Premier of Australia's largest state forced to resign amid pandemic surge, reopening drive

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Yesterday afternoon Gladys Berejiklian announced her sudden resignation as premier of New South Wales (NSW), Australia's most populous state, after the Independent Commission Against Corruption (ICAC) informed her it would be issuing a public statement naming her as a subject of investigation.

As is always the case in capitalist politics, such corruption scandals and allegations of personal misconduct are brought to the surface to further unstated political agendas. Whatever the precise identity of those involved in Berejiklian's ouster and their motives, the timing of her forced resignation makes clear that it is connected to broader political issues.

Australia is in the midst of its worst outbreak of the coronavirus since the pandemic began, with infections centred in NSW and Victoria, the country's largest states.

There is mass anger in the working class over the failure of governments, including Berejiklian's, to institute the safety measures necessary to contain the pandemic. The health systems are in an unprecedented crisis, with the NSW government's own modelling predicting that its hospitals will be "overwhelmed" by the end of the month as COVID admissions exceed maximum capacity.

At the same time, there is an incessant clamour from the corporate and financial elite for the immediate lifting of the inadequate COVID restrictions in place, and frustration with the state governments over their pace in implementing this profit-driven program. NSW is set to begin its phased "reopening" on October 11, with the lifting of lockdown measures.

The combined pressure of widespread popular opposition to the dangerous reopening drive, and the strident demands of big business for it to proceed immediately, is driving a deepening political crisis, not just of the NSW government, but of its counterparts in other states and the federal Liberal-National Coalition government. Previous claims of "national unity," based on the assertion that Australian governments had seen off the worst of the pandemic, have given way to bitter recriminations between leaders of the different administrations and factional infighting.

In her resignation announcement yesterday, Berejiklian pointed to the broader context. "My resignation as premier could not happen at a worse time, but the timing is completely outside of my control as the ICAC has chosen to take this action during the most challenging weeks of the most challenging times in the history of NSW," she said.

Moreover, as Berejiklian noted, the substance of the allegations against her have been publicly-known for the past 12 months. Only now, however, has ICAC named her as a subject of investigation, rather than just a witness.

The agency, which has sweeping powers, has a lengthy history of highly-political interventions. Berejiklian is the third Liberal premier of NSW to be ousted as a result of its investigations. In the most recent case, then Premier Barry O'Farrell was forced to quit in 2014, supposedly over a bottle of wine that he received as a gift. This was used to install an even more right-wing government, which implemented a sharp austerity agenda.

The issues surrounding Berejiklian first surfaced at ICAC hearings last October. Called to testify, she revealed a years-long intimate relationship with Daryl Maguire, a former Liberal MP who has admitted to using his public office for personal gain.

The allegations against Berejiklian relate to grants given by the state government, when she was treasurer or premier, to the Australian Clay Target Association and Riverina Conservatorium of Music between 2016 and 2018. Both entities were in Maguire's electorate in the regional area of Wagga Wagga.

While there are suggestions that Maguire may have profited from the funding, which included property development, no such accusations have been levelled against Berejiklian. Instead, the claim is that she may have had an undeclared conflict of interest because of her personal relationship with Maguire. On its face, however, the grants appear to be little more than pork-barrelling—the widespread practice of governments directing funding to marginal seats to ensure their reelection.

When Berejiklian was first drawn into the ICAC hearings, the WSWS noted that her five-year relationship with Maguire may have been a surprise to the public, but must have been well known within ruling circles, as well as by the commission itself and the intelligence agencies.

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The WSWS noted that there was "evident alarm in the corporate elite that Berejiklian, who remains aligned with the Liberal Party's 'socially progressive' faction, is so politically compromised that she will be unable to carry through the austerity agenda demanded by big business." At the same time, however, there was no obvious candidate to replace her.

In large measure, Berejiklian's political fate has hinged on her government's pandemic policies. In May 2021, the *Australian Financial Review* (AFR), one of the preeminent mouthpieces of the corporate elite, featured Berejiklian on the cover of its magazine, with the caption "the woman who saved Australia."

The article hailed Berejiklian for rejecting calls to implement lockdowns during COVID outbreaks, and for campaigning alongside Prime Minister Scott Morrison against those state governments that were continuing to impose limited shutdowns when the virus was circulating.

On June 16, two cases of the highly-infectious Delta variant were detected in Sydney, resulting from the state's inadequate safety measures around international arrivals. For ten days, Berejiklian's government refused to implement any restrictions, aside from mask mandates, resulting in the worst COVID outbreak in Australia since the pandemic began.

As a consequence, Berejiklian has become a subject of mass popular anger, denting her prospects of riding out the Maguire revelations on the basis of her supposed popularity. The NSW outbreak, moreover, has triggered a series of conflicts within the political establishment, and continuous leaking from within the state government.

In August, sources in the federal government, including the prime minister's office, told the press that Berejiklian had sharply quarrelled with Morrison. They said the NSW premier had ignored Morrison's advice to implement a lockdown earlier, in order to prevent a mass outbreak disrupting the drive to "reopen the economy." NSW government ministers then leaked that Berejiklian had "lost her sh*t" when the story was reported, and had described Morrison as an "evil bully."

Berejiklian and other NSW ministers also have reportedly expressed their anger over the federal government's shambolic vaccine rollout.

Leaks revealed divisions within the NSW government. One in July claimed that three cabinet ministers, including Treasurer Dominic Perrottet, had sharply argued against Berejiklian's proposal for an extension of the limited lockdown measures, instead declaring that it was necessary to fully reopen, whatever the toll in infections and deaths.

Other anonymous sources claimed that the leak had been made by Deputy Premier John Barilaro, the state leader of the National Party, whom they accused of exaggerating the divisions. Barilaro's aim, they said, was to undermine Berejiklian's leadership by exacerbating tensions between her own moderate faction, and Perrottet's right grouping. An uneasy alliance between the two factions had been the basis of Berejiklian's leadership.

Barilaro has had a number of conflicts with Berejiklian, including one which publicly exploded in September last year, over proposals for Koala protection legislation, which the Nationals claimed would negatively impact on farmers. That eruption was followed by Berejiklian being called to testify before ICAC several weeks later.

Notably, the *Australian* recently reported that Barilaro, along with former sports minister Stuart Ayres, gave closed-door evidence to ICAC in the same investigation that has ensnared Berejiklian. The report stressed there was no suggestion that either were themselves accused of wrongdoing. Two weeks later, Berejiklian was named as a subject of the investigation.

In a sign of the sharp factional conflicts underlying Berejiklian's ouster, her replacement looks set to be installed after a divided ballot. Perrottet is the frontrunner, but Rob Stokes of Berejiklian's faction has declared he will run, indicating a breakdown in the power-sharing arrangement between the moderate and right factions. Several other government figures are predicted to stand.

A column in the AFR this morning hailed Perrottet as the "right man" to replace Berejiklian, declaring he would be able to "get businesses open and functioning as soon as possible." Other commentaries in the financial press have noted his long-standing opposition to even limited safety restrictions. The promotion of Perrottet dovetails with frustrations within the corporate elite that the state governments have not proceeded rapidly enough with the reopening drive to which they have committed.

Berejiklian's ouster stands as a warning to other state premiers, who are being condemned as recalcitrant, especially the Labor leaders of Queensland and Western Australia, who have suggested that they may retain closed borders for some time.

Other opinion pieces, however, including in the *Australian*, have warned that the sudden removal of Berejiklian could intensify the political crisis and undermine the reopening drive, given her close association with it.

The working class must adopt an independent standpoint, in opposition to the different factions of the ruling elite and the political establishment, all of which are committed to subordinating health and safety to profit. The decisive issue is the development of a political movement of the working-class based on a socialist perspective to resist the reopening campaign, enforce safety measures and fight for a program of eradicating the coronavirus.

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