

# As Australian government unravels, Labor prepares to take office

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24 December 2018

This year is ending with Australia's Liberal-National Coalition government being torn apart by factional warfare and the Labor Party steeling itself to take power under conditions of intensifying global tensions, economic slump and an eruption of working class struggles worldwide.

As in previous periods of crisis and war—during both world wars, the Great Depression of the 1930s and the global financial meltdown of 2008—key sections of the ruling capitalist elite are looking to Labor to protect their interests.

Today, however, the in-fighting wracking the Coalition marks a deeper political crisis that affects the entire parliamentary order. There is sweeping popular discontent with all the establishment parties, including Labor and the Greens. For decades, successive governments, both Coalition and Labor, have enforced a corporate assault on working class jobs, working conditions, living standards and basic services.

Feeding into the turmoil is the instability surrounding US President Donald Trump, combined with Washington's escalating economic and military confrontation with China, Australian capitalism's largest export market. These developments are sending shock waves through the Australian ruling class, which has relied on US global hegemony since World War II to pursue its own predatory interests throughout the Indo-Pacific region.

In response to this explosive situation, the Coalition's most right-wing elements, orbiting around Home Affairs Minister Peter Dutton and ex-Prime Minister Tony Abbott, are striving to refashion the Liberal and National parties into a Trump-style populist and semi-fascistic movement to divert the unrest in nationalist directions.

Having ousted Prime Minister Malcolm Turnbull, a member of the Coalition's supposed "socially progressive" wing, in August, these layers are prepared to destabilise the government of his successor, Scott Morrison, even if it means losing the looming federal election.

Last week the civil war inside both the Liberal and National parties reached new heights. A succession of scandals and politically-damaging leaks led to a split over

energy policy with the New South Wales state Liberal government, which is desperately distancing itself from Morrison's unravelling administration.

Morrison himself was accused of trying to protect a far-right parliamentarian by offering a lucrative Liberal Party job to a factional opponent.

The infighting then engulfed the rural-based National Party. One of its ministers was forced to quit, accused of sexual misconduct—now a prominent means of waging factional wars—followed by similar allegations against another as-yet unnamed government member.

Even with an election due by May, at the latest, National Party parliamentarians aligned with the Dutton-Abbott camp and former National Party leader Barnaby Joyce responded by making what media outlets described as a "flurry" of calls for the removal of current leader Michael McCormack. A previously unknown junior minister, McCormack was installed as the Nationals' leader, and deputy prime minister, in February after Turnbull forced Joyce to quit—also via a sex scandal.

This instability has thrown into doubt the Coalition government's ability to survive until May, when Morrison had said he would call a federal election after handing down an early budget in April.

Amid this worsening turmoil, last week's Labor Party national conference in Adelaide became a platform for the Labor leaders, closely supported by the trade union bureaucrats, to assure the financial and corporate elite of their readiness to form a more unified pro-business and pro-US government, despite making anxious warnings about rising social unrest.

Carefully stage-managed performances brushed aside all the media speculation about likely "flashpoint" differences on the floor of the conference, which had been designed to give Labor an image of a democratic party that could be pressured into adopting a more progressive course.

The power brokers of Labor's various "Left" and "Right" factions and sub-factions, and the associated trade unions, came together to ensure a common front on every major

issue, above all, unequivocal commitment to the US military and strategic alliance, and to “fiscal responsibility.”

Labor leader Bill Shorten concluded the conference by declaring that his party was “more united, energised and determined than ever.” At the same time, acutely conscious of the mounting social discontent and political disaffection, he ludicrously claimed it had been a conference of “passion and vision” under the logo of “Fair Go for Australia.”

Shorten’s message to the ruling class had been underscored during the conference by shadow treasurer Chris Bowen. He gave a press briefing to respond to the government’s Mid Year Economic and Fiscal Outlook (MYEFO), which predicted a budget surplus in 2019-20, for the first time since the 2008 crisis, despite growing signs of another global crash.

Bowen accused the Coalition government of “five years of confusion and chaos” since the last Labor government was defeated in 2013. He attacked the government from the right, accusing it of “giving up on budget repair.” By contrast, Labor was committed to a “good, prudent return to surplus” based on taking “difficult decisions.”

A Labor government, Bowen reiterated, would deliver “bigger budget surpluses” because Labor did not share the government’s assumption of “synchronised global economic growth.” Standing alongside Bowen, shadow finance minister Jim Chalmers said larger budget surpluses were essential as a “buffer for international circumstances.”

These comments were the only references made during the three-day conference to the prospect of another global crash, even though world financial markets had already fallen for several months and become increasingly volatile.

Nevertheless, despite Shorten’s assurances of Labor’s unity and determination, the conference was overshadowed by fears that working class struggles could break out of the control of Labor and unions. During his opening address, Shorten warned of mounting “distrust and disengagement, scepticism and cynicism” toward the entire political system.

In her address to the conference, Australian Council of Trade Unions (ACTU) secretary Sally McManus invoked the spectre of a tsunami of discontent. “Working people are crying out for action on insecure work and crying out for fair pay rises,” she warned.

Behind the empty rhetoric of a “fair go,” the Labor and union apparatus is preparing to seek to suppress working class resistance to the even deeper cuts to working conditions and living standards that the corporate ruling class will demand amid an economic slump and Australian involvement in a US war against China.

On the eve of the Labor Party conference, an *Australian Financial Review* editorial on December 14 drew attention to the conflicts engulfing governments and the old ruling

parties in Europe and the US.

“Bill Shorten is likely to become only the fourth Labor Opposition Leader to take the party into government since World War Two,” it declared. The Coalition was “riven by the scars of leadership battles and disoriented by the wider instability of centre-right politics, such as the UK Conservative government’s civil war over Brexit and Donald Trump’s takeover of the US Republican Party.”

The editorial issued Labor its orders. It was “critically important” that a Shorten government “be more like Hawke-Keating than Whitlam or Rudd.”

The Hawke and Keating governments of the 1980s and 1990s repudiated the social reformist program of the Whitlam government of 1972 to 1975. They worked in partnership with the unions to restructure the economy along the lines required by global corporations, dismantling hard-won conditions of workers and imposing a massive redistribution of income and wealth in favour of the corporate elite.

The last Labor governments, those of Rudd and Gillard from 2007 to 2013, deepened this assault, and propped up the big banks and financial elite, while initially boosting social spending slightly as part of their efforts to restabilise the economy after the 2008 crisis.

The editorial welcomed the fact that Shorten “is no radical,” having been a long-time leader of the openly pro-employer Australian Workers Union. But it warned that Labor’s political pitch could be “overtaken by the populist politics of redistributing income and the backlash against big business.”

An editorial in the Murdoch media’s *Australian* on December 19 provided another indication of what the ruling class is demanding of a Labor government. It complained that the Coalition’s internal conflict, “drip-fed by scandal after scandal,” was corroding “political confidence.” This was making it “that much harder for true leaders to persuade voters to sacrifice something short term for reforms that serve an enduring national interest.”

This call for “sacrifice” is a warning. Any Labor government will be pledged to inflicting on the working class enormous cuts to living standards, working conditions, social services and basic democratic and social rights, under conditions of global economic breakdown and lurch toward another world war.



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