

PIBCI - Monthly Perspective

June 2021

Public health or economic growth

Once again, the nation is reminded that there is no room for complacency following the COVID-19 outbreak across Victoria and the ensuing lockdown. The spectre of COVID-19 has loomed large down under since February 2020, and yet the nation appears ill-equipped and ill-prepared to tackle the pandemic sixteen months later. Despite being one of the richest nations in the world and an island continent with time on our side, the governing class continues to rely on Australia being the lucky country, rather than being the smart country. And as we know, luck eventually runs out. The global pandemic does not take kindly to complacency, as we have seen in other countries who let their guard down and now are paying a high price. One is left to wonder whether Australians have also slipped into political complacency? The effervescence of the 2021 Budget has fizzled out as quick as the bubbles from a champagne bottle, and all that's left for the majority of us is froth. This budget has set the tone of the Morrison-led government's future plan - more of the same. More for the corporations and the same bubbles of nothing for the remaining 99%. The corporate owned media with its almost complete strangle-hold on news outlets across the nation presented the 2021 budget as an effervescence of wealth that is being showered on all. This is the image that Australia's media oligarch, Mr Murdoch wants you to walk away with as we get closer to a federal election. However, does this budget provide a shot in the arm for the economy? And, has the upswing in the economic forecast been based on excellent economic management by Morrison and Co? As economists of all persuasions crunch the figures, and journalists of all political perspectives give us their opinion, one thing is clear: the corporations are rubbing their hands with glee. Once again, doctors Morrison and Frydenberg are administering taxpayer funds intravenously into the fat arm of large corporations under the pretext of stimulating the ailing economy in the name of providing public services via the private sector. Meanwhile, the pile of scandals that the Coalition government have chalked up are being airbrushed out of existence with corporate sponsored ink. The spin and distraction are designed to see Australia through to the next election cycle. But what are the facts? And who is going to pay for the cash splash? In the end the question remains, is it about caring for society, or is it about making profits?

The Politics of COVID-19

With COVID-19 a daily reality, it is clear that what was once deemed 'normal' is now a thing of the past. We are living through precarious times where our political leaders can turn the key and the state goes into immediate lock-down. Despite our democratic institutions, social activity in one of the largest state capitals can be brought to a halt. And yet, the federally run vaccine roll out is lagging, poorly planned, poorly communicated and as a consequence, poorly run. Since February 2020, Australia has had the luck to watch and learn from the safe distance of our vast island continent the unfolding disaster of COVID-19 across the world. We have sampled how quickly COVID-19 can spread, and state governments have managed to suppress the spread. Unfortunately, the events in Victoria highlight how precarious the situation is. State and federal governments know that COVID-19 is airborne and spreads as such. Yet, the move towards face masks was incredibly slow despite other nations making them mandatory early in 2020. We were able to secure vaccines. However, the rollout is slow, stalling in critical areas and is crawling at best despite the unfolding events in Victoria. The federal government has failed to support the rollout with a communication and awareness campaign, thereby failing to garner wide public support across the nation. The Coalition government has put its faith in using privately run hotels as quarantine centres. Moreover, such hotels are located in the centre of our largest cities. Despite the protocols and training, hotels are not quarantine centres. Hotels are not equipped to adequately halt the spread of airborne particles. However, the Morrison led government has put its faith in privately run hotels. It has put its faith in privately run aged care. It has also placed the vaccine roll into the hands of private contractors. We also need to remember that the Commonwealth Serum Laboratories founded in 1916 to manufacture vaccines for Australians was sold by the government in 1994 and privatised. The race to privatise is at the core of the neoliberal ideology. For over forty years, the major parties have put us on the course of privatisation and deregulation. However, has this pivot improved the lot for the majority of Australians? Who is left to care for Australians if the government has handed out this job to corporations? Now that COVID-19 is here, what is the government's priority: public health or economic growth that injects more wealth into corporate accounts?

2021 Budget: Cascading inequality

The Coalition government's 2021 Budget is another smokescreen designed to confuse and mislead the public into believing that money - our taxpayer money - is being sprayed across the nation for all to gather up. This simple strategy is merely a way to help secure the next

election by distracting the public from the succession of scandals generated within Canberra in the belief that wealth is being spread across society. In reality the 2021 budget injects taxpayer funds directly into corporations, both national and multinational, who are set to walk away grinning with fatter pockets courtesy of the Morrison-led government.

Approximately \$10 billion has been set aside for infrastructure programs. On the surface, this may sound good, but it is large corporations who will get their hands on the cash. While the global climate disaster runs unabated, this government has promised a gas subsidy which props up billionaire, Andrew Forrest. The apparent helping hand from government for home buyers is a thinly disguised cash injection to home developers. The Home Builder scheme and extended New Home guarantee simply props up the banks who gain another windfall as they can reduce lending criteria and help assist putting more people in debt. Meanwhile, the third of Australians who rent accommodation get nothing from this budget. In a time when the economy has been hit, the defence budget has been increased by 44.6 billion (up 15% on last year). The benefactors will be foreign owned weapons makers. Let's not forget about the ongoing debacle with the French built submarines that keeps costing Australians billions and billions more.

The budget attempts to fix up the broken aged care sector with an injection of \$18 billion. However, the Treasurer, Josh Frydenberg will be administering the financial shot directly into the arm of private aged care providers, without attaching important conditions that will create the much needed structural fix. In the profit driven industry, costs are minimised by cutting corners; by providing the cheapest food possible, by spreading staff as thinly as possible, and stocking the bare minimum medical supplies. The staff to patient ratio and basic nutritional requirements remain unchanged, as more money is handed over to the lucrative industry, without the necessary regulation to support those directly impacted. We must remember, the Royal Commission into Aged Care has recommended much more be done in this sector. This budget has dedicated about half the finance needed to address the gaps identified.

Small business do not go away completely empty handed. The Morrison government will continue to ensure cheap labour will be on tap through the gig economy. When the dangers of the pandemic are spread across the media, the government is comfortable with people in part-time jobs working across businesses and locations moving from one job to another to make a paltry wage.

Despite the fanfare for the 'cash splash' what is ominous is that education was hit hard following the devastation of COVID-19. Our universities saw the budget slash their funds by 10% and the TAFE sector down by 24%. Social housing and the homeless were factored out of the 'cash splash'. Despite the \$58.6 million to be dedicated to media, the ABC has been left out.

The Coalition government is set to embark on a JobSeeker crackdown. Meanwhile, wage growth does not enter the government's economic equation. At the same time, they have locked in enormous tax cuts for the top end of town. The tax cuts have been dressed up as 'incentives for the rich' so they can work harder and spend more thereby trickling down to the rest of society. In reality, those earning \$200,000 will net \$9,000 pa. With tax cuts going to the rich and little else going to the needy, the 2021 budget further locks in a cascade of inequality. As for the climate disaster, this issue has been pushed into the future for others to worry about.

Budget Greenwash

In an attempt to present an environmental responsible budget, the Coalition has applied layers of 'greenwash' that effectively present environmental initiatives which effectively go into the deep pockets of corporations. \$316.7 million has been earmarked to help business and industry lower their emissions. This means cash again is redirected to business to support their 'voluntary' action to become environmentally responsible. \$565.8 million has been set aside to lower emission international partnerships. Again, the funds go to foreign corporations. \$263.7 million has been slated to go to carbon capture, a dubious project at best. Through the budget, funds will be channelled to support local oil refineries in an effort to 'help local jobs.' This is our tax payer funds going to the biggest oil companies in the world.

Complacency: reality check

As a nation, we have been groomed by the major political parties and the corporate owned media to become politically complacent. We have been trained to adopt a sense of general satisfaction with the political and economic situation which prevents us from seeking solutions beyond the drivel served up by the major parties. Key to breaking through the political duopoly is the need to burst out of the bubble of comfort and security and fight for

a better society that challenges the status quo; one that demands a better future by adopting alternatives to the neo-liberal ideology.

Battling complacency means we need to be aware of the direction we are heading in. We need to question the propaganda that passes as economic and political common sense. The myth that the Coalition government are competent economic managers must be brought to account given that they were elected eight years ago to repay the debt and fix the budget emergency. Yet, they have all but abandoned this approach and embraced debt and deficit. The lack of public debate and critical analysis in the corporate media is endemic with complacency. To put things into perspective, the government is spending \$270 billion on defense, \$9.5 billion for hypersonic weapons and \$5 billion on a space based defense capability. This is all while we battle this once in a generation pandemic.

Who cares?

The question remains: who cares? Does the government have the public's interests as its number one priority? The past four decades have witnessed the governing class outsource their responsibility of caring for the public through the privatization of public assets. Successive governments have deregulated their way through minimum standards, worker and environmental safety, financial accountability and transparency. The blind support and promotion of the neo-liberal project has effectively handed the job of caring into the hands of the private sector. On occasion, private companies and large corporations find an alignment serving customers and making profit. However, in the majority of instances corporations will put profits well ahead of customers.

With this in mind, it is important to note that key social and political issues are not being discussed as the widely consumed corporate media is busy setting the public agenda and distracting us from what matters most. The burning issues that need discussion, debate, analysis and action remain with public housing, health and education. There needs to be more focus on the unfolding climate disaster, which is continuing unabated. The social and economic impact of COVID-19 highlights the need to institute the necessary economic support through a universal basic income. The privatisation of public utilities has witnessed the steady increase in the cost of those utilities and a decline in both services and maintenance. The environmentally destructive and unethical treatment of animals needs to be addressed. Promoting the rights of people regardless of gender, to work and support themselves, to balance career and family life, and to live safely without the fear of abuse or violence remains vital to a

progressive society. The Uluru Statement from the Heart that was issued by the 2017 National Constitutional Convention by delegates from most of the 220 independent sovereign nations that existed before colonisation began requires immediate implementation. Our reliance on the private sector highlights a significant weakness in our economic model. A mixed economy will support the nation through the strengthening of the government sector and support of Co-operatives and Collectives.

PIBCI is unique in that we have a suite of policies aimed at caring for the public. The broad nature of our policies highlights our commitment of putting public interests ahead of corporate interests. If you seek to break away from political complacency, and place the interests of society first join PIBCI today. Your support is a forward step that aims to end the political duopoly which promotes a virtually identical agenda that supports corporate dominance.

Anthony B – Website Editor
June 2021

