

Australian prime minister reshuffles his ministry

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Having barely survived the July 2 election, Prime Minister Malcolm Turnbull yesterday announced his new ministry. He declared it was “strong,” “stable” and “committed” and would “hit the ground doing,” not “reviewing” the government’s disastrous election outcome.

One of Turnbull’s most immediate concerns, however, was to shore up his own position in his fractious government. He opted for the largest cabinet—23 members—since 1975, and dropped no-one from the ministry. Instead, he reshuffled it.

On the same day, the Australian Electoral Commission reported that the opposition Labor Party narrowly won the last House of Representative seat still in doubt. As a result, the government is likely to have the slimmest possible majority of one in the lower house, holding 76 of the 150 seats. In the upper house or Senate, the government will not have a majority.

In a precarious balancing act, Turnbull stuck with those who supported him in last September’s party room coup to oust his predecessor Tony Abbott. He kept Abbott out of the ministry, defying public calls by Abbott’s backers, including former senior ministers, for the ex-prime minister return to the frontbench. At the same time, Turnbull promoted a number of Abbott’s supporters. These included Immigration and Border Protection Minister Peter Dutton, who has been reinstated to the National Security Committee of cabinet.

Another symptom of the government’s instability was the fact that Turnbull was forced to increase the representation of the rural-based National Party in cabinet from four to five. This was simple “arithmetic,” Turnbull claimed, because the Nationals now have greater numbers in the Coalition, having lost no seats in the lower house on July 2 while the Liberals lost 14. The Nationals were handed the key mining-related resources portfolio, plus the small business ministry and two new posts for

assistant ministers.

Turnbull did not unveil the new line-up until after yesterday’s first post-election party room meeting of parliamentarians from his Liberal-National Coalition, and reportedly informed none of his appointees beforehand. By keeping the ministerial contenders in suspense, Turnbull hoped to curtail criticism at the meeting, which became a show of unity despite the shipwreck produced by the election.

Turnbull called the July 2 double dissolution election of all members of both houses of parliament in a bid to break through a protracted political impasse, in which consecutive governments, both Coalition and Labor, have been unable to fully impose the sweeping cuts to social spending demanded by the corporate elite.

But record numbers of people expressed their hostility toward this agenda by voting for other parties and candidates that posed as opponents of the political establishment—Labor, Coalition and the Greens. Not only has the government been reduced to a razor-thin majority in the House of Representatives. It faces an enlarged array of “crossbenchers,” mostly right-wing populists, in the Senate.

Above all, Turnbull’s reshuffle is an attempt to address the two acute pressures bearing down on his government—from Washington and the financial markets. The first has been highlighted by US Vice President Joe Biden’s current three-day visit to Australia. Biden will hold talks with Turnbull today to underscore the US insistence that Australia’s military forces take part in provocative operations inside Chinese-claimed waters in the South China Sea.

According to unnamed sources cited in the *Australian Financial Review* today, the US and Australia are working on ways to “calibrate the brinkmanship” in the disputed waters following last week’s decision by the Permanent Court of Arbitration in The Hague to declare illegal the

Chinese activities on disputed islets. Australia is set to help the US establish “patterns of behaviour” that will involve an escalation of patrols in the region to “levels possibly not seen since the Vietnam War.”

In line with this escalation, a central feature of the new ministry is the creation of three military portfolios. Turnbull loyalist Marise Payne remains as defence minister, but another senior figure, Christopher Pyne, shifts sideways from innovation, industry and science to a new post of defence industry minister. Turnbull said Pyne would oversee “the most significant naval shipbuilding program since the Second World War,” featuring the \$50 billion construction of a new fleet of submarines.

The prime minister said this was part of “a massive Defence Industry Investment and Acquisition Program on land, in the air and inside cyberspace.” He depicted this as a key plank in the government’s “economic plan” for “jobs and growth,” but the real purpose is to prepare for war.

Abbott supporter Dan Tehan, who has a reputation as a “hawk” on building up the military and “anti-terrorism” apparatus, takes on three titles. He becomes the defence personnel minister, and minister assisting the prime minister for cyber security, while continuing as veterans affairs minister.

The second escalating pressure on the government was underlined by the post-election threats of the three main global ratings agencies to cut Australia’s AAA credit rating unless the government moves swiftly to demonstrate its capacity to slash health, education and welfare in order to eliminate the budget deficit of about \$40 billion.

As soon as the voting was over, Standard & Poor’s, Fitch and Moody’s issued their marching orders to the government, while pointedly referring to the failure of the parliamentary system, because of the mounting public opposition, to implement deep cuts since the 2008 global financial crisis.

Turnbull specifically referred to this threat in addressing the Coalition MPs’ meeting yesterday. “Budget repair will be a front of mind issue for this entire Parliament,” he emphasised. “This has been reinforced by the three ratings agencies following the campaign.”

The austerity offensive is already underway. Social Services Minister Christian Porter recently revealed \$5 billion in welfare cuts over four years, including increasing disclosure requirements, reviewing disability support pensioners, reducing carer payments and halting carbon tax compensation for new recipients. The first

instalment, worth \$2 billion, will be introduced by regulations, to avoid a vote in the Senate, with legislation planned for the remainder by September.

Many of society’s poorest and most vulnerable members will bear the brunt of this assault. Last week, it was reported that more than 31,000 people were cut off the disability support pension in the past year, the biggest annual drop on record. This was a result of harsher rules and impairment tables imposed by the previous Labor government in 2012, and medical assessments by government-appointed doctors, which began under the Coalition.

Despite being classified as “partial capacity,” most of those affected are unable to work and are being shifted onto below-poverty line unemployment benefits, losing \$9,000 a year. Of the more than 5,000 people who had their payments cancelled last September, only 70 had returned to work three months later, according to Department of Social Services data obtained by the *Australian*.

While Turnbull sought to put the best spin on his government’s predicament, and make clear its commitment to the agenda of militarism and austerity, there is great nervousness in ruling circles about the government’s ability to deliver on its pledges. “Governing in a dangerous world” was the headline on last Saturday’s *Australian Financial Review* editorial. It referred to the parliamentary crisis in Britain following the Brexit referendum result, the South China Sea tensions “that will test future Australian foreign policy skills to their core,” the mass killing in Nice and the “turbulence from an eight year old global financial crisis that is far from played out.”

The editorial concluded that the “incoming Turnbull government will have to be an exceptional one,” not like the previous governments that “have not had the political will to start balancing their own budget books.” These dictates mean that convulsive social and political struggles lie ahead for the working class.



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