

# Energy policy impasse highlights Australian political disarray

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Two tension-filled events in Canberra this week underscored the fragility of the Australian government. It is caught in a perfect storm of global and domestic crises.

Deepening social discontent toward the entire political establishment is being compounded by the international uncertainty produced by the ferocious infighting in Washington over Donald Trump's presidency.

First, on Tuesday, there was what the media termed a "mini revolt" by Liberal-National Coalition members of parliament against the Turnbull government's support for the introduction of a Clean Energy Target, supposedly to reduce carbon emissions in coming decades.

After two stormy party room meetings, which lasted for hours, it became clear that Prime Minister Malcolm Turnbull's leadership would again be in doubt if his government pushed ahead with such a scheme, which would threaten the interests of the coal mining industry. The second meeting generated foul-mouthed shouting matches featuring Turnbull's ousted predecessor Tony Abbott, a trenchant opponent of any emissions-reduction proposal.

Abbott's aggressive interjections in the meeting were meant to send a message that he could exploit the conflict to topple Turnbull. In 2009, Abbott won sufficient support to oust Turnbull as Liberal Party leader after he supported the then Labor government's plan for a carbon trading scheme.

Over the past year, Turnbull sought to break the decade-long impasse over energy policy by commissioning a report by the country's Chief Scientist Dr Alan Finkel. The outcome was a recommendation that the government legislate a target that might eventually phase out coal-fired electricity

generation. For years, the financial elite has been demanding bipartisan support for some kind of carbon trading scheme to provide certainty for giant energy investors by boosting profit prospects for power generation, including so-called clean or green projects.

Much to the frustration and alarm of the corporate ruling class, the rifts in the Coalition indicate a continuation of the seemingly intractable paralysis. Yesterday's *Australian Financial Review* editorial denounced "a decade of zero-sum stop-start climate change policies." It declared: "Business is rightly desperate for the political class to settle on a stable policy framework on which to support billions of dollars of investment commitments needed to fix the energy crisis the politicians have created."

These demands for further corporate enrichment via a market-based energy system were quickly exposed, however, by announcements by the main retail electricity and gas companies of crippling rises of up to 20 percent in prices for households and small businesses from July 1.

Average households will pay up to \$400 a year extra for electricity and \$50 for gas, exacerbating a worsening social crisis. Household debt levels are already the highest in the world because of falling real wages and soaring property prices. By some estimates, small businesses will pay up to \$2,000 a year more for electricity and gas.

According to the Finkel report, retail power prices have risen by nearly 140 percent since 2004—years in which electricity networks have been privatised by Liberal-National and Labor governments alike. This has created a lucrative national market in which operators perversely reap super-profits from price hikes produced by power shortages.

The sky-rocketing prices demonstrate the incapacity

of the private profit-driven order to provide affordable power, let alone tackle the grave dangers of global warming and climate change.

The other chaotic event was yesterday's near-defeat of the government in the House of Representatives on a Labor Party and Greens-backed Senate bill to establish a commission of inquiry into the banking sector. A defeat on the bill would not have brought the government down—it was not a formal vote of no-confidence—but it would have illustrated the government's tenuous existence, as it holds just a one-seat majority.

The bill has been pushed by Labor, the Greens and right-wing populists in the Senate as a means of containing intense public hostility to the predatory and rapacious operations of the banks. Turnbull, a former merchant banker, has sought to block the bill and instead proposed cosmetic steps to supposedly monitor bank practices.

After several hours of nervous manoeuvring, a right-wing government backbencher, George Christensen, balked on his threat to cross the floor to support the opposition bill. This resulted in a tied vote, allowing the House Speaker to exercise a casting vote to adjourn the debate. But if Christensen had followed through on his threat, the government would have been defeated because Foreign Minister Julie Bishop missed the vote.

These events are symbolic of the wider disarray engulfing the government. Commenting on the energy policy debacle, the *Australian's* political correspondent David Crowe wrote: "The federal Coalition has put its dysfunction on display again. Always up for a brawl on climate change, Liberals and Nationals MPs have thrown themselves into an internal row that tells Australians to look elsewhere for leadership."

Having barely survived last July's election and holding only 29 out of 76 Senate seats, the Coalition faces parliamentary blockages on many fronts, including on widely-hated austerity measures—slashing education, health care and welfare—in last month's federal budget.

Fearing popular discontent, Labor, the Greens and other senators have felt compelled to oppose these cuts. But they have no opposition to the extra billions of dollars allocated in the budget to the military and the police-intelligence apparatus. These funding splurges not only mean deeper cuts to essential social spending;

they are preparations for war and domestic repression.

While the besieged Turnbull this week mocked Trump, in line with those elements in Washington moving against him, he has stepped-up his efforts to demonstrate his commitment to the US military alliance, including by condemning China. This increasingly places Australia on the frontline of US war plans against China, which Washington regards as a rival for hegemony over the Asia Pacific.

Despite the worsening political crisis, the working class remains sidelined in the face of the danger of war and the ongoing corporate offensive on jobs, working conditions and social programs. All the posturing by Labor, the Greens and the Senate populists are attempts to confine the disaffection of youth and working people within the discredited parliamentary framework.

The same purpose is served by the trade unions and pseudo-left organisations, which promote illusions that Labor and/or the Greens can be pressured into transforming themselves into progressive or even anti-capitalist parties.

While seeking to exploit the government's turmoil, the Labor Party is positioning itself to return to office to continue the pro-business offensive that it mounted under Kevin Rudd and Julia Gillard, with the help of the Greens, from 2007 to 2013. In parliament this week, Labor leader Bill Shorten presented himself as the champion of the "national interest"—that is the interests of the Australian capitalist class. He appealed to Turnbull to "now commit to work with Labor in the national interest to end the policy paralysis which led to instability in the energy market."

At the same time, Labor has attacked the government from the right, condemning it for failing to curb the budget deficit and mounting public debt. Shorten and his shadow ministers used parliamentary question time yesterday to lambast the government for allowing gross debt to reach \$500 billion.



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