

Australian PM fends off leadership challenge

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21 March 2013

Australian Prime Minister Julia Gillard survived a leadership challenge today with the support of the same US-aligned faction leaders that ousted Kevin Rudd and installed her in office in the unprecedented inner Labor Party coup of June 2010.

Today was the climax of more than a week of intense political manoeuvring by Rudd supporters, aimed at taking advantage of the debacle facing the Gillard government over its attempt to ram through media regulation laws. Gillard took personal charge of negotiations with the “independents” and Greens, on which her minority government relies, but failed to secure their support for four of the six bills and was forced to withdraw them this morning.

The leadership issue was brought to a head by former Labor leader Simon Crean, previously a strong backer of Gillard, who announced this afternoon that he had called on the prime minister to call a caucus meeting to decide the leadership issue. Crean declared that he would not stand for the position of party leader, but urged Rudd to do so and announced that he would be seeking the position of deputy leader.

The move against Gillard reflected despair within Labor’s ranks over the widespread and entrenched opposition among millions of ordinary working people to the government, which faces a landslide defeat in the federal election slated for September 14. The crisis over the media laws is just the latest in a series of political fiascos and scandals that has engulfed the Gillard government over the past year.

With petitions for a caucus ballot already in circulation, Gillard announced at the start of parliamentary question time at 2 p.m. that she had called a caucus meeting at short notice for 4:30 p.m. to decide the leadership issue. With the help of the Greens and some, but not all, of the “independents”, she fended off a bid by opposition leader Tony Abbott to move a no-confidence motion in her government.

Just minutes before the caucus meeting and after huddling with his supporters to count the numbers, Rudd announced he would not be standing for the party leadership. Sanctimoniously declaring he would honour his pledge, made after a failed leadership challenge in February 2012, never to challenge for the leadership again, he reiterated that he would only be drafted if the position became vacant and he enjoyed the support of an overwhelming majority of Labor parliamentarians.

Rudd’s announcement turned the caucus meeting into a non-event. Gillard strode in confidently surrounded by a phalanx of supporters, including her key factional powerbrokers, among them Industrial Relations Minister Bill Shorten. It was all over in a matter of minutes. The prime minister and her current deputy, Treasurer Wayne Swan, were re-elected unopposed. Crean, whom Gillard had already sacked from the ministry, did not challenge for the position of deputy.

Gillard remains in office because she continues to enjoy the backing of powerful sections of the Australian corporate elite and, above all, the Obama administration in Washington. Rudd was removed from office by a handful of factional heavyweights and union leaders that were regarded in Washington as “protected sources”—that is, reliable political operators who could be counted on to prosecute US imperialism’s economic, political and geo-strategic interests in the Asia-Pacific region.

While Rudd had unfailingly pledged his support for the US alliance, he provoked hostility among administration officials by promoting diplomatic mechanisms for easing the rapidly rising tensions between the US and China. His stance reflected the historic dilemma facing the Australian ruling elite, which is heavily dependent on China economically, but strategically reliant on the US. Rudd’s orientation cut directly across Obama’s so-called “pivot to Asia” designed to aggressively confront China throughout the

region.

Today's events vindicate the analysis of the 2010 coup, and Washington's involvement within it, made by the *World Socialist Web Site* (see: "The Australian Labor Party coup: a warning to the working class"). Every section of the political and media establishment has insisted it was caused by concerns among Labor MPs over their falling support in opinion polls, Rudd's leadership style and his various political blunders. If this were true, then Gillard, whose polling has plunged even further than Rudd's had in 2010, and who is regularly pilloried for her arrogant leadership and political miscalculations, would have suffered an overwhelming defeat in today's ballot. Instead she has retained her post, shocking numerous political and media pundits.

Gillard also continues to enjoy the backing of key sections of finance and big business, which turned to her in 2010 as a means of bringing an end to Rudd's stimulus measures, which his government had put in place at the height of the 2008-09 global financial crisis, and of implementing their new agenda of austerity. Despite being heavily promoted in the media and by the various petty bourgeois pseudo left organisations as the first female prime minister, Gillard has never been able to shake off the stench of her involvement in the coup. Moreover she is despised throughout the working class for her government's assault on jobs, working conditions and essential social services.

Under conditions of the deepening crisis of the global and Australian economies, however, the ruling elite remains frustrated with Gillard's failure to proceed far more rapidly in ramming through harsher cutbacks to public spending and a new wave of corporate restructuring that will drive up productivity and profits at the direct expense of the working class.

Marked differences between Australia's two major media corporations in their attitudes to this latest government crisis reflect divisions within corporate circles over the best means for implementing this agenda. While the Fairfax media fostered and encouraged a leadership challenge by Rudd, the Murdoch press, with its intimate connections to Washington, offered qualified support for Gillard. Having lambasted the Labor government over its media laws for days, Murdoch's *Australian* editorial today

took a swipe at the Fairfax press for promoting Rudd's "number crunching game" and concluded that it was "never too late" for Gillard to learn from her mistakes.

Far from expressing confidence in Gillard, however, the *Australian* is preoccupied with the lack of what it regards as a viable alternative. Ever since the prime minister made her announcement of an unprecedented seven-month election campaign, the Murdoch media has published one editorial after another, demanding that both major parties announce and commit to a far more brutal austerity agenda. To date, there is no confidence within the most powerful sections of the ruling elite that Abbott's Liberal-National coalition, which is itself deeply divided, is a reliable political instrument for implementing it.

Gillard has calculated that over the next months she can prove to big business that she, not the "policy weak" Abbott, is up to the job. Having fended off Rudd's challenge, she will proceed to step up her anti-working class program, beginning with the announcement of major spending cuts in the forthcoming May budget.

The ongoing leadership turmoil inside the Labor Party is just one expression of more fundamental processes taking place around the world, as capitalist governments confront escalating popular opposition and resistance to their anti-working class policies. Far from ending the political crisis, the events of today only ensure that it will emerge yet again, sooner rather than later, in ever more acute forms.



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