

# Australia: Prime Minister Gillard answers damaging leaks with display of “steel”

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A month after Prime Minister Julia Gillard deposed her predecessor Kevin Rudd in a backroom coup, she has provided an aggressive display of the ruthless pro-business and austerity agenda that lay behind her installation.

Yesterday, she called a media conference to confront allegations, reportedly based on leaks from within the top echelons of the Labor Party, that in cabinet she actively opposed last year’s decisions by the Rudd government to slightly increase aged pensions and establish, for the first time, an 18-week, minimum-wage paid parental leave scheme.

Veteran Nine Network television political journalist Laurie Oakes reported on Tuesday night that Gillard had questioned the cost of the pensioners’ increase on the grounds that “old people never vote for us”. Oakes’s sources said Gillard had opposed the parental leave scheme on the grounds that people beyond child-bearing age would resent it, as would stay-at-home mothers. Government sources also told the Sydney Morning Herald’s political editor Peter Hartcher that Gillard had argued that the parental leave scheme was “politically correct” but not politically helpful to the Labor Party.

The leaks are extremely damaging. Gillard has boasted about these policies throughout the election campaign. During last Sunday night’s farcical televised debate with Liberal leader Tony Abbott, she declared she was “proud” of these “historic achievements”. While neither policy even begins to address the economic hardships confronting pensioners and young parents, they are the only Labor “reforms” Gillard can point to.

Initially, the prime minister refused to comment on Oakes’s story, claiming that the allegations were based on “leaks” from the opposition Liberal Party. Then, when Oakes confirmed that the disclosures came from within Labor’s ranks, Gillard issued a statement declaring that she could not respond because “cabinet discussions are confidential”. A series of senior government ministers, including health minister Nicola Roxon, infrastructure minister Anthony Albanese and housing minister Tanya Plibersek, took to the airwaves to insist that, while they could not discuss cabinet deliberations, the prime minister had been strongly supportive of both measures.

Yesterday morning, however, Gillard and her advisors did an about-face, deciding to go on the offensive and use the revelations to make a positive pitch for big business and media

backing. Instead of rejecting the substance of Oakes’s report, the prime minister insisted that she had “no apology” to make—her concern had been the “affordability” of the increased spending. At a hastily called media conference, she declared: “I am not a soft touch. I am going to ask the hard questions. I am going to make sure we run the ruler over every proposal and ask: ‘Is this affordable?’”

Resistance to the pension and parental leave measures was presented as proof of Gillard’s credentials as a “fiscal conservative”. She was the one political leader upon whom the ruling elite could rely to stand firm in implementing sharp cuts in social spending after the election as the global economic crisis worsens.

Gone were the pretences of protecting cabinet confidentiality. Gillard declared that inside the cabinet room, she had certainly called the spending proposals into question. “I held them up to the light. I examined every possibility. I asked every question because I wanted to satisfy myself they were affordable: affordable today and affordable tomorrow.”

Further, Gillard pledged that such an approach would define her prime ministership. She would be “hard-headed” as well as “passionate... So if people want a prime minister that will have \$50 billion of expenditure put before them and sign away without even a question asked, well I’m not it... I have given you an insight into my thinking and my approach, and how I will assess every policy proposal ... it’s how I work.”

The media establishment immediately hailed Gillard’s display of “steel”. The Australian Broadcasting Corporation television news described her performance as “feisty”. In a front-page column this morning, Dennis Shanahan, political editor of the Australian, wrote: “At last, we are seeing the real Prime Minister,” and enthused: “Julia Gillard used the word ‘passionate’ yesterday as if she meant it. The Prime Minister got angry and was all the better for it. Gone were the slogans, robotic gestures and rehearsed lines.”

Today’s editorial in the Australian, Rupert Murdoch’s national flagship, emphasised that the newspaper wanted to see more of the same: “Julia Gillard showed spirited resilience yesterday, turning the disruption caused by a damaging cabinet leak into a demonstration of her commitment to fiscal discipline... It is a side of Ms Gillard we would like to see more

of as the campaign unfolds.”

The editorial seized upon the episode to justify the ousting of Rudd. “Unfortunately, Rudd government ministers asserted the benefits of fiscal discipline over populism all too rarely,” adding, “it was refreshing to hear the Prime Minister admit that government is about making tough choices from which there will be losers as well as winners.”

In the Fairfax-owned Sydney Morning Herald, Peter Hartcher gave an equally glowing verdict. “Under pressure she was direct, forceful, confident. She recast her flint-heartedness as economic rigour... It was a leaderlike display. It was not Gillard the slick with the fake quick fix, it was not the glamorous Gillard of the 13-page Women’s Weekly photo spread. It was much better than that, Gillette Gillard, conservative, steely and unafraid.”

The enthusiasm of the corporate media is reportedly shared within the Labor Party. The Australian states that “key Labor figures said they were impressed with Ms Gillard’s performance yesterday. One frontbencher said he was relieved to see Ms Gillard demonstrating she was at her best under pressure. ‘It was her biggest test and she was at her strongest,’ he said. ‘That’s the Gillard we know in government.’”

As only the Socialist Equality Party and the World Socialist Web Site have warned, Gillard was installed as prime minister on June 24, behind the backs of the population, at the direct behest of the mining giants and corporate boardrooms, in order to shift government policy away from Rudd’s preoccupation with stimulus packages to the corporate tax-cutting and austerity program that the financial markets are now demanding of governments around the world. From Greece and Ireland to Eastern Europe, Russia, Japan and the United States, savage spending cuts, retirement age increases and higher consumption taxes are being imposed in order to make the working class pay for the trillions of dollars spent to bail out or prop up the banks and major corporations during the 2008-09 global financial meltdown.

Labor’s faction bosses, acting as conduits for powerful mining, financial and other business interests, orchestrated the coup to ensure a shift by the Labor government to such a program. While Rudd had won the backing of Murdoch and key sections of business in the 2007 election campaign, presenting himself as more “fiscally conservative” than then prime minister, John Howard, he was regarded as far too wedded to his multi-billion dollar stimulus programs, launched in 2008-09.

At yesterday’s media conference, Gillard still claimed to be proud of leading a government that had “delivered a huge pension rise”. This is a sham. Last year, after a two-year delay, the Rudd government reluctantly honoured an election promise to increase pensions. The rise was woefully inadequate: \$32 a week for single pensioners and \$5 a week each for those who live as couples. About two-thirds of pensioners still live below the semi-official poverty line.

Labor gave nothing to the hundreds of thousands thrown out of work, whose benefits remain below the poverty line at \$226.60 a week. The government also announced an unprecedented lifting of the pension age from 65 to 67 from 2017, which will force many to keep working longer, placing additional strains on manual workers in particular.

As for Labor’s parental leave scheme, it only offers the minimum wage (\$544 per week) for 18 weeks. Parents who take up this stipend, which counts as taxable income, will lose other welfare entitlements. As a result, according to a Productivity Commission report released in 2008, families will receive on average only \$2,000 in extra income, nowhere near enough to cover four months off work.

The disclosures about Gillard’s role indicate that, for all the efforts of the Labor Party and the media, assisted by the trade unions and the various pseudo-left groups, to shut down discussion on the coup and its implications, the stench continues to grow. This is the fourth major leak from within the cabinet since Rudd was ousted. As an article in this morning’s *Age* by Shaun Carney points out, Gillard has now been depicted as “the mastermind of Labor’s decision to put an emissions trading scheme on ice, a welsher on a supposed leadership deal with Kevin Rudd and a liar on paid parental leave who regards age pensioners with contempt”.

Carney observes that “the attacks are systematic and it would be remarkable if there were no more between now and August 21”. He notes that Labor suffered two splits in the twentieth century but “outright, progressive treachery like this during a federal election campaign is something else. Wherever it goes, Gillard’s campaign caravan is always in danger of coming under sniper fire.”

Whatever the precise motivations of the leakers the revelations are yet another indication of the profound, and still unravelling, implications of the Gillard coup.



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