

# Tasmanian premier's resignation highlights political discontent across Australia

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In yet another backroom leadership switch in Australia, Tasmanian Liberal Party state Premier Will Hodgman suddenly resigned last week and was this week replaced by Treasurer Peter Gutwein. While the abrupt changeover occurred in the country's smallest state, it is another indicator, along with the worsening fallout from the bushfire catastrophe, of a deepening social and political crisis throughout the continent.

After being installed unopposed by the party's members of parliament on Monday, Gutwein claimed he would lead a "compassionate" government. He promised to "do more" to fix the health service, house the homeless and address climate change. His comments inadvertently pointed to the mounting popular discontent behind the switch.

The corporate media—echoed by the Labor Party and Greens—paid tribute to Hodgman, hailing him as one of the most "successful" and "popular" premiers in the state's history. But the reality is one of acute social polarisation. A so-called economic boom, substantially based on tourism and Chinese investment, has been produced by gutting public health and housing, eliminating public sector jobs and imposing the lowest wages and worst rates of poverty in the country.

Gutwein, who has been central to the government's brutal policies since it took office in 2014, nervously sought to soften his budget-cutting image. "Our government will be a government of conviction, of compassion and importantly, one of opportunity for all," he said. In the same breath, he declared there would be no "radical divergence" from the government's "sensible, responsible" economic plan. That means continuing to feed corporate profits at the expense of the working class.

Like Hodgman, 50, who offered the customary explanation of "family reasons" for his resignation, Gutwein, 55, is a member of the Liberal Party's supposed "moderate" faction, aligned with ousted Prime Minister Malcolm Turnbull. Gutwein's main rival, ex-Health Minister Michael Ferguson, an adherent to the "hard-right" wing of Turnbull's replacement, Scott Morrison, pulled out of the

leadership contest just minutes before the Liberal Party room meeting. It seems that, despite reportedly having the parliamentary numbers to win the ballot, Ferguson was advised that his ascension would fuel the popular hostility to both the state and federal Liberal-led governments.

Under successive governments, both Liberal and Labor, Tasmania has become a microcosm of the financial and social devastation being inflicted on millions of young people and working class households throughout Australia.

## Public health:

Out of a population of just over half a million, more than 200,000 Tasmanians have at least two chronic health conditions and the state has the country's second-worst General Practitioner bulk-billing rate under the Medicare system. About 50 percent of patients are forced to pay upfront fees and extra out-of-pocket costs for basic doctors' services.

Public hospitals are chronically starved of resources and staff. The Royal Hobart Hospital's emergency department had more than 1,800 patients wait longer than 24 hours in the last financial year, but faces a \$50 million cut this year.

Confronted by protests from patients, doctors, nurses and other health workers, Hodgman dumped Ferguson as health minister last June, but the situation only worsened.

## Housing, homelessness and poverty:

Workers, young people and the poor face an acute housing crisis, as the result of sky-high rents, soaring property prices, a booming short-stay accommodation sector and a growing public housing waiting list.

More than 3,000 people are waiting for social housing, with an average wait time of more than a year and three months. The state was gripped by a homelessness crisis in the depth of winter last year, due to a severe shortage of affordable housing, particularly in the capital, Hobart, where rents rose 10 percent in the past year alone.

An estimated 120,000 people are living in poverty, even by the understated official calculations.

### **Public sector, education and wages:**

In its first year in office alone, the Liberal government eliminated 1,200 public sector jobs, including school and TAFE teachers and health workers, on top of the 1,000 jobs destroyed by the previous Labor-Greens coalition government following the 2008 global financial crisis.

Average wages, both in the public and private sectors, are the lowest in the country, under conditions where wages nationally have stagnated or fallen compared to inflation for the past six years, with young and other “gig economy” workers the worst hit. Unemployment is at nearly 7 percent, almost two points above the national average, even on the understated official figures.

Tasmanian teachers took strike action last year, demanding a cap on class sizes and more in-class support and professional development, as well as against pay rises being pegged at 2 percent per annum for all public sector workers, a measure introduced by the Labor-Greens government in 2011. The Australian Education Union eventually pushed through a sell-out deal, continuing a long record of betrayal.

The government assault is intensifying. Last May, Gutwein handed down a state budget that imposed an “efficiency dividend” across the public service, aiming to cut social spending by \$450 million over four years. This was expected to mean the slashing of another 1,500 jobs.

For all the “economic success” stories, the state government faces a \$280 million cut in its share of Goods and Services Tax revenue to 2022-23 because of the national and global slump. The state Treasury Department last year declared that the state could be up to \$30 billion in debt by 2033-34 without quick intervention to cut spending.

Under pressure from the corporate elite, the government is scheduled to push ahead this year with pro-logging and gambling measures, draconian anti-protest laws and barbaric mandatory sentencing legislation. Over the past year already, it has suffered a series of scandals and defections.

Far from being “popular,” the Liberal government narrowly avoided defeat at the last state election in 2018,

retaining a one-seat majority of 13 seats out of 25 in the lower house. This was just four years after the landslide rejection of the previous Labor-Greens government. Hodgman, a third generation corporate politician, survived largely because of the continued hostility toward Labor and the Greens, who jointly imposed the burden of the global financial meltdown while in office from 2010 to 2014.

It is not yet clear whether Hodgman’s support for Chinese investment played a part in his departure. Pro-US strategic thinktanks had expressed concern that he was too close to China, which has become the state’s biggest export market, worth almost \$1 billion a year. Within a year of a visit by Chinese President Xi Jinping to the island state in 2014, cherry exports rose by 46 percent, apples 281 percent, salmon 5,217 percent and Chinese tourist numbers 38 percent.

Hodgman’s resignation certainly reflects wider concerns about the fragility of the federal Liberal-National Coalition government. Prime Minister Morrison last week voiced regret at Hodgman’s departure, nominating him as a “Liberal legend.”

Significantly, Tasmania’s Labor and Greens leaders were equally praiseworthy. Labor leader Rebecca White hailed Hodgman’s “love for Tasmania and his passion for this great state.” Greens leader Cassy O’Connor, said there was “no question Will [Hodgman] has left his mark as a popular Liberal premier.”

Both White and O’Connor were key figures in the last Labor-Greens government, whose cuts and attacks on workers paved the way for Hodgman. If the state government were to fall, they would be called into office again to step up the pro-business offensive, backed by the trade unions.



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