

Australian prime minister faces leadership vote

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The Australian Liberal government of Prime Minister Tony Abbott has been thrown into turmoil following the presentation of a spill motion by two back-bench MPs which, if successful, would open the way for fresh elections in the party room for the positions of leader and deputy.

The motion will be presented at a party room meeting next Tuesday as Abbott and his supporters pull out all stops over the weekend to ensure its defeat. If passed, the motion would almost certainly end Abbott's term as prime minister.

A fresh election for leader would be held with the most likely victor being the Communications Minister Malcolm Turnbull. Abbott deposed Turnbull by just one vote as Liberal leader in 2009 while the party was in opposition under the former Rudd Labor government.

The motion for the spill has been moved by two members of the most right-wing and socially-reactionary section of the Liberal Party. These layers have formed Abbott's support base and were behind Turnbull's removal for backing the Labor government's proposed carbon emissions trading scheme.

The challenge to Abbott comes amid deepening opposition among wide layers of the population towards the government's budget measures and economic policies. Support for the government has slumped fuelling growing concerns in the Liberal Party that Abbott is leading it to a certain electoral defeat.

In an email announcing his move, West Australian Liberal MP Luke Simpkins said he had been "inundated with emails and walk-ins to my electoral office all questioning the direction the government is being led in."

The call for the spill came after a series of public statements from Liberal MPs either declaring that they had lost confidence in Abbott's leadership or that their support was "conditional" on his being able to turn around the government's stocks.

In an attempt to shore up his position, Abbott claimed that Deputy Liberal Leader and Foreign Minister Julie Bishop was supporting him in opposing the spill motion. But the move backfired when Bishop, who had earlier refused to oppose the bringing forward of the motion, issued a pointed statement saying that her opposition was "due to cabinet solidarity and my position as deputy." She then made it clear that she was not standing on a ticket with Abbott. Bishop supported Turnbull in the 2009 leadership conflict with Abbott.

The immediate origins of the current crisis lie in the circumstances in which the Abbott government was elected just 17

months ago in September 2013.

The election result was not a positive endorsement of an Abbott-led government so much as a massive repudiation of the Labor Party whose primary vote plunged to its lowest level in 100 years.

The Liberals campaigned on a right-wing populist agenda of repealing the Labor government's carbon tax, blocking refugees and reducing the budget deficit. Abbott sought to cover over the real economic agenda—defined by economics spokesman Joe Hockey in a speech in April 2012 as "ending the age of entitlement"—by insisting there would be no major spending cuts and that the budgetary position could be rectified by ending "Labor's waste and mismanagement."

However, the decline in global markets of the prices of minerals and other commodities, on which Australian capitalism is dependent, significantly worsened government revenue flows.

In its May budget, the government sought to meet the ever-more insistent demands of the corporate elite for harsher measures by introducing major spending cuts. The measures were received with widespread hostility both because they were directly targeted at lower-income households and because the government had broken its pre-election commitments.

As a result, the Labor Party, while passing major sections of the budget that reduced financing to the states, felt it necessary to oppose some of the more egregious policies and, together with the support of minor parties, has blocked them in the Senate.

Consequently, with just three months to go before bringing down its second budget, the government faces a situation where 25 percent of last May's measures, including the imposition of charges in the health system and major increases in university fees, remain blocked in the Senate.

The deepening hostility among wide sections of the population towards austerity policies was reflected in the Victorian state elections last December, where a one-term Liberal government lost office. Even more dramatically in the Queensland state election two weeks ago, the Liberal-National Party government lost office after reducing the Labor party to a rump of only 7 members in a 90-seat chamber in elections just three years ago.

This hostility to the existing political order is being fuelled by a worsening economic situation for working people as unemployment steadily rises, while real wages show no increase.

The deepening global economic breakdown—reflected in the ongoing stagnation in Europe, the lowest growth rate in China (Australia's major export market) for 25 years, and the precipitous

downturn in the prices of oil, coal and iron ore coupled with the fall in mining investment—has brought the Australian economy to the edge of recession for the first time in almost 25 years.

The rapidly deteriorating economic position was highlighted by this week's decision by the Reserve Bank of Australia (RBA) to cut its base interest rate by 0.25 percentage points in a desperate attempt to halt the economic downturn.

According to a report in the Fairfax press, the RBA decided to cut the rate after forecasts showed a “dire” situation, dramatically revising its previous assessment made just last November. However, it “massaged” the figures in its economic outlook made public on Friday in order not to harm confidence.

The worsening economic crisis has seen the emergence of divisions within ruling circles over how the austerity agenda is to be imposed.

The Murdoch press has been backing Abbott, insisting that he press ahead, while criticising his failure to develop a means of “selling” the necessary measures. Another factor in its continued support is the role that Abbott has played as a global attack dog for the US in its interventions against Russia over the Ukraine and in the Middle East, under the banner of the bogus “war on terror.”

A different line has been articulated in the Fairfax press with an editorial in the *Sydney Morning Herald* this week calling for “a new brand of politics.” Pointing to the collapse of mass support for the existing major parties, it said there was a “strong case for new party structures” and called for the formation of a broad-based centrist party.

The new party would have an “economically rational” program—the code phrase for the free market agenda dictated by the financial elites—coupled with “socially progressive ideals,” that is, an identity politics agenda to attract support from sections of the upper-middle classes. The editorial touted Malcolm Turnbull as having the “potential” for building such a party.

The present leadership crisis is not merely indicative of the problems confronting the Abbott government. It is the expression of a broader historical process taking place internationally—the disintegration of the present parliamentary forms under the pressure of immense geo-political and economic forces.

Australia has not had a stable parliamentary government for the past five years.

After winning office in 2007, the Labor government was plunged into crisis with the inner-party coup which saw the ousting of Prime Minister Kevin Rudd in June 2010. Orchestrated by factional leaders with close ties to the US embassy, Rudd's removal was bound up with the Obama administration's anti-China pivot to Asia and its concerns that he had some reservations about the aggressive US stance. Rudd had previously called for an Asia-Pacific community in which there would be some accommodation for China.

From the outset, Rudd's replacement Julia Gillard was widely viewed as illegitimate as a result of the anti-democratic means by which she came to office. The Gillard government only clung to power in the 2010 election by forming a minority government with the Greens and independents. Support for Labor collapsed even further as it imposed drastic cuts to social spending. Gillard was replaced by Rudd in the immediate lead-up to the 2013 election, in

an attempt by Labor to prevent an even worse defeat than occurred.

Now after just 17 months in office, having secured a large parliamentary majority, Abbott is described as “terminal” even if he survives Tuesday's party room vote.

There are vital political issues confronting the working class arising from this ongoing and intensifying crisis of parliamentary rule.

Whatever government emerges from the present turmoil, it will intensify the attacks on jobs, wages and social conditions. This is the inevitable consequence of the worsening global economic breakdown and its impact on Australia.

An editorial in today's *Financial Review* spelled out the agenda. The lesson it said was that “whoever leads the nation must clearly, candidly and convincingly set out the urgent task of fixing Canberra's budget blowout and sharpening Australia's ability to compete in the global market place.” The editorial demanded much harsher budget measures, describing Hockey's May budget as a “relatively modest fiscal consolidation.”

The working class must advance its own independent program to meet the ongoing economic and political crisis and mount a political struggle against all the parties of the establishment. The return of a Labor government would not in any way represent a step forward for the working class. Rather it would continue the attacks on living standards demanded by the corporate and financial elites.

This has already been spelled out by the Labor party's chief economics spokesman, shadow treasurer Chris Bowen. In little reported but politically significant comments to Sky News last month, he said the era of “Santa Claus” politics was over. The Labor government would seek to balance the budget. There would be “tough decisions which won't be universally popular” and the days of saying there would be “no harsh decisions” and “no spending cuts” were over.

There is no prospect of reforming the disintegrating capitalist economy, which lies at the root of the present political crisis. The working class can only advance its independent and vital interests against the drive to war and austerity through the fight for an internationalist and socialist program and the building of a revolutionary party to lead it.



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