

# Australia: NSW state government in spiralling crisis

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Over recent days, a protracted crisis of the Liberal-National Coalition government of New South Wales (NSW) has intensified to the point that its continued rule in Australia's largest state is in question.

The turmoil began in June, when it was revealed that the government's former deputy premier John Barilaro had been appointed the NSW Senior Trade and Investment Commissioner to the Americas. Rapidly, there were accusations that the half a million dollar a year posting to New York was a golden egg given to Barilaro after he had resigned from the government last October.

Barilaro withdrew from the New York posting at the end of June amid widespread public anger, but that did not stop the fallout. Documents revealed that the position had been awarded to another candidate but was then rescinded and bestowed on Barilaro.

The appointment is the subject of a NSW parliamentary inquiry. Barilaro was grilled over recent days on the position and broader questions relating to Investment NSW. Barilaro has testified that he told Premier Dominic Perrottet and others that he wanted the New York position last November and received an enthusiastic response.

The saga claimed its first political scalp last week. Deputy Liberal leader Stuart Ayres resigned after a preliminary report into Barilaro's posting by former public service commissioner Graeme Head indicated that he may have breached a ministerial code of conduct.

Ayres has denied any wrongdoing. His removal was announced by Perrottet, indicating that Ayres had little choice but to resign. Treasurer Matt Kean was elected as deputy Liberal leader unopposed yesterday in an attempted display of party unity.

The move was clearly aimed at limiting the fallout amid a growing chorus of questions in the press about Perrottet's own knowledge of, and involvement in, the creation of the New York position for Barilaro.

These efforts, however, appear to be failing. This week, allegations emerged in the parliamentary inquiry that Perrottet had promised to create a foreign posting for Police

Minister David Elliot. The claim, denied by Perrottet, allegedly involved a trade role in London.

In a separate development, Liberal MP John Sidoti was suspended from the NSW parliament on Tuesday after the Independent Commission Against Corruption (ICAC) found that he had improperly used his position to influence an inner-city property development.

All in all, the government is on the brink of unravelling and is only being held together by a thread.

The revelations of plush postings to New York and London have provoked considerable outrage among ordinary people as reflected on social media.

Such appointments are a standard operating procedure, however, not merely for the NSW government, but for all its state and territory counterparts, whether led by Labor or the Coalition and for federal administrations. There is scarcely a prominent ex-politician who has not landed on their feet, immediately entering the top echelons of the public sector, the corporate world or major non-government organisations.

As is always the case, such conduct is brought to light to prosecute unstated political agendas. The crisis of the NSW government has been fuelled in large part by incessant media coverage of the Barilaro scandal. By contrast, innumerable acts of government and corporate malfeasance pass by with barely a murmur. The various mechanisms that have been activated amid the crisis, including ICAC and the parliamentary upper house inquiry, are themselves highly political.

The NSW government, moreover, has been a focal point of political intrigues and conflicts over the past period of national significance.

Perrottet was installed as premier last October, not as the result of an election, but a political coup spearheaded by ICAC. The corruption watchdog orchestrated the forced removal of his predecessor, Gladys Berejiklian.

It named her as a "person of interest" in an investigation into the activities of former MP Daryl McGuire, with whom she had a personal relationship. By that point, the substance of the allegations relating to electoral "pork-barrelling" had

been on the public record for over a year and Berejiklian was not accused of anything approaching criminal conduct.

It rapidly became clear that her ouster was aimed at effecting a significant political shift. While Berejiklian had been at the forefront of the profit-driven response to the pandemic, there were mounting frustrations that she was not moving rapidly enough to end all safety measures and force the population to “live with the virus.”

The purpose of Berejiklian’s removal was made clear by Perrottet’s actions. Within two months of becoming premier, he worked with then Prime Minister Scott Morrison and Victorian Labor Premier Daniel Andrews to fully “reopen the economy” as the Omicron variant wreaked havoc around the globe.

The triumvirate spearheaded the end of pandemic restrictions across the country, a dangerous school reopening amid surging cases and other policies which have resulted in millions of infections and over 10,000 deaths.

NSW was also a locus for conflicts in the lead-up to the May federal election. The national Liberal leadership, headed by Morrison, intervened aggressively to select its own candidates in defiance of the NSW branch of the party.

The election itself witnessed an historic collapse of support for the two-party set-up. The Liberals received their worst result in more than 60 years, with the very existence of the party called into question. This has undoubtedly intensified the long-simmering factional conflicts.

Perrottet was brought in, not only to “reopen” the economy, but also to enforce the associated pro-business restructuring demanded by the ruling elite. The increasing destabilisation of his government, spearheaded by the media but representing corporate interests, is because the government is failing to carry out that task.

In the past eight months, the level and number of industrial strikes among nurses, teachers, aged care workers, rail staff and other public sector workers has been the highest in a decade. In disputes covering hundreds of thousands of public sector workers, the Perrottet government has thus far been unable to impose sweeping cuts to pay and conditions.

The government has attempted blatant intimidation, including threatened action against the unions in the industrial courts and a provocative shutdown of the rail network earlier this year, as well as cosmetic sops aimed at helping the corporatised trade unions to force through sell-out agreements. But to this point, nothing has worked.

To the extent that there has not been a massive eruption of the class struggle centred around these disputes yet, it has only been due to the treacherous role of the unions in keeping the different sections of workers divided and isolated and limiting their action to partial token strikes.

Especially in the lead-up to a state election, which must be

held by next March, sections of the ruling elite are weighing up the prospect of supporting a Labor government in NSW in line with the coming to office of a federal Labor administration in last May’s national election.

The Albanese Labor government is overseeing ongoing “let it rip” COVID policies amid the worst surge of the virus to date, mapping out a sweeping austerity agenda and presiding over Australia’s ever-greater involvement in the US confrontations with Russia and China that threaten world war.

Perrottet’s survival has in large measure depended upon the NSW Labor Party which does not function as an opposition in any meaningful sense of the term. Its leader Chris Minns is unknown to most of the state’s population. He assumed the position last year, pledging to work “constructively” with the Coalition government. Minns had not substantially differed with a single Coalition policy, including the various attacks on public sector workers. He has backed the homicidal COVID policies, as has Labor in every other state and territory.

The Labor Party, moreover, is hardly in a position to wage a campaign against corruption. For years, NSW Labor has had a reputation little better than the mafia. Several prominent ministers in the last Labor government are in prison, or not long released, over their own criminal activities.

In the current crisis, the working class must adopt an independent position opposed to the state and federal governments and the entire political establishment. The issue is not corruption, as a thing in itself, but the outmoded capitalist system, which is the root cause of social inequality, the soaring cost of living, and the existential dangers confronting humanity, including the pandemic and war. The alternative is the fight for a socialist perspective aimed at reorganising society to meet social need, not private profit.



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