

Australian prime minister clings to office

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Australian Prime Minister Tony Abbott survived a vote this morning of Liberal Party parliamentarians for a spill of leadership positions, but the intense political uncertainty surrounding the government will continue. The challenge to Abbott's leadership, just 17 months after the Liberal-National Coalition won office in September 2013, is another indication of the political volatility being fuelled by the rapid deterioration of the Australian economy and widespread popular opposition to the government's agenda of austerity.

In the Liberal party-room, the formal spill motion to declare all leadership positions open was lost by 61 to 39, with one informal vote, far closer than had been foreshadowed by Abbott's supporters. Over the past week, Abbott pulled out all stops, firstly to prevent the motion being put, then, after two backbenchers publicly called for a spill, to shore up his support and prevent the motion from being passed. He insisted on cabinet solidarity to block the spill motion and, yesterday, brought the meeting forward by a day in a bid to stymie opposition.

In a desperate last-minute bid to secure the votes of South Australian parliamentarians, Abbott unilaterally overturned government policy and announced yesterday that the shipyard in that state could bid for the contract to build the navy's submarines, estimated at anywhere between \$20 billion and \$40 billion.

In the wake of the spill vote, Abbott opted not to hold an immediate press conference, instead issuing a brief televised statement declaring that "the matter is now behind us." Nothing could be further from the truth. With some 40 percent of the Liberal party room dissatisfied with his leadership, future leadership turmoil is inevitable. The vote today had the character of a preliminary sounding as no one, including the most likely contender, Communications Minister Malcolm Turnbull, announced a challenge.

The clamour for change among federal Liberal

backbenchers has followed in the immediate aftermath of the Queensland state election on January 31, which resulted in an unprecedented defeat for the one-term Liberal National Party (LNP) government. The LNP had ridden to power three years ago on a wave of opposition to the previous Labor government, reducing Labor to a rump of seven seats in a 90-seat parliament. Now, although the vote is yet to be finalised, the LNP appears to have lost office.

Reflected in the Queensland election, along with the defeat of a one-term Liberal government in the state of Victoria last December, is an electoral revolt by millions of ordinary working people against the austerity policies being pursued by governments, both state and federal. Support for Abbott and his Liberal-National coalition has plummeted since last year's May budget, which was widely viewed as exacerbating social inequality for its imposition of harsh new burdens on the poorest and most vulnerable layers of society. Such is the public hostility to the Abbott government that state Liberal leaders have instructed their federal counterparts to stay out of state election campaigns, out of fears that the presence of Abbott or his ministers would only make their perilous situations even worse.

The political volatility is being driven by a rapid downturn in the Australian economy over the past year, as Chinese growth has fallen sharply, on top of the continued economic slump in Europe, Japan and the US. Drastic falls in commodity prices, particularly for minerals such as iron ore, coal and oil, have led to the slashing of mining investment in Australia and a precipitous decline in government revenues.

According to the *Sydney Morning Herald*, following the defeat of today's spill motion, Abbott reportedly promised his party room "enormous changes" in an effort to reverse the government's electoral prospects. In particular, he pledged another tax cut for small

businesses and concessions to families in the upcoming May budget, while calling for an end to damaging leaks to the press.

The corporate and financial elite, however, is demanding that the government press ahead with the austerity agenda, including deeply unpopular measures from last year's budget such as university fee deregulation, a co-payment for doctors' visits and cutbacks to a range of welfare benefits, all of which remain blocked in the Senate. While the main opposition parties, Labor and the Greens, voted last year for the appropriation bills that allowed major budget cuts to be made, they have refused to support these key policies, fearing a voter backlash.

Today's vote underscores the escalating internal conflicts wracking the Liberal Party, and the ruling Coalition as a whole, as the economic crisis worsens. Fractures are opening up reflecting competing sectional and state interests. Turnbull, a multi-millionaire former investment banker, is closely connected to financial circles, particularly in Sydney, and is backed by the Fairfax Media, which views him as the best means of imposing the required budget cuts. Another potential contender, Foreign Minister Julie Bishop, is based in Western Australia, where the collapse of the mining boom has devastated the state's economy.

More fundamentally, the Liberal Party's leadership turmoil reflects a deepening crisis of parliamentary rule. Over the past five years, there have been four challenges to a sitting prime minister—two of them successful—and many more leadership changes at the state level. In the lead-up to today's vote, a barrage of editorials and media commentary has demanded that budget spending must be brought under control regardless of who the prime minister happens to be.

Today's editorial in Murdoch's *Australian*, which has strongly backed Abbott, revealed the deep frustration in ruling circles over the failure of successive Labor and Coalition governments to deepen the assault on the working class. "The *Australian* could hardly be more worried about where—underneath the twitter-fuelled distractions of personalities and popularity—the currents of political debate are taking the nation," it declared. "The crisis of political leadership and purpose seems to be taking us, inexorably, towards a bipartisan compact against budgetary repair and economic reform."



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