the Great Depression when Labor inflicted brutal cuts to wages and government services to satisfy the dictates of the financial markets. Now, it is the descent into another historic assault.

There is intense disaffection and discontent with Labor's record of enforcing the most severe cost-of-living crisis and financial stress since the 1950s. That has been combined with its support for the US-backed Israeli genocide in Gaza and its unconditional alignment behind US militarism, which includes the war against Russia over Ukraine and the AUKUS pact to prepare for war against China.

But this is a bipartisan program. There are no fundamental differences between Labor and the Coalition, the two main parties of capitalist rule since World War II. Both agree that the working class must bear the burden of war and boosting military spending—as governments are doing worldwide—at the expense of workers' conditions and public services, including health, welfare and education.

They also agree on enforcing this program by suppressing basic democratic rights, such as free speech and the right to

protest, including by slandering and witch-hunting opponents of the genocide as antisemitic and slashing the numbers of international students and immigrants, blaming them for the housing and social crisis caused by the billionaire property developers and corporate conglomerates.

There are only two divergences. One is over whether to try to sugar coat the cost-of-living crisis by way of a miniscule \$10 a week income tax cut in two years' time, or a similarly small short-term reduction in petrol prices. The other is over whether Albanese or Coalition leader Peter Dutton can collaborate more closely with Trump, whose worldwide tariff war is likely to send inflation soaring again.

At his media conference announcing the election, Albanese acknowledged that people were not better off than three years ago, when Labor falsely promised a “better future” during the 2022 election campaign.

Cynically, he recycled his broken promise, declaring that people would be “better off” under a second-term Labor government than under a Coalition-led government.

Albanese repeated the lie from Treasurer Jim Chalmers' Tuesday night budget speech that the Australian economy had “turned the corner,” making it an “exception” to the worldwide shockwaves driven by the Trump administration's economic warfare.

This is despite the fact that Australian capitalism depends heavily on exports of raw materials, particularly to China, which Washington had designated as the main threat to US global hegemony.

Albanese also insisted that his government had a “constructive relationship” with the Trump White House, even though Trump has refused to take his phone calls for three weeks, let alone accept his invitation to visit Australia.

Albanese's effort to ingratiate himself with Trump is consistent with his refusal to criticise any aspect of Trump's fascistic “Make America Great Again” offensive. That features illegal deportations, tens of thousands of sackings of public sector workers, the demolition of public health and education, the escalation of the US backing of Israeli massacres, and the threats to annex Greenland and Panama and take control of

Ukraine's minerals.

Dutton is trying to outdo Albanese on this front. He has outlined several Trump-like policies, including massive cuts to the federal public sector, a ramping up of law and order measures, further increases to military spending and a pledge to keep extracting environmentally disastrous oil and gas for at least two decades while building seven nuclear power plants around the country.

Mounting disaffection and political crisis

None of the cynical “cost-of-living” measures jointly pledged by Labor and the Coalition in their pre-election frenzy in recent weeks, such as a six-month extension of a temporary tiny energy bill rebate of \$75 a quarter, resonate with the population.

That is because home mortgage payments have skyrocketed, and prices have soared since 2019. A supermarket trolley full of groceries that used to cost \$200 is now \$300. According to estimates by the EY consulting firm, that includes insurance costs rising by 47 percent, fuel 27 percent, food 24 percent, rents 18 percent and the cost of building a new home 40 percent.

Regardless of this impoverishment and intensifying social inequality, Albanese peddled the myth of Australian exceptionalism in his election announcement, claiming it was “the best country in the world.”

Such is the level of disillusionment that all the polls indicate that the most likely outcome is a hung parliament and an unstable minority government, with neither Labor or the Coalition able to take office without pledges of support from the Greens and/or various “independents.”

This represents a further disintegration of the post-World War II political establishment. At the last election in 2022, the combined vote for Labor and the Coalition fell below 68 percent, down from more than a 90 percent share in the 1950s.

Three years ago, Labor scraped into office with its second lowest vote ever, just 32.5 percent, only because the vote for the Coalition collapsed in many electorates after nine years in office, culminating in the largely reviled Morrison government.

Another indicator of the historic nature of the political crisis is that Albanese is seeking to become the first elected prime minister since the Coalition's John Howard in 1998 to be given a second term. Widely detested for his pro-corporate and pro-US program, Howard went on to lose his own seat at the 2007 election, starting a period of deepening instability.

As for the Greens, the third main party of the parliamentary order, their leader Adam Bandt yesterday again pleaded for partnership with a Labor minority government, even without posts in the ministry.

Bandt claimed that this, combined with other parties holding a “balance of power” in parliament, would “keep Peter Dutton out and get Labor to act.” This is a fraud. Labor has already shown its true colours.

As demonstrated by the Greens' last such agreement, to prop up the minority Gillard Labor government from 2010 to 2013, the Greens are desperate to shore up the capitalist political system and entrench themselves in it.

The corporate media is making it clear that any post-election government, whether a minority one or not, must immediately drive up military spending to at least 2.5 percent of gross domestic product, which means another \$14 billion a year, on top of nearly \$59 billion in 2025-26. That can only come at the expense of basic social services.

Warning of the “twin shocks from Donald Trump's global trade war and his withdrawal from security alliances,” today's *Australian Financial Review* editorial again condemned both Labor and the Coalition for not going far and quick enough.

On behalf of the billionaires, the editorial demanded that the next government, whether a minority or not, must impose a five-point agenda of “reviving economic growth, boosting business investment, raising labour productivity, ensuring reliable energy, and strengthening defence to deal with the new threats confronting the country.”

That essentially means ratcheting up the attack on working-class jobs and conditions to match the brutal global benchmarks being set by Trump's oligarchic and dictatorial regime.

We must build an alternative party for the working class, not just for this election but for the convulsive struggles that lie ahead. To take forward this fight, the Socialist Equality Party (SEP) will stand candidates in the election, and campaign as boldly and widely as possible throughout the working class, despite being denied the basic democratic right by the Australian Electoral Commission (AEC) to have our party name on the ballot papers.

The AEC's political censorship is a direct result of anti-democratic electoral laws jointly imposed by Labor and the Coalition. The ruling class is desperate to stifle 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 barbaric social order.

We appeal to all workers and young people to become involved in our campaign. Above all, we urge you to join the SEP and build it as the new mass party of the working class.

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