

## Common Action

# Reject Abbott's Austerity Program for Australia – there is a better way



The Abbott Coalition government wants to reduce living standards for most Australians while increasing the wealth and power of the corporate elite – the top 1%.

The government will deliver its first budget on May 13 and all the signs point to a 'horror show', with deep cuts to health care, education and social welfare, including disability support. Industry support will also be reduced which means fewer manufacturing jobs, including new green jobs in the renewable energy sector.

Abbott wants to give a tax cut to the wealthy and big corporations by repealing the Mineral Resource Rent Tax and the Carbon Price package, while shifting taxes onto low and middle-income earners.

The 'horror budget' is one element of an economic, political and social strategy that also includes:

- Further financial deregulation that benefits bankers and brokers but not other Australians
- More 'free trade' policies that reduce regulation of corporations
- Further attacks on trade unions and workers that weaken collective bargaining rights and national minimum working conditions, such as penalty rates
- Continued rejection of the scientific evidence on climate change and bigger subsidies for big polluters

These measures mean more wealth and power for an already wealthy elite – but at great social cost.

## The Commission of Audit and the 'horror budget'

The Abbott Coalition appointed the head of the Business Council of Australia (BCA) and their staff to run the Commission of Audit into federal government spending. The BCA represents the 100 biggest corporations in Australia, many of them foreign owned. The BCA wants lower company taxes and a balanced federal budget, which can only mean huge spending cuts in education, health and welfare. The Audit Commission Report was finalised in March but has been kept secret from the Australian people. It will be the basis for the horror budget.

## The big Abbott-Hockey Lie

Hockey and Abbott say there is a 'budget emergency' because the budget deficit is so bad that Australia is going broke. But is that true? Australia's Gross Domestic Product is just over \$1,500 billion. The Australian Treasury projected a budget deficit for 2013-14 of **\$47 billion**. That sounds a lot but it is actually *less than 3%* of Gross Domestic Product!

Compared to other countries, Australia's budget situation is very strong. The Australian budget deficit is relatively small and the accumulated net debt is very small (about 15% of GDP). Compare that to other countries. In the United States the net debt is 75% of GDP. In Japan it is 153%, in Greece 156%, and in Italy 132%. Australia has no fiscal 'emergency', as Hockey and Abbott are trying to claim.

Abbott, Hockey and their Business Council backers have whipped up a 'fake' emergency in a bid to reduce community anger that will come with the cuts they plan to implement. They pretend that things are far worse than they really are, trying to reduce the community anger at the painful cuts they plan to make to the living standards of the majority.

Abbott and Hockey are betting that the majority of Australians will be conned into saying "Wow, that's a lot of debt! We better accept sacrifices until things are fixed up." This is another example of 'shock doctrine' propaganda - like when Abbott claimed the so-called carbon price would wipe Whyalla off the map!

Just like any other sector of society (like corporations or households), it actually makes good sense for governments to borrow if that money is used to fund important infrastructure and public services that create a strong economy, jobs in sustainable industries and a good society.

## **Heydon Royal Commission into Unions**

Tax cuts for the rich and big corporations and spending cuts are one way to help the 1% and harm everyone else. But attacking workers and their unions will make things even worse.

The Royal Commission into unions and the Productivity Commission (PC) inquiry into industrial laws are key elements of the Coalition's strategy to attack workers' rights and conditions by weakening trade unions. Abbott and Abetz hope that a full frontal attack on unions will reduce opposition to their dream of introducing WorkChoices Mark II.

Allegations of corrupt practices in the building industry provided Tony Abbott with the trigger for his long-planned inquiry into 'union corruption.' Of course, corruption has absolutely no place in the trade union movement or in the corporate sector, but the Royal Commission is a union witch hunt that serves Abbott's anti-worker agenda.

## **What do we want? – A democratic and sustainable alternative that means:**

- Yes to preventive health programs through integration of well-funded Medicare and Public Hospitals
- Yes to the National Disability Insurance Scheme with secure jobs for providers
- Yes to a fair tax policy with no increase in the GST, an end to tax loopholes for the rich and over-generous superannuation tax concessions for the wealthy
- Cut tax benefits to the wealthy
- Yes to a Minerals Super Profits Tax
- Yes to a full employment policy that includes a commitment to Australian manufacturing – industry policy to maintain jobs and invest in making important things for our nation's future instead of importing them
- Yes to the full commitment to the Gonski education funding package and rebuilding a credible TAFE system
- Yes to public investment in quality affordable childcare and paid parental leave

- Yes to a sustainable economy through investing in renewable energy, public transport, and affordable public housing, and reducing subsidies to the mining corporations
- No to austerity
- No to cuts to health, education and social services
- No to WorkChoices Mark II
- No to more financial deregulation that makes living standards more vulnerable to speculative financial processes
- No to the unfair Trans-Pacific Partnership free trade agreement being negotiated in secret, which will increase the cost of medicines and give foreign corporations the right to sue our government

## What you can do

- Discuss this information at your workplace, with your family and in your community organisations
- Get more active in your union, and if you are not a member, join now!
- Come along to the Common Action Post-Budget teach-in on **Wednesday May 21, 6.30pm-8pm**, Sydney Mechanics School of Arts, 280 Pitt St, Sydney 6.15pm for a 6.30pm start - \$5
- Join Common Action as an individual supporter and sign up to the email list

**Authorised by: Peter Murphy, Co-convenor Common Action**  
[peter\\_murphy1\\_au@bigpond.com](mailto:peter_murphy1_au@bigpond.com); 0418 312 301  
[www.commonaction.org.au](http://www.commonaction.org.au)

