

Right-wing senator's defection intensifies rifts in Australian government

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Tuesday's split by right-wing Senator Cory Bernardi from the Liberal-National government to form a new party, the Australian Conservatives, has exacerbated the tensions wracking the ruling coalition. While Bernardi's defection in the Senate is not, by itself, an immediate threat to the government's one-seat majority in the lower house of parliament, it points to broader processes tearing apart the government.

Prime Minister Malcolm Turnbull's government is caught up in the escalating geo-political tensions in Asia and internationally. The installation of the new Trump administration and its threats against China have only exacerbated differences over how to balance between China, Australia's largest trading partner, and the US, its longstanding strategic ally.

At the same time, the government is under huge pressure from big business to impose further deep inroads into living standards. Parliament resumed this week for 2017, with the government seeking to push through draconian welfare cuts that have been blocked in parliament since 2014 in the face of intense public hostility to them.

There is nervous speculation in the corporate media about the break-up of the ruling Coalition under conditions of an accelerating collapse of popular support for the government and the entire political establishment. The *Australian's* editor-at large Paul Kelly warned yesterday of a "convulsive sea change rocking our politics" in the wake of Trump's election, in which "the conservative side of Australian politics is now devouring itself."

In his resignation statement, Bernardi referred to "the level of public disenchantment with the major parties." He is alarmed by the prospect of mass anger and alienation producing a left-wing, anti-capitalist movement within the working class and among young

people. He regards his split as a "catalyst" for the development of a Trump-style drive to divert the immense discontent behind nationalism, anti-immigrant witch-hunting and right-wing economic populism.

The government's fragility was underscored yesterday when one of Bernardi's closest associates, Liberal National Party MP George Christensen, who sits in the lower house, said he would cross the parliamentary floor and vote next month against the government on a bill calling for an inquiry into the banking industry.

Such a vote would not bring the government down, but it does highlight how quickly the Coalition could lose its majority. Christensen has not joined Bernardi's party but makes similar pitches to climate change denial, anti-Muslim xenophobia and Christian fundamentalist opposition to same sex marriage. Christensen also resorts to populist agitation about the predatory operations of the banks against small businesses and farmers.

Stories are swirling in the media about likely challengers to Turnbull's leadership, mostly referring to Treasurer Scott Morrison, Immigration Minister Peter Dutton or Tony Abbott, who was deposed by Turnbull in September 2015.

Turnbull yesterday made a desperate effort to stave off moves against him within his Liberal Party by demagogically denouncing Labor Party opposition leader Bill Shorten as a "social climbing sycophant" who "sucks up to" billionaires. At the same time, the multi-millionaire prime minister sought to satisfy the demands of the financial elite for a far faster and deeper assault on the conditions and basic rights of the working class to reduce the burgeoning budget deficit.

The government yesterday unveiled another "omnibus bill" to slash billions from social spending

over the next four years. Except for a plan to lift the retirement pension age to 70, the bill contains all the cuts stalled since 2014. Working class families, elderly pensioners and unemployed youth will be hit the hardest. The measures feature family tax benefits cuts of \$5.1 billion and \$933 million in cuts to welfare payments for all new recipients. All income support for jobless workers would be abolished until they turn 25, except for a below-poverty-line youth allowance, saving government \$431 million. Young people will also have to wait a month before they can apply for benefits.

While slashing welfare, the government is proceeding with legislation to cut the company tax rate from 30 to 25 percent—handing new windfalls to the wealthy elites—in a bid to match the corporate tax cuts promised by Trump.

The revived push for these cuts will further fuel public opposition to the government. Discontent is rising in the face of the ongoing destruction of thousands of jobs in manufacturing and mining, soaring house prices in major cities, and the ever-worsening level of social inequality.

A survey of 30 countries this week reported that “Millennial” Australians—those born between 1982 and 1999—are the most pessimistic globally about the prospects for their future, largely because of financial stress and housing unaffordability. Accounting firm Deloitte reported that just 8 percent of Millennials in Australia believe they will be financially better off than their parents, and only 4 percent believe they will be happier than them.

The political turmoil is being intensified by the rift between the Turnbull government and Trump administration in the US, particularly over the latter’s repudiation of the Trans Pacific Partnership (TPP). A key aspect of Australia’s military and political support for the US “pivot to Asia” against China was Washington’s pledge that the TPP would ensure that the US and its allies “wrote the rules” of trade in the Asia-Pacific and compel China to open its markets even further to international investment and competition. Instead, under Trump, what looms is a US-initiated trade war that would severely impact on Australia’s massive commodity and service exports to China, which totaled some \$85 billion last year.

The extraordinary leaks about the bitter phone call

that took place last week between Trump and Turnbull over a refugee deal underscore the tense state of relations.

Last month, Turnbull floated the possibility that the countries that intended to form the TPP could proceed without US involvement and invite China to enter into the trade bloc. Concerns in US ruling circles would only have been heightened this week when Australian Foreign Minister Julie Bishop reiterated Turnbull’s TPP invitation to China during a meeting with her Chinese counterpart, Wang Yi, who visited Canberra.

Wang was reportedly unenthusiastic because Beijing opposes the terms contained in the TPP and instead wants negotiations to be finalised on the Chinese-led Regional Comprehensive Economic Partnership, which includes Australia, Japan, India and Southeast Asian countries.

Nevertheless, Bishop told reporters she had told Wang that amid “uncertainty around the world” Australia was “a reliable partner and that we will continue to place a strong trade and economic relationship as one of our highest priorities.” Bishop announced that Chinese Premier Li Keqiang will travel to Australia for talks with Turnbull on March 24. She spoke of “mutual efforts to deepen and broaden Australia-China ties.”

Any boosting of Australia’s relations with China would be anathema to the Trump administration, which lambasted Obama’s “pivot” as too weak to halt China’s rise and has already threatened a military confrontation in the South China Sea. The intense pressure being applied by Washington for Australia to support its foreign policy will feed into the political infighting in Canberra and the crisis of the Turnbull government.



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