

Australian Labor government embroiled in leadership crisis

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The minority Labor government plunged into further political crisis yesterday amid mounting signs of another move against the leadership of Prime Minister Julia Gillard. Initially installed via an inner party coup in June 2010, Gillard last staved off a challenge from the man she ousted, Kevin Rudd, in February last year.

The immediate trigger for the questioning of Gillard's leadership has been the government's attempt to push through six media regulation bills that have provoked the united and fierce opposition of the country's media barons. While the corporate press has been hypocritically railing against the threat to "free speech", their real concern is that the legislation could cut across the further expansion of their media empires. (See "Australian government triggers furore over media laws")

Having substantially watered down the recommendations of the government's own media inquiry, including a proposal for an independent media monitor, Gillard and Communications Minister Stephen Conroy appear to have assumed that the legislation would pass without opposition. Conroy announced last week that he would put the six bills as a package, without "bartering or cross-deals", to have them passed by the end of the present parliamentary session—tomorrow.

That strategy fell apart this week as top media executives fronted parliamentary committees to denounce the government's plan, and as the so-called cross-bench MPs that prop up the minority government withheld their support. Conroy then backpedalled, saying that the bills would be put separately and that he was open to compromise. Desperate to prevent a complete debacle, Gillard intervened and took over the backroom haggling with the Greens and independents to secure their support for the laws. Yesterday, the two

least contentious of the six bills—including one that halved media licence fees—were passed.

The political focus, however, had already shifted to Gillard's leadership. Senior ministers, both publicly and via calculated media leaks, criticised the media legislation bungle and questioned her political judgement. The Fairfax newspapers featured a story yesterday that Foreign Minister Bob Carr and Mental Health Minister Mark Butler had both "turned on the PM." According to the article, Carr had "told colleagues he lost confidence in Ms Gillard some time ago."

Both ministers later issued public denials—to do otherwise would have compelled them to resign. Standing beside US Secretary of State John Kerry in Washington, Carr dismissed the media "frenzy of speculation" and declared his full support for Gillard. Carr, however, is more than capable of Machiavellian intrigue. The former state premier last February publicly denied any intention of entering federal politics, just days before he was installed in the Senate and made foreign minister after Rudd's failed challenge to Gillard.

No open opposition to Gillard emerged in yesterday's Labor caucus meeting, but chief whip Joel Fitzgibbon was critical of the government's management of the media laws. After the meeting, former Labor leader Simon Crean, previously a strong backer of Gillard and opponent of Rudd, told the press that "the process could've been handled better... I hope it's another lesson to all of us about the right way to do things."

Intense media speculation over the Labor leadership, fed by a stream of inner party leaks, continued today. The *Australian Financial Review* reported being informed by "three senior sources, all close to Ms Gillard and all of whom say they will vote for her in

spill whatever the circumstances” that “momentum was shifting to Mr Rudd”. Asked if Gillard could hold on, one declared: “It’s hard to see.”

Yet for all the media commentary about the timing and mechanics of a possible challenge, only the most superficial reasons are advanced as to why. Like the ousting of Rudd in 2010, the crumbling support for Gillard is being put down to poor leadership and falling opinion poll support that would mean a landslide loss in elections foreshadowed for September.

The political crisis of the Labor government is a reflection of the deepening global breakdown of capitalism. The widespread hostility to Gillard stems from the agenda she was installed to implement—unswerving support for the Obama administration’s aggressive “pivot to Asia” against China, and far reaching austerity and pro-business restructuring policies to shift the burden of the economic crisis onto the working class.

Like governments around the world, the Gillard government confronts the insoluble problem of implementing a program on behalf of the corporate elite that is antithetical to the interests of the vast majority of working people. The mining boom and consequent high Australian dollar is driving a wave of restructuring, particularly in manufacturing, that is producing an unrelenting wave of job losses and factory closures. Big business is demanding that Gillard eschew traditional pre-election handouts, and instead make deep cuts to social services in the upcoming May budget.

This basic political dilemma is at the root of the collapse of Gillard’s election strategy—less than two months after she announced an unprecedented seven-month election campaign. She calculated that she would use the time to convince big business that she, not opposition leader Tony Abbott, would better implement an austerity agenda. But her various attempts to disguise these regressive policies by promoting herself as “a reformer”, including through the media laws, or as a defender of “Aussie jobs” by attacking foreign guest workers, have only alienated corporate leaders and done nothing to end the entrenched popular hostility to Labor.

If Gillard is still clinging onto power, it is because significant layers of the ruling elite remain sceptical that any of the alternatives—either a new Labor leadership or the opposition Liberal-National

coalition—offer a better means for carrying out an onslaught on the working class. Indeed, while the Fairfax press is deliberately fuelling a leadership challenge, the Murdoch media has been remarkably restrained in its coverage.

Moreover, the removal of Gillard would require a green light from Washington. Foreign Minister Carr undoubtedly sounded out US Secretary of State Kerry yesterday over a possible change of Australian prime minister. As prime minister, Rudd earned the hostility of the Obama administration through his initiatives that aimed at easing tensions between China and the US, right at the point that Obama was launching his confrontational “pivot to Asia”. The key Labor party factional powerbrokers who installed Gillard all had strong connections to Washington and Gillard has subsequently lined up with the US on every issue.

The impact of the sharpening geo-political tensions and global economic crisis has created a situation of extreme political instability in Australia. While the immediate causes differ, the sudden ousting of the chief minister in the Northern Territory last week and the Victorian state premier the week before were rooted in the same basic dilemma confronting the ruling elite—how to fashion a political instrument to impose its reactionary agenda in the face of deepening hostility and resistance.

Whether Gillard will survive—even to the end of the week—is unpredictable. What is certain is that any replacement—whether Rudd or another Labor leader—will be compelled to try to implement the same anti-working class policies and will quickly confront political crises of their own.



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