

Australian government reshuffled again under mounting corporate pressure

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Prime Minister Malcolm Turnbull this week conducted a limited reshuffle of his ministry following the forced resignation last week of Health Minister Sussan Ley, ostensibly over a media-generated travel expenses controversy.

Although kept to a minimum, the reshuffle was the fourth by Turnbull in the 16 months since he ousted Tony Abbott as prime minister and leader of the Liberal Party. That is an average of a reshuffle every four months—underscoring the Liberal-National Coalition government’s instability, which has worsened since it barely survived last July’s double dissolution election.

Turnbull replaced Ley with industry minister Greg Hunt, and switched cabinet secretary Arthur Sinodinos into Hunt’s portfolio. The inner cabinet was reduced from an historically large 23 to 22 members, meeting the demands of the Murdoch media for a smaller-sized frontbench.

To try to put a progressive gloss on the government’s latest crisis, Turnbull promoted Ken Wyatt from assistant minister for health and aged care, to the outer ministry position of minister for aged care and indigenous health, making him the first Aboriginal politician to receive such a posting. At the same time, Turnbull sought to appease the conservative Abbott supporters by elevating one of their faction, Michael Sukkar, to become assistant minister to the treasurer.

By restricting the swapping of ministerial posts, Turnbull rebuffed calls for Abbott to be brought into the cabinet, but this only further highlighted the rifts in the government. Turnbull faces ongoing pressure from the corporate elite and media for a more sweeping reshuffle in order to more aggressively slash social spending and the wages and conditions of workers. He also confronts escalating agitation from Abbott, who last week publicly accused the government of not moving “agilely” enough to cut corporate taxes to match those pledged by US

President-elect Donald Trump.

Ley’s removal as health minister was a classic case of a “travel rorts” scandal being used by the corporate media to ramp up its demands on the government, which is increasingly being derided in ruling circles as weak and indecisive. In the *Australian Financial Review* on January 10, Andrew Clark described the Ley scandal as “an obviously avoidable, potentially disruptive, event for a government already suffering from a perception of division and drift.”

Ley’s frequent trips, using ministerial and parliamentary entitlements, to the Gold Coast resort strip made her an easy target. Reportedly, she had made 26 taxpayer-funded flights there since 2013, and claimed for 37 nights’ accommodation. Her visits featured New Year’s Eve parties, hosted by a wealthy businesswoman and political donor, and the purchase of a \$795,000 apartment as an investment property. Ley initially defended the purchase as an “impulse” decision, only magnifying the social gulf between the political elite and the vast majority of the population, who cannot afford homes at that price, let alone investment properties.

Rupert Murdoch’s Melbourne tabloid, the *Herald Sun*, opened 2017 by launching the campaign against Ley on January 2. Using records obtained via freedom of information provisions, it published a story on Ley using an air force plane for a 2015 visit to the Gold Coast. The scandal was extended on January 5, again led by the *Herald Sun*, using a Department of Finance report on politicians’ expenses. Within eight days, Ley was gone.

Similar methods could be used against any number of government ministers, and opposition Labor Party leaders, several of whom already have been accused by the media of having exorbitant travel expenses, often involving trips to gala events or holiday destinations with members of their families. Those named include Foreign Minister Julie Bishop, Finance Minister Mathias Cormann

and Labor's shadow treasurer Chris Bowen.

For now, following Ley's resignation, these allegations have been put on the backburner. However, a political message has been sent. "Travel rorts" allegations can be used to further destabilise the government, and the Labor Party, unless they rapidly escalate the offensive against the social services and living conditions of the working class.

Significantly, such a travel expenses scandal, involving the use of a chartered helicopter, was brought forward against one of Abbott's closest supporters, then parliamentary speaker Bronwyn Bishop, in 2015. Within three weeks, she was forced to resign. It was a blow to Abbott, who was toppled by Turnbull a month later.

Ley was targeted also because public health spending is one of the biggest items on the list of budget cuts required by big business. Abbott installed Ley as health minister in December 2014 in a bid to rescue his government from the widespread public hostility to the 2014 budget. Its sweeping austerity measures included forcing patients to pay at least \$7 upfront to see a GP (general practitioner) under the Medicare public health insurance system.

Abbott finally dropped the plan and tasked Ley with finding alternative means to gut health spending. As required, Ley led an assault on Medicare, primarily by continuing a freeze, initiated by the last Labor government in 2013, on Medicare payments to GPs. She also cut access to some pharmaceutical medications, and ended most bulk-billing (services provided without upfront patient fees) for pathology tests, diagnostic imaging and Magnetic Resonance Imaging (MRI) scans.

Through these measures, the government has begun to dismantle access to Medicare, forcing people to pay for—or delay—essential medical care. Official statistics released last month revealed that only 64.7 percent of patients now have all GP visits bulk-billed, making a mockery of Ley's claim of an 89.2 percent bulk billing rate last year.

But this is nowhere near enough for the corporate and media elite. Judith Sloan, contributing economics editor of Murdoch's *Australian*, was blunt on January 10. She wrote: "Forget Sussan Ley's dubious, 'within the rules' use of travel entitlements—she should be dropped from the health portfolio because she's been a dud. It's really hard to think of one positive outcome she has achieved, save for spending more of taxpayers' money on new drugs, worthy though that might be ... Losing Ley as Health Minister may just be the spur the government needs to confront the big issues in health and aged-care policy and

implement some real reforms."

A series of *Australian* editorials made clear this was a wider warning to Turnbull. A January 19 editorial concluded: "After this forced reshaping, it is high time Mr Turnbull and his team left the distractions behind and delivered. They need to outline an economic narrative, create a sense of purpose and take the public with them."

What must be "delivered," as far as the ruling elite is concerned, are far more severe cuts to health, education, welfare and all social spending. The global credit ratings agencies have renewed their threats, first issued after the July election debacle, to strip the country of its AAA rating unless Turnbull's government demonstrates its capacity to eliminate the budget deficit, currently running at almost \$40 billion annually, by its promised date of 2020-21.

This week's inauguration of the Trump administration further raises the threat of trade war and military war between the US and China, Australia's largest export market, with potentially catastrophic consequences for Australian capitalism. In seeking to impose brutal austerity measures and corporate tax cuts, the Liberal-National Coalition government, however, already confronts deep popular hostility, as does the political establishment as a whole.

Last month, an Australian National University survey, conducted during the July election, reported record low levels of satisfaction with the political system. Only 26 percent of respondents thought people in government could be trusted—the lowest number since that was first measured in 1969. A record high 19 percent said they did not feel close to any political party, or identify as Labor, Liberal-National or Greens voters.



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