

# Australia: Reshuffle underscores deepening pressure on Howard government

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Late last month, Australian Prime Minister John Howard reshuffled his cabinet in an attempt to resuscitate his government's largely stalled economic and social agenda. Despite the media's portrayal of Howard as a political strongman, the most powerful sections of business remain dissatisfied with the government's failure to pursue their key economic demands, including the further gutting of public health, education, welfare and other social spending.

Through a deal in the Senate with the Australian Democrats, Howard introduced a Goods and Services Tax in 1999, shifting the bulk of the taxation burden from business and high-income earners to low-paid consumers. His government has also made deep inroads into the Medicare health system, tertiary education, welfare benefits and employment conditions. But otherwise, Howard has proven incapable of delivering the big-ticket items demanded by the financial elite, such as the full privatisation of the telecommunications company Telstra, the removal of media ownership restrictions and the abolition of unfair dismissal laws.

The underlying difficulty, which has plagued both Labor and Coalition governments throughout the past two decades, is that it has proven impossible to forge any significant social base for a free-market agenda that is irreconcilably opposed to the needs and aspirations of the vast majority of the population.

Years of worsening social conditions, declining public services, increasing economic insecurity and widening inequality have produced popular alienation, not only from the government, but the political system as whole. Every time over the past three years that Howard has sought to resume the offensive, renewed anti-market sentiment has re-emerged, claiming the scalps of several state governments.

Since the 2002 federal election campaign, Howard has relied upon two central policies in order to divert this disaffection away from the government: anti-refugee scapegoating and the "war on terrorism". In recent months, however, both policies have begun to unravel. The lies and fabrications used to justify dispatching Australian troops to the criminal war on Iraq have been thoroughly exposed, while the government's efforts to blame asylum seekers for deteriorating social conditions are wearing increasingly thin.

By rearranging his ministry, Howard is hoping to dress up his

blocked program in new clothes. Just three months after categorically ruling it out, he unveiled a "major reshuffle". The changes involve a third of the cabinet, the dumping or shifting of 21 ministerial personnel and the replacement of the ministers in charge of nearly every sensitive domestic portfolio—notably health, immigration, industrial relations, communications, social security and national security.

Almost without exception, media outlets depicted the announcement as a sign of Howard's political strength and cunning. According to the *Sydney Morning Herald's* editorial, it was a "measure of Mr Howard's steady hand and undiminished authority". Rupert Murdoch's *Australian* reassured its readers that the reorganisation was "not the work of a panicked or even perturbed leader".

Howard's own comments were more revealing. He publicly warned his government colleagues that they could face "electoral oblivion" at the next federal election, due in the second half of 2004. Changes were essential in order to dispel public perceptions of "passivity", "complacency" and "inertia".

The latest Murdoch media opinion poll, released the same day, provided a small indication of the growing disgust with Howard's record. It showed that, despite months of media destabilisation of Labor leader Simon Crean, the Labor opposition had drawn level with the government. Some 20 percent of voters registered support for other parties.

One sign of the depth of the government's problems was the removal of Howard's protégé, Tony Abbott, from Workplace Relations to Health, in order to replace Kay Patterson. Despite working under Howard's close tutelage, Patterson had proven incapable of defusing opposition from doctors, health workers and working people to the worsening crisis in public hospitals, the collapse of the doctors' medical indemnity insurance scheme and a new plan to force most people to pay an up-front fee when visiting a GP.

Media commentators lauded Abbott's transfer, predicting likely success for the government's chief "head kicker". Howard himself described Abbott as a "heavy hitter" and a "highly intelligent person" with a "great grasp of detail". Even before being sworn in as the new minister, however, Abbott began to encounter difficulties.

Emergency talks with the doctors' organisation, the Australian Medical Association (AMA), failed to stem walkouts by doctors from public hospitals in protest at being forced to pay thousands of dollars to finance a new medical indemnity system.

AMA officials initially welcomed Abbott's offer of an 18-month partial moratorium on payment of the levies, designed to bury the issue until after next year's election, but rank-and-file doctors rejected the deal. Finally, after consultation with Howard, an uneasy truce was struck whereby the doctors' levies were withdrawn. Abbott now has the task of resolving the directly conflicting demands of the government and the insurance companies on the one hand, and the doctors on the other.

Abbott's transfer extricated him from Workplace Relations, where, like his predecessor Peter Reith, he had failed to secure passage of a draconian package of industrial relations laws, including measures to allow small and medium-sized employers to arbitrarily dismiss workers.

Another revealing transfer was that of Philip Ruddock from Immigration Minister to Attorney-General. Over the past seven and a half years, Ruddock has led the government's assault on asylum seekers, culminating in the military repulsion of overcrowded refugee boats. During Ruddock's reign, hundreds of refugees and their children have drowned off Australia's shores, thousands have been incarcerated in hellish concentration camps, either on remote Pacific islands or in Australian deserts, and hundreds have been deported to face likely persecution or death.

Over recent months, however, Ruddock's credibility has suffered blow after blow. Recent revelations, known as the "cash-for-visas" affair have demonstrated that, at the same time as Ruddock was demonising refugees, he was exercising his personal ministerial discretion in favour of thousands of visa applicants, many sponsored by Liberal Party donors. Last week, for all Ruddock's denunciations of "people smuggling," evidence also emerged implicating his department in using forged passports to illegally dump refugees in other countries.

While shifting Ruddock from Immigration, Howard is counting on him to spearhead the ongoing war on terrorism. "He'll bring a particularly strong focus to the security aspects of that portfolio (attorney-general)," Howard stated. As Attorney-General, Ruddock will authorise the use of the unprecedented detention powers recently given to the Australian Security Intelligence Organisation (ASIO), as well as take charge of the sweeping "anti-terrorism" legislation introduced over the past 18 months.

Within days of his installation, Ruddock disclosed that ASIO had already begun to use its new police state-style powers to imprison and interrogate, without charge or trial, anyone who is merely alleged to have information that might be relevant to terrorism. But he refused to provide any details of the secret detentions.

By appointing Ruddock as Attorney-General, who effectively appoints all federal judges, Howard has given the green light for his continuing attacks on the courts. Only last year, the Federal Court threatened to declare Ruddock in contempt of court for denouncing judges who insisted on testing the legality of the government's trashing of refugee rights.

Ruddock's predecessor as Attorney-General, Daryl Williams, has been shunted to Communications to replace Richard Alston. After more than seven years of attempting to push through the full privatisation of Telstra and remove restrictions on media ownership, Alston declared he was quitting politics for "family reasons". He leaves behind a legacy of slashing funds to the government-owned Australian Broadcasting Corporation.

Ruddock's immigration post has been handed to Amanda Vanstone, who can be expected to continue enforcing the government's anti-refugee regime. Her record as Family and Community Services Minister consists of trying to strip disabled workers, sole parents and the unemployed of social welfare benefits and hounding working class families for alleged family assistance over-payments.

Howard's juggling of junior posts was significant in two respects. He won applause from the *Australian Financial Review* for promoting several well-known supporters of his deputy, Treasurer Peter Costello. This indicates growing pressure on Howard to prepare for retirement. Just a few months ago, the prime minister rejected a call by Costello, who has considerable backing in the financial establishment, that he stand aside in Costello's favour.

To bolster his own constituency, Howard selected two new extreme right-wing parliamentary secretaries. De-Anne Kelly, a rural-based National Party MP, was one of the Coalition's most willing defenders of the ultra-right populist policies of Pauline Hanson's One Nation, while Ross Cameron has consistently opposed even basic welfare provisions.

The reshuffle is aimed at trying to meet the demands of the corporate elite for a renewed offensive against the working class in the form of further privatisation, de-regulation, and the slashing of social spending.



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