

Australia's second-term Labor government will accelerate pro-business, pro-war agenda

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14 May 2025

Australian Prime Minister Anthony Albanese and his second term ministry were formally sworn in by the governor-general on Tuesday after Labor's win in the May 3 election. The key ministers who prosecuted the Labor government's pro-war, pro-big business policies in its first term retain their posts but changes to the line-up signal a further lurch to the right.

Formally under Labor's rules, the various factional bosses, representing different fiefdoms and trade union bureaucracies nationally and in each state, determine the membership of the ministry, and the prime minister then allocates the portfolios.

The resulting reshuffle marks a shift to satisfy the demands of the corporate ruling class for an acceleration of its pro-business agenda under conditions in which the Trump administration's trade war has thrown the world economy into turmoil.

Trump's "Make America Great Again" drive to restore US global hegemony, above all at the expense of China, has potentially devastating consequences for Australian capitalism, which depends heavily on mining exports to China and foreign investment from the US.

In its first term in office, from May 2022, the Albanese government inflicted the greatest cut to working-class living standards since World War II, imposing a cost-of-living and housing affordability crisis.

It further transformed the country into a platform for a US war against China, including through the expansion of US access to bases across the north of the continent and a \$368 billion agreement to acquire nuclear-powered AUKUS attack submarines.

Labor also gave unstinting support to the US-backed Israeli genocide in Gaza, cracked down on anti-genocide dissent, and ramped up measures against immigrants and refugees, a warning of its readiness to suppress anti-war opposition.

Nevertheless, the lead-up to the election saw increasingly frustrated complaints from within the corporate, media and military establishments that neither Labor nor the Liberal-National Coalition had laid out a sufficiently aggressive agenda. Repeated editorials called for deeper attacks on the conditions of workers, the slashing of social spending and the far-greater boosting of military spending.

After the election, an *Australian Financial Review* (AFR) editorial reiterated the demand for "budget repair, incentive-sharpening tax reform, productivity-enhancing workplace flexibilities, and best practice deregulation."

Labor only won the election on the back of the collapse of the

Liberal Party vote due to widespread hostility to the Trump agenda. Despite a significant increase in seats, Labor's own primary vote was a near record low of 34.7 percent, reflecting the growth of working-class opposition to its pro-business, pro-war agenda.

Once the election was over, however, Prime Minister Anthony Albanese and Treasurer Jim Chalmers moved quickly to meet the demands of the financial elite by promising to lay out a "productivity" agenda—a euphemism for ratcheting up the rate of exploitation of workers' labour power and boosting profits.

Such is the thrust of the new ministry.

Behind the ministerial shifts

On the military front, both Albanese and Defence Minister Richard Marles have underlined the government's commitment to the AUKUS pact and the expansion of military spending to prepare for a US war against China. One of Albanese's first acts after the election was to call Trump to pledge close collaboration. Albanese said the "very warm" conversation had been about "AUKUS" and "trade." That indicates his willingness to try to secure exemptions from US tariffs by meeting Trump's demands for much higher military spending.

Marles' newly-appointed assistant defence minister is Peter Khalil, a former intelligence analyst who is well known in Washington foreign policy, military and intelligence networks. In 2003, shortly after the US-led illegal invasion of Iraq, Khalil was deployed to Baghdad to work with the US occupation regime, serving for nine months as director of national security policy.

Jim Chalmers and Katy Gallagher, who have overseen Labor's pro-business agenda and budget cutbacks, remain as treasurer and finance minister respectively. However, changes to other ministries indicate Albanese's determination to remove any appearance of even the most limited opposition to the demands of the corporate and financial elite.

A significant change has been Albanese's removal of Tanya Plibersek as environment minister and installation as social services minister. The shifting of Plibersek, a rival of Albanese in Labor's nominal "Left" faction, followed corporate complaints that she did not move far and fast enough to brush aside

environmental objections to new mining projects.

Plibersek was certainly no champion of preventing the global climate change disaster. She greenlighted numerous extensions of coal mines and other fossil fuel developments, anxious to shore up the exports on which Australian capitalism greatly depends.

However, facing public outrage over her record, Plibersek had delayed some approvals, notably a 40-year extension of Woodside Energy's \$34 billion North West Shelf gas project. According to the *Australian*, approving this plan "now looms as the first major test for Senator [Murray] Watt," who replaces her as environment minister.

In moving Plibersek to the social services portfolio, Albanese has handed her a poisoned chalice. Huge cuts to social spending are one of the central demands of big business, both to boost military spending and eliminate looming budget deficits. In its last budget, Labor defied protests to keep unemployment benefits at sub-poverty levels. Plibersek, however, will be compelled to go far further in slashing welfare programs.

The mining industry welcomed the appointment of Watt as environment minister. Regarded as a "fixer" from Queensland, a mining state, he established a record as workplace relations minister in working with union chiefs to shut down industrial disputes. The Association of Mining and Exploration Companies said Watt's appointment presented an opportunity to "reset" the portfolio.

At the top of the government's list of cuts is the National Disability Insurance Scheme (NDIS). Labor has pledged to cut its annual growth rate to 8 percent, from 20 percent. That means cutting its budget by \$60 billion over the next decade and blocking access to services for thousands of people with disabilities, especially children.

Previous NDIS minister Bill Shorten, who drew up these plans, has quit parliament, but responsibility for enforcing these draconian measures has been handed to Health Minister Mark Butler.

During the Albanese government's first term, Butler won the praise of the financial elite by spearheading the dismantling of COVID-19 protective measures and implementing aged care "reforms" designed to slash spending. Having overseen the 3,852 COVID deaths reported in 2024, he will now bring the same "profits before lives" approach to the NDIS on which particularly vulnerable people rely.

Two ministers were removed from their jobs altogether, Attorney-General Mark Dreyfus and Industry Minister Ed Husic.

According to the *Australian Financial Review*, Husic had come under corporate criticism for being difficult to work with as industry minister. Albanese replaced him with Tim Ayres, a former Australian Manufacturing Workers Union top bureaucrat. As he did as a union leader, Ayres will work closely with employers and rely on the union apparatuses to police the "productivity" drive, which will require a further assault on workers' jobs and conditions.

An angry Husic declared he was the victim of factional infighting and publicly branded Marles, who is also deputy prime minister, a "factional assassin" for removing him to make way for a member of Marles' right-wing faction.

Husic, a Muslim, said he was removed partly due to his concerns over the Gaza genocide, despite never publicly opposing Labor's alignment behind the Israeli mass murder. His replacement as the token Muslim in the cabinet, Anne Aly, is a strident defender of the Labor government's complicity in the US-Israeli genocide and ethnic cleansing in Gaza.

The implementation of Labor's militarist and socially regressive agenda will inevitably provoke opposition, protests and strikes. The Albanese government has already played a central role in the fraudulent campaign against "antisemitism" that has been used to vilify and persecute opponents of Zionism and the Israeli genocide.

In one of the most significant ministerial changes, Albanese has greatly strengthened the repressive apparatus of the state by transferring responsibility for the Australian Federal Police (AFP) and Australian Security Intelligence Organisation (ASIO), the domestic political spy agency, from the Attorney-General's Department back into a Home Affairs super-ministry.

This huge expansion of the Home Affairs ministry coincided with the removal of Dreyfus as attorney general and from the ministry altogether. While factional considerations may well have been involved, Dreyfus, had previously opposed the integration of AFP and ASIO into Home Affairs in 2017 by the Liberal-National Coalition government.

The Labor government reversed the amalgamation during its first term, but has now reconstituted the super-ministry under Home Affairs Minister Tony Burke, one of Albanese's trusted enforcers. What is being created is a powerful apparatus for cracking down on opposition, particularly from the working class. The removal of the AFP and ASIO from the Attorney-General's Department also signals a weakening of the legal oversight of their activities.

Burke, who is also the immigration minister, will now be in charge of the AFP and ASIO along with the Australian Border Force (ABF). He will be able to use their joint forces to carry out Labor's vicious anti-immigrant policies, including deportations and indefinite detentions of refugees.

Workers and young people confront a harsh reality—a Labor government that is totally committed to cooperating with Trump and to implementing an agenda of war and austerity. This will soon produce explosive struggles and rude shocks to those who voted Labor in the false hope that it represented a "lesser evil" to the Coalition.

The Socialist Equality Party has called a national online public meeting this Thursday May 15 to address and discuss these critical issues and the need for a socialist alternative. Please register here.



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