

# Australian prime minister's leadership continues to unravel

Mike Head  
26 February 2015

More than a fortnight after 40 percent of his own Liberal Party members of parliament voted to oust him in a party room “spill” motion, Prime Minister Tony Abbott’s leadership is continuing to fall apart. Media headlines such as “Liberals paralysed over leadership,” now appear daily, accompanied by damaging leaks and allegations targeting the prime minister.

Underlying the destabilisation is mounting business dissatisfaction with the government’s failure to impose deep cuts to social spending, and workers’ wages and conditions, amid a rapid deterioration of the Australian economy.

After surviving the leadership spill vote on February 9, Abbott declared that everything was resolved and “good government” would begin from that day. But all his efforts to shore up his position, primarily pitching to his right-wing base by posturing as a strongman on the alleged threats posed by terrorists, Muslims and refugees, have backfired.

Last weekend, the Murdoch media’s *Australian* newspaper, effectively undermined Abbott’s credentials on “national security” by reporting that last November he proposed a unilateral Australian intervention into Iraq, with 3,500 ground troops, to confront the Islamic State of Iraq and Syria (ISIS).

“Flanked by his chief of staff Peta Credlin in a meeting in Canberra on November 25, the Prime Minister said the move would help halt the surge of Islamic State in northern Iraq,” the *Australian* reported. When Abbott raised the idea with Australia’s leading military planners, they were “stunned,” telling Abbott that sending soldiers without any US or NATO cover would be “disastrous.”

Abbott claimed that the report was “fanciful, absolutely fanciful,” only to have the *Australian*’s editor Clive Mathieson insist: “We stand by the story

100 percent.” This may indicate a shift in the stance of the Murdoch media, which up until now has urged Abbott to find ways to turn his government around, and push ahead with budget-cutting and pro-business economic “reform.”

The *Australian*’s revelation came as part of a series of articles by associate editor John Lyons critical of Credlin, Abbott’s long-time chief of staff. For weeks, ever since Rupert Murdoch tweeted that Abbott should sack Credlin, the *Australian* has been agitating for her removal.

Lyons upped the ante by reporting that “Credlin had a key role in developing last year’s budget, including on occasions acting as the chair of the expenditure review committee” and “Abbott has allowed Ms Credlin a role previous prime ministerial advisers have never had.”

The pressure on Abbott intensified last Sunday when the Liberal Party’s treasurer Philip Higgins, a prominent businessman, wrote an explosive letter to the party’s federal executive. He condemned the “dysfunction” caused by an inherent “conflict of interest” between Credlin, the PM’s chief adviser, and her husband, Brian Loughnane, who is the Liberal Party’s federal director.

Credlin is closely associated with the right-wing constituency on which Abbott has relied since winning the Liberal Party leadership five years ago at the expense of Malcolm Turnbull, who is now Abbott’s putative challenger. As against Abbott, Turnbull, a wealthy ex-merchant banker with deep ties throughout the financial elite, is positioning himself as the man who can deliver on the demands for a wholesale cutting of social spending and wage levels.

Dressed up in a more socially “progressive” guise, Turnbull presents himself as a more sophisticated and commanding salesperson who can somehow convince

millions of ordinary working people to make painful financial sacrifices. As part of this pitch, he has called for the Labor Party, which has blocked some of the most unpopular budget measures, and feigned opposition to austerity, to join him in fashioning a bipartisan effort to implement the requirements of big business.

Turnbull's posturing, and the growing concerns in ruling circles with Abbott's leadership, reached a new level this week as the prime minister stepped up his vitriolic attacks on Human Rights Commission president Gillian Triggs, who earlier this month released a damning report on the suffering of refugee children inside Australia's detention camps.

On Tuesday, Abbott denounced the report as "a blatantly partisan, politicised exercise" and confirmed that the government wanted Triggs's resignation. That morning, Triggs had testified in a Senate committee hearing that Attorney-General George Brandis's departmental secretary requested her resignation during a meeting on February 3, and offered her another posting as an inducement to quit. The Labor opposition has asked the Australian Federal Police to investigate whether this constitutes bribery, a serious offence under the Criminal Code.

Turnbull, who remains a cabinet minister, pointedly took an opposite stance to that of Abbott. He dismissed the debate about Triggs's impartiality as one that "misses the point" and described her as a "very distinguished figure." He boasted instead of the government's record in reducing the number of children in detention by blocking all refugee boats from reaching Australia. As with the austerity agenda, he is touting his ability to provide "progressive" window-dressing for fundamentally reactionary policies.

The corporate discontent with Abbott escalated another notch when the government ruled out seeking to cut the minimum wage and overtime penalty rates, even if its own Productivity Commission inquiry into the workplace relations system recommends reducing them. The *Australian Financial Review* condemned the government for "giving up" and "waving the white flag" on the issue.

Australian Chamber of Commerce and Industry chief executive Kate Carnell said employers were "really disappointed" after Employment Minister Eric Abetz, a key Abbott loyalist, declared that the government

would leave the minimum wage and penalty rate in the hands of the Fair Work Commission. Carnell accused the government of "trying to avoid all controversy."

The government's decision flies in the face of intensifying calls by dominant sections of finance capital for a wholesale restructuring of the Australian economy, including a drastic reduction in real wages, in order to make it "internationally competitive" by matching the cuts in living standards imposed on workers in the US, Europe and around the world.

Yesterday's editorial in the *Melbourne Age* again warned that the slide in iron ore, coal and liquefied natural gas prices over the past year had "cut deeply into profits for Australian producers." The resulting fall in tax revenues, combined with the government's failure to get key cuts from last year's budget through the Senate, could produce a deficit of "as much as \$50 billion this financial year."

The *Age* declared: "The government, though, is looking like it has lost the appetite for reform and the courage to try." Unless there was a shift, "Australia will have endured three years of drift and equivocation by another government with its eye fixed on the short term."

As far as the corporate elite is concerned, it is no longer tenable for the minimum wage to sit at about double that of the US and for average weekly earnings to remain about 70 percent above the global mean. Moreover, welfare payments, along with other social services, must be slashed to force the unemployed to accept work at poverty level wages.

Whatever the immediate outcome of the intense political crisis that has engulfed the Abbott government, the result will be a massive assault on the jobs, wages and social conditions of the working class.



To contact the WSW and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**