

Australian government instability points to worsening political crisis

Mike Head
10 February 2012

Australia's parliament reconvened this week with the political establishment in turmoil, triggered by clear evidence of efforts by former Prime Minister Kevin Rudd, who was removed in a backroom coup in mid-2010, to win support to oust his successor Julia Gillard.

Rudd, currently foreign minister, has publicly denied any bid to regain his post, but several Labor Party MPs and faction leaders, and two cross-bench MPs, last week revealed approaches from Rudd supporters, fuelling media speculation of a leadership challenge in coming weeks.

These moves immediately provoked sharp opposition, with several cabinet ministers letting it be known they would not serve in a Rudd government. One Labor MP told the press he would resign if Rudd returned, which would almost certainly bring down the minority government.

Greens leader Bob Brown and two independent MPs, on whose votes the government rests, weighed in with thinly-veiled threats to terminate their agreements to maintain the government if Rudd were re-installed. While these figures have obvious electoral reasons for avoiding an early election—all the opinion polls indicate a landslide defeat for the government—more fundamental factors are at work.

None of the issues that led to the 2010 political coup has been resolved. Moreover, amid a deepening global economic crisis and an intensifying US confrontation with China, the divisions inside the Labor Party and the political establishment more broadly are once again coming to the surface.

Labor's factional bosses deposed Rudd for two fundamental reasons. First and foremost was Washington's hostility to his central foreign policy orientation, which sought to head off the escalating conflict between the US, on which Australian capitalism rests strategically, and China, on which it relies economically. This stance, which Rudd has maintained in recent speeches as foreign minister, was

simply unacceptable in Washington. The Obama administration has demanded that all governments in the Asia-Pacific region line up behind its drive to counter China's rising influence.

Upon her installation, Gillard immediately signalled an unequivocal alignment with the US. Last November, as part of Washington's strengthening of its military arrangements throughout the region, she agreed to the stationing of American troops on Australian soil for the first time since World War II, placing the country on the frontline of a potential nuclear war against China. That commitment was reinforced last month by the release of a draft defence posture review that dovetailed the US strategy by shifting Australian military facilities to the north and west of the country, and into the Indian Ocean.

Greens leader Bob Brown has become the staunchest defender of Gillard, declaring that criticism of her is motivated by sexism. His stance is a further indicator of the Greens' support for Gillard on every front, including her line up with the US against China. Behind their pacifist pretences of opposing the wars in Afghanistan and Iraq, the Greens have always advocated a shift in military forces to defend the vital interests of Australian imperialism in the Asia-Pacific region.

Rudd was also removed in order to carry out a decisive shift away from the stimulus and bailout packages that his government implemented in 2008-09 in order to rescue the major Australian banks and corporations from the global financial meltdown. From the outset, Gillard pledged to deliver the necessary program of austerity, spending cuts and corporate restructuring.

Since then, however, the underlying economic crisis has only worsened. The financial breakdown and deep cuts to living standards across Europe, combined with the ongoing slump in the US, have started to expose the acute vulnerability of the Chinese economy to any collapse of its

key exports markets. In turn, commodity prices have begun to fall, throwing a giant question mark over the future of the Australian mining boom. At the same time, the inflated value of the Australian dollar is flattening wide sections of manufacturing, retail, tourism and other industries, leading to a wave of job losses.

Gillard's precarious government is increasingly regarded by business as incapable of implementing quickly enough the all-out offensive against the working class that it requires to start to match the attacks on European and American workers and to compete with cheap labour platforms in Asia. Gillard has fully backed the offensive that Australian employers began in 2011, spearheaded by mass sackings in the steel industry, the grounding of the Qantas fleet to block industrial action, and a rash of lockouts. But there are real fears in ruling circles that this assault has already been met with growing resistance by workers, reflected in rising strike levels, including in public services, maritime industries and coal mines.

So far, the trade unions, working hand-in-glove with the government, have largely managed to utilise Gillard's Fair Work Australia (FWA) laws to isolate every struggle and impose a series of sell-outs. But the anxiety in ruling circles that workers' struggles could erupt out of control were highlighted by the Victorian nurses' dispute, in which the state's nurses last November twice defied FWA tribunal orders to call off industrial action.

These are only the first signs of a re-emergence of the working class, in line with the immense social struggles that have taken place internationally over the past year, starting with the uprisings in Tunisia and Egypt and spreading to protests and strikes in the US and across Europe.

The palpable frustration in ruling circles with the government and opposition parties alike was underscored in a "tweet" by media baron Rupert Murdoch last weekend. He wrote off Gillard, describing her as "once a good education minister" but now a "prisoner of minority greenies." He dismissed Rudd as "still delusional who nobody could work with," then exclaimed: "Nobody else?"

The corporate media has canvassed various alternatives within the Labor Party, dismissing some as incapable of ramming through the necessary austerity agenda, and others such as Bill Shorten, a former union bureaucrat with close ties to the business elite, as lacking experience. There is a broader dissatisfaction with the minority Labor government, which limps on with the support of the Greens and independents. The frustration is only heightened by the knowledge that any election would most likely result in the

victory of the opposition parties.

In the most immediate sense, Murdoch's jibe was directed against the prospect of a Liberal-National government led by Tony Abbott. The current opposition leader is regarded in ruling circles as a populist who has pandered to the growing public opposition to the government's pro-business policies. An editorial in the *Australian Financial Review* today declared that Abbott had "revealed himself as a potential fiscal profligate, with confused priorities, promising an absurdly expensive parental leave scheme, higher entitlement—such as on disability insurance and a government dental scheme—and tax cuts."

Major rifts have erupted to the surface within the Liberal-National coalition. Abbott and his party's two finance spokesman, Joe Hockey and Andrew Robb, are publicly at odds over whether to match the government's promise to eliminate the budget deficit by 2012-13. The trio has refused to divulge any details of the estimated \$70 billion in social spending cuts that the coalition would need to implement to produce a budget surplus.

A highly volatile political situation has developed, and sudden shifts are likely. If the ruling class lacks the means to impose its austerity agenda through parliament, it will resort to other methods. The Labor Party coup that installed Gillard demonstrated the readiness of the corporate and financial elites to resort to anti-democratic measures. Confronted with a political impasse, they will not hesitate to go further next time.

The working class needs to make its own political preparations by taking up the struggle to mobilise independently of Labor and the unions on the basis of the fight for a workers' government and a socialist perspective.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact