Another Australian prime minister faces serious crisis

Mike Head
14 April 2018

For the sixth time since 2007, an Australian prime minister faces the threat of possible removal, either by a landslide electoral defeat or a backroom coup. Internal divisions are shaking the Liberal-National Coalition government, with key cabinet ministers publicly jockeying to replace Prime Minister Malcolm Turnbull.

Home Affairs Minister Peter Dutton, Treasurer Scott Morrison and Energy Minister Josh Frydenberg, each told media outlets on Monday they aspire to be prime minister, while insisting they would not try to topple Turnbull, at least not yet.

At the heart of the worsening political instability are mounting economic and geo-strategic pressures bound up with Australian capitalism's dependence on both the US and China, amid intensifying US preparations for trade war and war against China, Australia's biggest export market.

These pressures are now taking an acute form. With a federal budget looming on May 8, Turnbull has been unable thus far to push through huge company tax cuts that the financial elite is demanding in order to compete globally and avert a feared withdrawal of investment to the US, which is Australia's largest source of finance capital.

Turnbull also faces heightened demands from Washington to step up Canberra's commitment to the US confrontation with China, including by massive military spending. This will mean further slashing social spending, and the passage of draconian "foreign interference" legislation directed against China.

Yet Turnbull's government already confronts displeasure in Beijing, which is provoking public voices of concern from sections of Australian big business, especially in mining, agriculture and education that rely heavily on Chinese markets.

The immediate trigger for the open jostling among ministers was a Murdoch media Newspoll showing the government trailing the opposition Labor Party, on a "two-party preferred" basis for the 30th consecutive month. Turnbull cited a similar 30-poll deficit as a pretext for deposing his predecessor, Tony Abbott, in September 2015, saying "the people have made up their mind about Mr Abbott's leadership."

Such media polling gives a very distorted picture of popular disaffection. There is deep hostility toward the entire political establishment, driven by decades of declining working and living conditions and soaring inequality, which have accelerated since the 2008 global financial breakdown.

After Australia initially avoided the full impact of the 2008 meltdown, largely due to a mining boom fed by China's debt-fuelled expansion, an economic and social crisis is deepening. Millions of working-class households are experiencing financial stress, under-employment, job insecurity and deteriorating basic services and infrastructure.

For the first time since World War II, average real wages have fallen, now for seven years in a row. Permanent jobs are being eliminated in favour of lower-paid casualised or contract employment. Soaring housing, energy and childcare prices have pushed up average debt levels to the highest in the world—more than 200 percent of household income.

Moreover, a housing market bubble, which kept much of the economy afloat after the mining boom collapsed, is showing signs of imploding, raising fears of widespread mortgage defaults and devastating financial fallout.

With parliament in recess until the week of the budget, no one is openly challenging yet for Turnbull's post, but a federal election looms—due before mid-2019. For now, both the Murdoch and Fairfax Media outlets

© World Socialist Web Site

are urging the government to stop tearing itself apart and focus on the budget, which is being termed a "major test" for its survival.

Wednesday's *Australian Financial Review* editorial urged the Coalition to halt the "killing seasons" of removing prime ministers, "and get ready to sell an election budget just a month away."

The comment reflects growing criticism in ruling circles that Turnbull, a former merchant banker, has failed to deliver on the promises he made when he ousted Abbott. Turnbull vowed to provide "economic leadership" and implement the sweeping budget cuts that Abbott, because of widespread public opposition, had proved unable to impose.

For the past 10 years, one prime minister after another, Coalition and Labor alike, has tried to push ahead with the sweeping pro-market agenda demanded by the corporate elite.

In mid-2016, in a bid to break through the impasse, Turnbull called a double dissolution election for all members of both houses of parliament. But that left the government in an even worse position, reduced to a wafer-thin majority of one seat in the House of Representatives and a minority of just 30 seats in the 76-member Senate.

As a result, rifts have deepened between, and within, the Liberal and National parties. In particular, the most overtly right-wing and socially conservative factions that abandoned Abbott in 2015, and agreed to back Turnbull, are agitating against him, despite his repeated efforts to appease them. Divisions are festering over a range of issues, including immigration levels, energy and climate policy.

Similar turmoil is engulfing the entire political establishment. Recent state elections have displayed hostility not only to the two traditional ruling parties, the Coalition and Labor, but also the myriad "third parties" that have claimed to provide alternatives.

Conscious of the growing discontent, Labor Party leader Bill Shorten is posturing as an opponent of cuts to corporate taxes and social spending. However, he was a key minister in the previous Labor government, whose anti-working class measures saw Labor's vote crash to record low levels, where it remains.

Support for the Greens has continued to fall since they propped up the minority Labor government from 2010 to 2013. Following recent disastrous election results, internal brawling has broken out between supporters of party leader Senator Richard Di Natale, who advocates entering coalition governments, and layers who fear that this orientation is further discrediting the Greens in the eyes of youth and workers.

The state elections in Queensland, Tasmania and South Australia also showed a considerable decline in support for the various right-wing populists that have tried to emulate Donald Trump by depicting themselves as "outsiders." Feeding off years of betrayals by Labor and the unions, these formations are seeking to divert the political disaffection in reactionary nationalist directions, but are increasingly seen to be serving as props for the existing order.

This includes Senator Pauline Hanson's rabid anti-immigrant One Nation, the now-rebadged Nick Xenophon Team, the Jacqui Lambie Network, and Senator Cory Bernardi's Australian Conservatives, which split from the Liberals last year.

Of immense concern in the parliamentary establishment are emerging struggles of workers that threaten to trigger a genuine revolt by the working class against the ruling elite, after decades of suppression by the trade unions. Rail workers in New South Wales last month, for example, reportedly voted by the narrowest of margins—50.8 percent—to accept a regressive workplace agreement backed by their trade unions.

The unions, together with the state and federal governments, feared that any resumption of industrial action by the railway workers could have spread to other sections of the working class confronting job losses, escalating workloads and the erosion of conditions. Such a movement would immediately heighten the crisis wracking the parliamentary establishment.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site