

Australian PM Gillard announces new Labor cabinet

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Confirmed last week as head of the first minority government in Australia since World War II, Prime Minister Julia Gillard announced her Labor cabinet last Saturday. The revised line-up—which features several Labor “lefts” and former trade union bureaucrats taking up key economic and social portfolios—is aimed at assuring corporate Australia that her highly unstable regime will deliver on its promises of delivering an early budget surplus and enacting pro-business economic reforms.

Gillard took pains to emphasise her unambiguous commitment to the Australian alliance with US imperialism and the war in Afghanistan at the same time as she appointed her predecessor Kevin Rudd as foreign minister. Notably, Rudd’s first public appearance in his new role was alongside the US ambassador to Australia, Jeff Bleich. “The cornerstone of Australia’s foreign policy and security policy is our alliance with our great friends and partners in the United States,” Rudd declared.

Gillard had no choice but to appoint Rudd foreign minister, since the Labor government has the narrowest possible majority in parliament. If Rudd were to resign it would be threatened with collapse. The prime minister, however, made clear it would be she who would call the shots in relation to foreign policy. Asked yesterday who would be running foreign policy, Gillard said she and her colleagues would work as “a team” through the cabinet but that, “Ultimately, of course, I’m the leader.”

Outgoing foreign minister, and new defence minister, Stephen Smith, added that “you can never have a crack of light between a foreign minister and a prime minister”. The remark was understood as a warning to Rudd to toe the Gillard line—above all on the question of the relationship with Washington.

Statements of loyalty to the US alliance have been a commonplace for Australian foreign ministers and political leaders since World War II—but they now take on new meaning in the context of heightened tensions between the US and China, and the new rifts which have emerged within the Australian ruling elite over how to respond.

It remains unclear precisely what role geostrategic considerations played in the June 23-24 Labor Party coup, but there is no doubt that Washington ratified Gillard’s installation prior to Rudd’s ousting by Labor’s factional apparatchiks. There is evidence that Rudd’s efforts to position Canberra as a mediating “bridge” between the US and China caused concerns, while on the US-led war in Afghanistan, Rudd refused to allow Australian soldiers to take command of Oruzgan Province and encouraged his defence minister John Faulkner to suggest there was a 2-4 year troop withdrawal schedule. Moreover, according to a recent report published in *Business Spectator*, after Rudd’s meeting with Obama in Washington in March last year, the US president told an aide that he wanted someone else to be present in the room during all further discussions with the Australian PM. Obama subsequently twice cancelled scheduled visits to Australia.

Gillard raised no policy differences with Rudd prior to the coup—either publicly or in confidential cabinet discussions. Upon assuming office, however, she accepted the resignation of defence minister John Faulkner, repudiated any suggestion of a timed exit strategy from Afghanistan, effectively junked Rudd’s proposed regional cooperation “Asia-Pacific Community”, and placed enormous emphasis on the primacy of the US alliance. (See: “What was Washington’s role in the coup against Australian prime minister Rudd?”)

The tensions within Gillard's cabinet on foreign policy reflect the wider crisis confronting the Australian ruling elite in the face of escalating great power rivalries and conflicts.

The minority Labor government confronts no less of a crisis with regard to implementing its domestic agenda—involving sweeping spending cuts to areas including health, education, welfare, and social infrastructure. Notably, the new cabinet has been welcomed by the Murdoch press as a positive step in the right direction. The *Australian's* editorial, “Credible team chosen to provide good government”, praised Gillard's statement that “she is more interested in reforms that take a year or two to achieve than in winning the 24-hour news cycle”.

This comes after the *Australian's* editorial on Saturday insisted that “Labor has the right to govern”—marking an apparent retreat, at least in the immediate future, by Murdoch's media empire away from a threatened destabilisation campaign aimed at triggering a new election.

Gillard well understands, however, that she is on notice, and must quickly deliver on her pledge to advance an economic restructuring program comparable to that unleashed against the working class under the Hawke and Keating Labor governments between 1983 and 1996.

Among the most significant ministerial changes are those to finance and climate change. Former climate change minister Penny Wong is now the minister for finance and deregulation, taking over from retired MP Lindsay Tanner. Wong was reportedly a former student “radical” before making her career in the Labor “left”. As head of the finance department's “razor gang”, she will push ahead with major budget cuts, and has already warned of “tough decisions” in order to meet the government's pledge to abolish the deficit by 2013.

Greg Combet, former secretary of the Australian Council of Trade Unions, is the new climate change minister. This appointment was hailed by the *Australian* as “a welcome return to economic pragmatism”. The newspaper noted that Combet's electorate was home to large coal-mining operations and urged him to defend the interests of the corporate polluters against the Greens

“extremist agenda”. Combet has vowed to bring “common sense” to the climate change debate and ensure the operations of the transnational coal giants continue unhindered.

Also welcomed by business has been the promotion of Craig Emerson (“one of Labor's best economic brains” according to the *Australian*) as trade minister and Bill Shorten, former secretary of the Australian Workers' Union, as assistant treasurer.

Shorten was one of several key coup plotters to be rewarded by Gillard. Another, Mark Arbib, is now minister for social housing and homelessness and indigenous economic development, while David Feeney and Don Farrell have been appointed parliamentary secretaries for defence and sustainable population respectively.

In a significant move, Gillard broke up the education ministry between Chris Evans—minister for jobs, skills and workplace relations—and Peter Garrett—minister for schools, early childhood and youth. University education now falls under the ministerial category of “skills”. Evans explained: “The title reflects the fact that there's a focus on jobs and skills. It's about connecting education with job opportunities and making sure we're training the right people for the jobs that are going to be available.”

In other words, tertiary education will be assessed on the narrowest criteria of corporate-defined productivity. Campuses have long since ceased to be places where students are encouraged to participate in social, intellectual, artistic, and political activities, with the opportunity of garnering not just important professional skills but a wider world view through a serious study of the humanities and social sciences. The new Gillard government is preparing a further assault on public education, as part of its pledge to follow directly in the footsteps of Hawke and Keating and expose all areas of social and economic life to the full force of the market.



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