

# Australia: Corporate media voice concerns over “courtship” of independents

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Key sections of the Australian media, representing powerful corporate and financial interests, are voicing concerns that whatever the outcome of negotiations this week, the minority government that emerges from the election of a hung parliament will be unable to proceed with what have been dubbed “unpopular economic reforms.”

The Murdoch-owned News Ltd outlets are campaigning for a new election, while the Fairfax-owned *Australian Financial Review* has warned that a minority government will be beholden to the sectional interests represented by independents, under conditions of a worsening global economic environment.

Negotiations between three key independents and the Liberal and Labor Party leaderships on the composition of the government begin today, with the outcome expected to be decided by the end of the week, after the poll is declared.

While counting is still incomplete, it appears certain that the Labor Party will win 72 seats in the 150-seat House of Representatives. With the guaranteed support of the sole Greens representative, its final numbers will be 73. The Liberal National Party coalition also has 72, taking its total, counting the support of a West Australian National MP, who has declared he will sit on the crossbenches, to 73 seats as well.

The Hobart-based (Tasmania) independent Andrew Wilkie has indicated he will decide his position by Tuesday or Wednesday, meaning that the outcome of the election will be determined by the votes of the three incumbent rural-based independents, Tony Windsor, Bob Katter and Rob Oakeshott. If at least two out of three decide the same way as Wilkie, that would ensure 76 votes for the recipient, and a majority on which to form government. If all three independents decide the opposite way to Wilkie, then *their* selection would have

the required 76 votes to form government.

However, if two of the three independents do not follow Wilkie, or if the three fail to reach an agreement to back either of the two major parties, then a stalemate will result. In that case Labor leader Julia Gillard would seek to test her support on the floor of the House.

At this stage, a minority Labor government seems the most likely outcome. Gillard is desperate to do whatever it takes to win backing from the independents in the hope that returning to office will head off the bitter recriminations and faction fights that will erupt over the coup against Kevin Rudd and the conduct of the election campaign if Labor is driven back to the Opposition benches.

Far more than words could describe, the Laborites’ predicament was summed up in a news photo showing Labor deputy leader and treasurer Wayne Swan all but bowing, with an obsequious grin, as he shook hands to greet the North Queensland independent Katter.

For his part, Liberal leader Tony Abbott appears less willing to court the independents. He calculates that a minority Labor government would be subject to an immediate campaign of destabilisation, especially from the Murdoch press, from which he would receive powerful backing in a future election campaign.

The News Ltd orientation was set out in an editorial in yesterday’s *Sunday Telegraph* headlined “Back to the polls is the way forward.” “Despite the best intentions—and the fact that nobody really wants another five-week election campaign—it is becoming obvious that neither Julia Gillard nor Tony Abbott has any chance of forging an efficient, stable government.” It went on to declare that a new election inside twelve months was “inevitable”.

Frustrated voters had turned to the Greens and independents, but Australia needed a “government with

a clear mandate and a secure grip on power—and that can only be delivered by holding another election.”

An associated article on Abbott’s prospects noted that if the Liberal National Party coalition failed to form government, it would be “in the box seat” for the next election. While Labor was desperate to hang on to power, “there are signs ... that within the Coalition many people are wondering if it’s worth it.” If Abbott stood back, he would lose the election but “probably win the next one, as he spends the next few months watching the entirely unsustainable show come crashing around Prime Minister Gillard and her ramshackle and disparate collection of parliamentary supporters.”

Other media commentators, however, are urging caution before rushing to a new poll. In a comment published today, *Business Spectator* columnist Alan Kohler noted: “There is little point in having another election. The shifts in society that have been caused by the 2007-2008 financial crisis are permanent, and need to be faced up to by politicians who have become used to the political stability that has accompanied relative economic stability over the past 30 years. The fact that although Australia, on average, escaped the GFC [global financial crisis], much of it did not. The two-speed economy is producing a two-speed polity.”

Kohler pointed out that the resources state of Queensland—where Labor suffered its biggest losses—was, in reality, losing out because it had been badly hit by the decline in tourism and property development produced by the GFC. Other countries and regions were also experiencing political instability and “Australia’s hung parliament reflects the post-GFC divisions that are now haunting the world.”

In today’s editorial, the *Australian Financial Review* also pointed to the turbulence of the global economy as it warned against acceding to the demands of the rural-based independents for greater protection and state regulation. The economic background to the “strange courtship” of the independents, it noted, was not improving, with China’s economy continuing to slow and the US struggling.

“Australia is less leveraged to the US than it is to China, but China itself is heavily leveraged to US consumer spending. You don’t have to buy the case for a double-dip recession in the US and global economies to conclude that a smoothly accelerating economic

recovery can hardly be taken for granted.”

The danger in courting the independents was that their ideas could affect policy outcomes and that “we could begin to go backwards in competitiveness at a time when we have to go forward if we want to maintain and enhance our prosperity with an ageing population in a dynamic trading region.”

Under conditions where there is no significant difference between the Labor Party and the Liberal-National coalition on major economic issues, the formation of a “grand coalition” has been raised as a means of countering parliamentary instability.

While such a perspective has been largely dismissed at this point, with worsening economic conditions, and the two-party system unable to deliver the measures being demanded by the corporate and financial elites, it will doubtless be raised again.

That the issue of coalitionism has even emerged, however, signifies that the response of key sections of the ruling class to the present political impasse is to canvass the possibility of new methods of rule. At the same time, it further underscores the significance of the election campaign waged by the Socialist Equality Party. In opposition to every other political tendency, the SEP insisted that, for the working class, nothing could be resolved within the present parliamentary set up. A new mass party of the working class had to be built, based on a socialist and internationalist program, as the only means of advancing its own, independent class interests.

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