

Australian ministerial reshuffle underscores political impasse

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After just five months in office, since ousting his predecessor Tony Abbott, Prime Minister Malcolm Turnbull has been forced to rearrange his Liberal-National Coalition government.

Six ministers were dumped or departed. They included Deputy Prime Minister and National Party leader Warren Truss and Trade Minister Andrew Robb. Both were asked to bring forward their retirements to enable Turnbull to portray last weekend's reshuffle, precipitated by the axing of three ministers over scandals, as a "renewal" of his government.

It is a sign of the government's instability that it has now lost 13 ministers since Turnbull deposed Abbott in a Liberal Party backroom coup last September. Only six members of the Abbott ministry that took office two and a half years ago retain their portfolios.

Most senior cabinet members held their jobs in the reshuffle, largely because Turnbull had to placate Abbott's resentful supporters and make further concessions to the rural-based National Party. It gained an extra cabinet post, taking its numbers to four in the 22-person inner ministry.

One backer of Turnbull's coup—Steven Ciobo—was elevated into the cabinet, as trade minister. Several others gained junior postings, so most of those centrally involved in Turnbull's plot to oust Abbott have now been rewarded. However, Turnbull also handed promotions to some from Abbott's camp, notably Finance Minister Mathias Cormann, who was given the additional jobs of Special Minister of State and deputy Senate leader.

Turnbull absurdly claimed his new line up was "a dynamic team which combines youth, new talent, experience, continuity and a real sense of innovation and enterprise." The reshuffle was actually triggered by three junior ministers having to resign due to misconduct allegations. The accusations were all evidently fed by leaks from within the government itself, pointing to

ongoing factional warfare.

These machinations underscore a mounting crisis of the political establishment as a whole. It faces a rapidly worsening economic situation, widespread public hostility to its austerity agenda and intensifying geo-political tensions, driven by Washington's aggressive "pivot" to Asia to confront China, Australia's biggest export market.

Since the landslide defeat of the Howard Coalition government in 2007, no prime minister has lasted a full parliamentary term, and Turnbull's tenure could prove just as short lived. Last September, he became the sixth prime minister in eight years, counting the two terms of Labor's Kevin Rudd. In 2010, Rudd was ousted by Julia Gillard, backed by key Labor power-brokers closely aligned with Washington which was hostile to Rudd's calls for the US to make concessions to China. He was reinstated in 2013 in a failed bid to save Labor from a crushing electoral defeat.

Turnbull is under intensifying criticism by the corporate and media establishment for failing to deliver on his promise, five months ago, to use his supposed political salesman's skills and socially-progressive credentials to drive forward "economic reform"—a euphemism for reducing corporate and high income taxes, slashing social spending and cutting workers' wages and conditions.

At the same time, after a media-promoted political "honeymoon" period, Turnbull's government faces falling public support. Despite Turnbull's "progressive" pitch, he has continued all the reactionary policies of Abbott's government, notably the persecution of refugees, the ramping up of draconian terrorism and citizenship laws and expanding involvement in US-led wars.

The ire of big business escalated last week, after Turnbull abandoned one of the financial elite's main agenda items—increasing the regressive Goods and Services Tax (GST) from 10 to 15 percent. The GST rise,

strongly advocated by the Business Council of Australia and promoted by Treasurer Scott Morrison, was supposed to shift the tax burden further onto the working class, clearing the way for lowering the company tax rate.

But such is the public opposition to raising the GST—which would hit the poorest households the most—that Turnbull faced a backbench revolt by Coalition members of parliament who feared losing their seats in the federal election, due sometime this year. Some involved in the revolt opposed any tax rises, insisting that the government’s sole focus must be to slash social spending, reflecting divisions within the corporate elite itself.

A bitter editorial in the *Australian Financial Review* denounced Turnbull for “pulling the pin” on a “GST reform package.” Murdoch’s *Australian* accused him of “backtracking” on “meaningful tax and economic reform,” while renewing calls for far-reaching cuts to health, education and welfare, including pensions.

Australian capitalism confronts the collapse of the China-driven mining boom that temporarily shielded it from the full impact of the 2008 global financial breakdown. The share prices of the country’s major mining companies and banks have plunged over the past year, wiping billions of dollars off their values and sending the stock exchange into “bear market” territory. Market indexes have dropped more than 20 percent since last April. Falling tax revenues have sent the federal budget deeper into deficit.

As well, the government faces demands from Washington to step up its involvement in the US “pivot” against China. Turnbull, who paid a visit to President Barack Obama last month, has sought to reassure the White House that he is unequivocally committed to the US alliance. But he has been less forthright than Abbott, who has refused to quit parliament and retains the support of a cabal of former ministers dumped by Turnbull. Turnbull has in the past, like Rudd, appealed to Washington to reach an accommodation with China.

In particular, Washington is pressing for ramped-up Australian military spending and for the participation of Australian warships and planes in the Pentagon’s provocative intrusions into Chinese-claimed territory in the South China Sea. The expenditure being demanded includes up to \$270 billion for submarines, the Joint Strike Fighter, the replacement of most of the navy’s warships, and new armoured vehicles.

In the reshuffle, Dan Tehan, an Abbott backer, was promoted to minister for defence materiel and veterans

affairs, placing him in charge of military procurement. Tehan made a name for himself over the past two years by being the first government member to call for Australian air strikes to support the US-led regime-change war in Syria. He also spearheaded, as a parliamentary committee chairman, the passage of a barrage of terrorism and citizenship legislation that has eroded fundamental legal and democratic rights.

As part of his “reset,” Turnbull had to sign a new coalition agreement with incoming National Party leader and Deputy Prime Minister Barnaby Joyce. Turnbull had already bowed to a number National Party demands when he became prime minister last September. Joyce’s rise points to further tensions. Joyce has a history of agitating for agrarian protectionism, which cut across the demands of finance capital, personified by Turnbull, a millionaire ex-merchant banker.

The day before Turnbull unveiled his reshuffle, the *Australian* pointed to the underlying political crisis. It declared: “We had reset after reset under Labor as Kevin Rudd and Julia Gillard struggled for direction. Under the Coalition we have seen resets at budgets, reshuffles and a leadership trauma. Now it is Mr Turnbull’s turn to reshape and redirect his team. He needs to get it right.”

Until now, Murdoch has backed Turnbull’s efforts to impose the requirements of the finance houses and major corporations. But powerful figures in ruling circles are drawing the conclusion that if the present Coalition-Labor two-party system cannot deliver their agenda, then new political mechanisms must be developed.



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