

# CLASS IN 21<sup>st</sup> CENTURY AUSTRALIA

## INTRODUCTION

Australian history can be divided into four distinct periods pre-colonisation, colonisation, egalitarian and a post-modern counter revolutionary period. Class has played a pivotal role in Australian society since the colonisation process began in 1788.

## PRE-COLONISATION – 60,000 YEARS AGO

During the 60,000 year pre-colonisation phase, over 200 independent first peoples nations were created on the Australian mainland and many of the surrounding islands. These communities had their own distinct laws, cultures, languages, spiritual beliefs and lived within well-defined geographical boundaries. Complex trading routes were established across the continent and processes were put in place that regulated movement between these communities. Hereditary class divisions based on the accumulation of wealth played a minimal role in Aboriginal communities and a more prominent role in the Melanesian first peoples nations that evolved in the Torres Strait.

## COLONISATION – 1788 - 1854

Although many European explorers and adventurers had set foot on Australian soil since the Dutch sea Captain Willem Jansz first landed at Wenlock River, Queensland in 1606, no serious attempt was made to colonise Australia until Captain Arthur Phillip established a penal colony in New South Wales on behalf of the British Crown in 1788. Within six decades of the British penal colony being established, the indigenous population, in Australia, had been reduced from well over a million to less than 50,000. This drastic reduction in the population occurred as a direct result of the transplantation of the British class system to Australia. The rigid hierarchical divisions which existed between the officers, soldiers, bureaucrats and convicts created conditions that soon led to open warfare between the indigenous population and the colonisers.

The British ruling and entrepreneurial classes began investing heavily in Australia initially using free convict labour and then cheap ticket of leave and immigrant labour to create vast estates that were built on the brutal destruction of a people that had lived on this continent for almost 60,000 years.



The squatters, aided and abetted by employees, who, in many cases had little choice but to comply with their Masters' wishes, became the dominant political force in the new colonies that were springing up across the continent. Even in those colonies like Victoria and South Australia that were not penal settlements, ex-convicts (ticket of leave men) provided a cheap docile source of labour for the squatters as they attempted to wipe the indigenous population from the face of the earth so they could enjoy the bounty of the lands of the people they had dispossessed and murdered to create profits for themselves and strengthen their stranglehold on the political processes that were evolving in the colonies.

## EGALITARIANISM 1854 - 1975

Two important events in Australian history bookend the egalitarian phase of Australia's development as a modern, egalitarian community. The Eureka Rebellion in 1854 and the dismissal of the Whitlam led Labor government in 1975.

On the 3<sup>rd</sup> December 1854 the European class structure that had been replicated in Australia was turned on its head. Men and women from all corners of the world, many political refugees from the failed 1848 revolutionary wave that swept across Europe, came together in Ballarat to create a new world free of class divisions. The Eureka rebels believed they were born with inalienable rights and liberties that no government could take away from them. Their aspirations were encapsulated in the Eureka oath – *"We swear by the Southern Cross to stand truly by each other and fight to defend our rights and liberties."* One of the most significant oaths uttered in human history. People of all colours, races, cultural backgrounds, national origins and religions took up arms to defend what they believed were their inalienable rights and liberties. The Eureka Rebellion became the light on the hill that guided working class people for the next 121 years. The struggle between capital and labour was initially fought in the streets then in the workplace through the creation of the Trade Union Movement and finally in parliament when the leader of the newly formed Labor Party, John Christian Watson briefly became Prime Minister in April 1904. At the beginning of the 20<sup>th</sup> century Australia was a beacon of hope for working people around the world. Using a combination of extra parliamentary and parliamentary tactics, the Trade Union Movement and the newly formed Labor Party made it their mission to ensure wealth flowed into the hands of working people. At the same time the state was transformed from a vehicle of oppression that protected the interests of that small section of society that owned the means of production, distribution, exchange and communication to an instrument that was used to look after the needs of those who had been forced to be satisfied with the crumbs that were brushed off the employers table. Wages grew, conditions improved, public owned enterprises provided essential services and education, the vehicle that allowed so many working people's children to escape the lives their parents had led became accessible to most Australian children.



The Whitlam led Labor government elected in 1972 marked the high water level in the struggle to create an egalitarian community in Australia. In the four short years it was in power (before it was illegally and unconstitutionally removed from power) it passed more legislative reforms to benefit working people since all Federal governments had done, since Federation.

No wonder 40 years after the dismissal of the Whitlam led Labor government corporate Australia and their conservative lapdogs in the corporate owned media continue to refer to it as “the worst government since Federation.”

## THE COUNTER REVOLUTION 1975 - 2015

Since the dismissal of the Whitlam led Labor government Australians have lived through a period of rapid social, political and cultural change which has fundamentally and irreparably changed traditional ruling class and working class dynamics. The neo-liberal led deregulation, privatisation, corporatisation and globalisation counter-revolution that has swept Australia over the past four decades has succeeded in redefining class dynamics to such an extent the corporate class, Australia's 21<sup>st</sup> century ruling class, exercises the same political power the squatters exercised during the colonial period. The new corporate owners of the means of production, distribution, exchange and communication have, by usurping the power of parliament, created a new 21<sup>st</sup> century bourgeoisie – the investment class.

While only about 1% of Australians belong to the new ruling class, the corporate class, about 15% belong to the newly created investment class. The investment class has been created through the passage of Federal legislation that directly benefits Australians with disposable incomes. The new investment class straddles the traditional middle class and the working class. Entry into the investment class is solely determined by disposable income or access to borrowed wealth. Anyone, whether a professional, a wage earner or retiree who has access to excess funds can avail themselves of this country's generous superannuation and negative gearing laws and the ability to claim tax losses on money borrowed to invest in the stock market.

Australia is the only country in the world where you can claim a tax deduction if you own more than one home, but can't access your superannuation funds to buy your first home.

In 21<sup>st</sup> century Australia the wage earner who has no disposable income after meeting their living expenses has become the new convict chained to a hand to mouth existence financed by borrowed money. Currently nearly 70% of taxation revenue still comes from Pay As You Earn taxpayers. Corporate Australia pays voluntary taxation while the more audacious tax pirates, like



Rupert Murdoch's News Corporation received an 886 million dollar tax refund in 2013, while paying no tax in 2014. The investment class, the one million Australians who have negatively geared a second home, pay on average taxes on incomes between 30 to 50 thousand dollars because of Australia's overly generous investment taxation laws.

Those at the bottom of the pile in the land of opportunity, a fair go and milk and honey are the 33% of Australians who rely on social security benefits to survive. Those on a Newstart Allowance, Age Pension, Disability Support Pension or a Single Parents Benefit have to jump through an increasing number of onerous hoops to access the basic necessities of life.

The neo-liberal counter revolution of the last 40 years has succeeded in ensuring the 80% of Australians who rely on wages or social security benefits to survive will never be able to stop pulling the oars on the good ship Australia while the one percenters – the corporate class and their Frankenstein creation, the investment class – continue to enjoy the views on the upper decks.

## WHERE TO NOW 2016 - ?

It is no exaggeration to say over 80% of Australians find themselves in the same position convicts, ticket of leave men and women and poor immigrants found themselves in Australia during the colonial period. The domination of political, social and cultural life by a corporate class that doesn't pay tax and the rise and rise of an investment class, that pays minimal tax while lining its pockets at the expense of the rest of the community, has created major schisms in Australian society. Faced with a range of political parties that are little more than corporate apologists, increasing pressures on the home front, at work and increasing problems paying off debts (no wonder pay day lenders yearly turnover has increased from 100 million to over 1.2 billion in the past decade) increasing numbers of Australians, like their counterparts during the egalitarian period of our history, will use both parliamentary and extra parliamentary tactics to ensure ultimate political authority in a democratic society rests in the hands of the people, not the state, the government of the day, the bureaucracy or the corporate sector. We can only usher in the radical egalitarian change that is urgently required when we realise,

**“WE ARE THE PEOPLE WE’VE BEEN WAITING FOR!!”**



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