

Australian unions endorse Labor's war and austerity budget

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Australia's union apparatus has signalled its full support for the federal Labor government's war and austerity budget, which was handed down earlier this month. Their endorsement is a clear statement that the unions stand ready to enforce the brutal cuts to social spending, jobs and wages demanded by Labor and the corporate elite it represents.

The Australian Council of Trade Unions (ACTU) claimed the budget was "fairer for workers and young people," promoting the government's proposed tweaks to property tax laws as a solution to the deepening housing affordability crisis. Similar statements, hailing Labor's meagre housing measures while covering up sweeping cuts to disability supports and the public sector, as well as soaring military expenditure, have been issued by the vast majority of unions.

ACTU president Michele O'Neil claimed "The reforms will help working families that have been pushed farther away from their communities and whose rents and house prices are increasing faster than wages.... An important feature of the changes the government is making to capital gains tax, negative gearing and tax on discretionary trusts is that the revenue raised will be given back to workers through the Working Australians Tax Offset."

Every element of the ACTU's budget praise is a fraud.

Even according to Labor's optimistic estimate, just 7,500 more people a year—0.026 percent of the population—will be able to purchase homes as a result of the government's budget changes. This will do nothing to resolve the housing crisis, in which median house and unit prices across Australian capital cities are over \$1 million, the national shortage of affordable homes is estimated at almost 600,000 and state Labor governments in Victoria and New South Wales (NSW) are rapidly demolishing what little remains of public housing.

The Working Australians Tax Offset, trumpeted by O'Neil, could hardly be more cynical. It amounts to a pathetic \$250 reduction in income tax, which workers will not receive until mid 2028.

The reality is these relatively inconsequential components of Labor's budget were clearly designed to provide at least a flimsy basis for the government's lackeys—primarily the union bureaucracy—to cast it in a positive light. By promoting these measures as "a major step forward" for workers and youth,

O'Neil and the ACTU are playing a key role in suppressing opposition to a budget that is, in reality, a massive assault on the working class, with the most vulnerable sections of the population, including people with disabilities, coming in for the sharpest attack.

The real centrepiece of Labor's budget is \$63.8 billion in cuts to social spending over the next four years, more than half of which will come from slashing the National Disability Insurance Scheme (NDIS). Some 300,000 people will be turfed from the scheme entirely and hundreds of thousands more will have their support reduced to the minimum needed to sustain their existence.

Labor's attack on the NDIS will not only destroy the lives of people with disabilities, but also impact their families, as well as workers in the care sector, many of whom already endure dire wages and conditions. In addition, the budget will drain tens of billions of dollars from health, education and the broader public sector, including through the elimination of 28,000 public service jobs.

The response of the unions covering workers in these sectors is particularly revealing.

The Health Services Union (HSU) welcomed the "budget's fair and measured tax reforms that will provide real relief for members across health, aged care and disability."

In April, when the NDIS cuts were first announced, the HSU hailed the gutting of the scheme as "a genuine turning point" and "an important step in the right direction." In the wake of marked hostility from participants, disability workers and the broader working class to the attack on the disabled, the bureaucracy has moderated its praise, but is still promoting the cuts as "reforms," demanding only that the union be given a seat at the table to design their implementation.

The Australian Services Union (ASU), the self-proclaimed "Union for Disability Support Workers," said nothing about the NDIS cuts but described the budget on Facebook as a "Massive slay"—a cloying and patronising use of the Gen Z slang term for an impressive achievement. In a separate post, the union declared, "ASU members win housing reform in the federal budget."

The Australian Nursing and Midwifery Federation (ANMF) claimed "major Budget tax reforms focused on increasing

fairness will support the next generation of nurses, midwives and carers, struggling to find secure, affordable housing and meet current costs of living.”

The Australian Education Union (AEU) claimed on budget night the measures would “help make housing fairer and more affordable for teachers, principals and education support staff.” While noting their “concern” over disability funding, the AEU played this down, referring only to the \$472 million in “savings to disability funding in schools,” not the almost \$38 billion in overall cuts.

The unions’ unanimous praise for Labor’s austerity budget and their pall of silence on the NDIS cuts, the biggest attack on an Australian government program in history, is an implicit endorsement of measures that will result in misery and even death for hundreds of thousands of people with disabilities, among the most vulnerable elements of the population. This demonstrates that these organisations are utterly hostile to the needs of the working class they claim to represent.

The support of the unions for this brutal budget is a deepening of the role they have played, together with Labor, in enforcing sweeping attacks on working-class jobs, wages and working conditions over the past four decades. It is these organisations who are chiefly responsible for the worsening living standards workers already confront.

The ACTU notes that rents and house prices are increasing faster than wages, but leaves out the fact that this has been spearheaded by Labor governments at state and federal level. Since Prime Minister Anthony Albanese took office in May 2022, the consumer price index has increased by 16.7 percent, while nominal public sector wages have risen by an average of 13.7 percent, compared with nominal private sector pay rises totalling an average of 14.5 percent.

Labor’s attack on the public sector, which has included sweeping job cuts in addition to successive real wage cuts, would not have been possible without the aid of the trade unions. In one dispute after another, unions have shut down or entirely prevented strikes, in order to impose Labor’s punitive wage policies over strong opposition.

The extent of the unions’ cynical cover-up for Labor is further revealed in the ACTU’s announcement, just two days after the budget was unfurled, that it would ask the Fair Work Commission to increase the national minimum wage by 6 percent, rather than the 5 percent the peak body had previously called for.

ACTU secretary Sally McManus declared, “The lowest paid workers in Australia should not go backwards because of Donald Trump’s war.” This statement, as well as similar references to “Trump’s war” by numerous unions, is designed to promote the phoney conception that neither the war against Iran, nor the inflation it is exacerbating, has anything whatsoever to do with the Labor government.

This is a blatant lie. Albanese’s government was one of the first worldwide to declare its support for the US-Israeli assault,

just as it has and continues to support the genocidal onslaught on Gaza, as well as preparations for US-led war against China. At the same time it is slashing social spending, the Labor government has increased military expenditure to \$60 billion a year.

The war against Iran is not an aberration dreamed up by the deranged fascist in the White House, but the product of a deepening crisis of world capitalism. This is inseparable from the war being carried out against the working class in every country both to finance the war machine itself and to suppress opposition to the deeply unpopular war agenda.

Far from disagreeing with this process, the unions are its chief enforcers. The ACTU, along with almost all the unions, has not even mentioned the Iran war, except to divert blame for the soaring cost of living away from Labor.

The unions’ support for Labor’s budget and for Australia’s involvement in the criminal assault on Iran is a clear signal that they will do everything in their power to prevent workers from taking up a struggle against the government’s program of war and austerity.

This poses the question of what workers must do. The answer cannot be found in appeals to the same bureaucracies that have spent years suppressing strikes, imposing real wage cuts and are now endorsing the destruction of the NDIS and imperialist war.

Workers in health, education, disability services and the public sector need to take matters into their own hands by building rank-and-file committees, independent of the unions and the Labor Party, to coordinate opposition to budget cuts and to the militarist agenda driving the entire assault on social spending. Such committees must be connected to the growing movement of workers internationally who confront the same attacks, imposed by capitalist governments everywhere.

Above all, what is needed is a fight for a workers government to implement socialist policies: the expropriation of the vast wealth controlled by big business and the banks, the dismantling of the war machine and the reorganisation of economic life on the basis of social need rather than private profit.



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