

Australia: Queensland government nervously prepares austerity amid global volatility

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The Queensland Liberal National Party (LNP) government of Premier David Crisafulli last week handed down its first budget since being elected last October, following the defeat of the previous discredited Labor state government.

The 2025?26 budget provides no measures to address the cost-of-living crisis, does nothing to fix overburdened and deteriorating social services, and continues to spend billions on infrastructure and the 2032 Brisbane Olympics, all to benefit big business.

Yet this was falsely depicted by the government and the media as a “no austerity” budget. That reflects the anxiety in the government and the ruling capitalist class as a whole about the danger of social unrest, both in Queensland and nationally.

The last time the LNP was in office, from 2012 to 2015, Premier Campbell Newman’s government launched vicious austerity measures, most notoriously sacking 11,000 health workers. The ensuing outrage saw the government ousted after a single term. Current LNP leaders, including Crisafulli, were ministers in the Newman government and are attempting to distance themselves from it.

This year’s budget featured a misleading promise to increase the health budget by 10 percent to \$33 billion per year. That included a \$3.7 billion pledge to deliver up to 2,600 hospital beds, as well as increases to staffing in hospitals and mental health services, and \$1.7 billion to reducing ambulance wait times.

Even if delivered, these measures would not undo the decades of underfunding of public healthcare by both Labor and LNP governments. In 2024, there were only 13,800 hospital beds for the state’s 5.6 million people. Even if 2,600 additional hospital beds were provided, there would still be fewer beds than in the 1990s, when the state had less than 4 million people.

Because of bed shortages, patients experience long waiting times at hospitals. Clinical guidelines require that 90 percent of patients be transferred from an ambulance to a hospital bed within 30 minutes. In 2024, just 60 percent of patient transfers met this standard.

Waiting for care in ambulances, referred to as “ramping,” puts patients at risk of becoming sicker or even dying. Ramping also takes paramedics and ambulances out of service while they wait for their patients to be admitted before they can go back to answering emergency calls.

The funding promised by the LNP would still not meet guidelines for patient safety, only reducing the ramping from 40 to 30 percent of all patient transfers.

The government’s real intent is displayed by its demand that nurses and midwives accept sub-inflationary pay increases of just 3 percent per year until 2027, together with cuts to leave arrangements and job protections.

On housing, the LNP promised to fund 53,000 public homes over the next 20 years, spending just \$500 million a year to do so. This figure, even if fulfilled, is totally inadequate. The waitlist for public housing exceeds 52,000, an increase of nearly 20 percent since last year.

Homelessness has increased 30 percent statewide in the past five years. Many local councils are forcibly evicting homeless persons from public parks, effectively criminalising the most desperate layers of the working class, with the approval of the LNP and the Labor opposition.

In response to worsening home affordability, the budget proposed a shared equity scheme for first home buyers, providing \$165 million for housing loans, as well as extending buying grants. These policies will

only further boost home prices for the benefit of the property industry. The Property Council of Australia described this as a “significant win.”

Median house prices in Brisbane, the state capital, are just under \$1 million, more than 12 times the median wage. Many of those who secure home loans under this scheme will be crushed under massive loans and unaffordable mortgage repayments.

The budget will do nothing to alleviate rising bills for utilities and services. It extended, for now, 50 cent public transport fares introduced by the previous Labor government in a desperate failed bid for votes at last October’s election. This extension was more than offset by cuts to electricity bill relief and increases in vehicle registration fees.

By contrast, the LNP pledged a record \$117 billion for infrastructure over the next four years. This included \$7.1 billion for venues and athletes’ accommodation for the 2032 Brisbane Olympics—double the increase in healthcare spending.

Additionally, \$4 billion was allocated for energy infrastructure projects, designed to benefit big business. In 2025?26 alone, \$29.3 billion will be invested in business-industry related capital works. That is more than double the amount for public housing for the next two decades.

The LNP took office last October after nearly a decade of rule, from 2015 to 2024, by the Labor party under Premiers Annastacia Palaszczuk and Steven Miles. That was due to increasing anger by workers at Labor’s pro-business agenda, which included public sector wage freezes and refusal to address worsening housing stress, homelessness and the deteriorating public health system.

The Labor opposition sought to present the LNP’s budget as a copy of its own measures. Labor leader Miles called it a “Temu” Labor budget, just “less of it and delivered later.”

Indeed, as it was facing defeat last year, Labor rolled out a similar budget, combining token cost-of-living relief with massive handouts to corporations, including the construction, property and mining industries.

The LNP’s budget represents a prelude to a renewed offensive against the working class. That is indicated by the worsening financial position of Queensland, a product of global instability and war.

State Treasurer David Janetzki stated: “Queensland is

not immune to challenges facing other states and countries. Uncertainty in the global economy has grown in recent years, even weeks, exacerbated by trade volatility and wars in Europe and the Middle East that disrupt established trade balances.”

Mostly due to worsening prices for coal, resulting in state royalties falling from \$12.5 billion to \$7.5 billion this year, and increased infrastructure spending at the behest of big business, net state debt is now projected to reach \$205.7 billion by 2028?29, up from \$172 billion in 2024. The net budget deficit is projected to reach \$9 billion by 2028?29.

The financial markets have made clear that Queensland’s finances will be subjected to further pressure. Credit rating agency S&P Global warned that Queensland could have its credit rating downgraded. The agency’s director of government ratings, Anthony Walker, said the budget “highlights a sharp deterioration in the state’s finances.”

A credit downgrade would increase the cost of borrowing for the state, with projected interest payments doubling from \$3.5 billion this coming year to \$7 billion by 2028?29.

The costs of this will be borne by the working class, regardless of whether the LNP or Labor is in office, including through further real wage cut demands and cuts to social services.

To fight this offensive, nurses, other health workers, educators and all public sector workers need to unify their struggles. This means breaking out of the straitjacket of the trade unions, like the nurses and teachers unions, which are already trying to strike retrograde deals with the LNP government.



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