

As Australian election impasse continues

Murdoch media issues threats to independents

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One week after last Saturday's Australian federal election, with the results confirming that neither major party can form a majority government, the Murdoch media is demanding the formation of a minority government led by Liberal leader Tony Abbott. It has also issued thinly-veiled threats of precipitating a new election if its message is not heeded.

Today's *Australian* threatens the three rural independents—Rob Oakeshott, Bob Katter and Tony Windsor—with political oblivion unless they support Abbott. The newspaper commissioned a Newspann in the three MPs' electorates, showing that 54 percent of their voters would prefer that the trio help Abbott form government, while 34 percent would opt for a Labor-led coalition. An editorial declares that "the independents must realise that if they show contempt for the values of those who elected them they will not remain in politics for long."

According to the *Australian*, its opinion polling should determine the outcome of the election. "That's democracy. And Mr Katter, Mr Windsor and Mr Oakeshott should think about the ramifications."

This offensive follows a two-day campaign by the Murdoch press for a new election in order to produce a government with a supposed "mandate" to implement deeply unpopular economic policies. Implicit in this campaign has been the threat that the Murdoch media would foment a political and constitutional crisis on the scale of 1974-75, when it backed Liberal leader Malcolm Fraser in blocking the budget of the Whitlam Labor government, culminating in Whitlam's dismissal by the governor-general in November 1975.

Thursday's *Australian* ran a front-page comment by political editor Dennis Shanahan arguing that Katter, Windsor and Oakeshott—derisively dubbed 'the three amigos'—were demanding "an erratic ransom" for propping up a government, and "the nation would actually be better off if we just went back to the polls." The newspaper backed Abbott in refusing demands from the three MPs to submit his election policies to the Treasury for costing, as a precondition for their support.

Friday's *Australian* went one step further, allocating its front-page headline to a threat by outgoing Family First Senator Steve Fielding to block any legislation of a Labor-led government. In a radio interview that morning, Fielding ramped up his rhetoric, declaring his readiness to block financial supply to a Labor government, a move that could trigger a 1975-style crisis. He told the Australian Broadcasting Corporation's "AM" program that Governor-General Quentin Bryce

must take his position into account when determining which party should form government.

Although the counting of postal votes will extend into next week, the most likely outcome is a highly unstable one: Labor and the Liberal-National Coalition will command 72 seats each in the 150-member House of Representatives, leaving both well short of the 76 needed for a majority.

Reflecting unprecedented levels of popular discontent with the major parties, the remaining six seats have been won by a disparate collection of three rural independents, one member of the Western Australian National Party, one Hobart-based Tasmanian independent and a Green. In the Senate, the Greens will hold the so-called balance of power, with nine seats, making it difficult for either Labor or Liberal to pass legislation without their support.

Adding to the instability is the fact that the new senators do not take their seats until next July. In the meantime, that leaves the upper house effectively in the hands of the Liberals and Senator Fielding, even though he was voted out of his seat last Saturday.

The inability of any party to form a majority government, for the first time since World War II, has produced an acute political crisis. The June 23-24 backroom coup that ousted Prime Minister Kevin Rudd, at the behest of the mining companies and financial markets, badly backfired in the course of the election, leaving ruling circles scrambling to install a government that will impose their agenda of spending cuts and austerity measures required by the worsening global economic crisis.

Caretaker Labor Prime Minister Julia Gillard is trying to cling to office by forming a minority government with the backing of the Greens, Tasmanian independent Andrew Wilkie and at least two of the three rural independents. Abbott, with the support of Murdoch, is seeking to block Gillard, either by forming a minority government with the WA National and the three rural MPs, or by forcing a new election.

None of the six lower house independents at the centre of the political stalemate is in any way opposed to the capitalist profit system. Nevertheless, each won their seats by criticising aspects of the free market agenda pursued by both Labor and the Coalition.

Oakeshott, Katter and Windsor have railed against economic deregulation and the dismantling of tariff protection. The WA

National, Tony Crook, has a similar constituency. He defeated a sitting Liberal, Wilson Tuckey, and has refused to join an Abbott government unless it agrees to his party's demand for \$850 million a year from mining royalties for regional WA, and remains adamantly opposed to Labor's mining tax. Wilkie, a former intelligence officer who blew the whistle on the "weapons of mass destruction" fabrications that provided the pretext for the invasion of Iraq, is demanding restrictions on poker machines, stronger whistleblower laws and better services for southern Tasmania. Adam Bandt, the Greens MP, won the seat of Melbourne with the support of two key trade unions, the ETU and CFMEU, by posturing as an opponent of aspects of Labor's pro-business program, including its concessions to the mining companies.

The Murdoch media's agitation has evidently generated conflicts within the business elite. Writing in the *Australian Financial Review* on Friday, political editor Laura Tingle warned of a destabilising operation. "If Labor forms a minority government with independents, the Coalition can create havoc at every turn to further undermine Labor's credentials in the hope of forcing it back to the polls. There is form here ... Consider the actions of Malcolm Fraser federally in 1974 and 1975: create havoc, then exploit it by presenting yourself as the stable alternative."

An editorial in the same newspaper advocated the formation of a minority government—led by either Gillard or Abbott—in the hope of reviving some kind of legitimacy for the discredited parliamentary system, even if the government were temporary. "If the independents could turn their idealism, lack of common ground and wildly disparate passions and policies into a practical reform outcome by pressuring the new government to reform parliament to make it work better, the circus we're all watching might prove worthwhile," the editorial suggested, "however transient the government".

Yesterday afternoon, Abbott backed down on his refusal to hand over his party's policy costings to Treasury and the independents, and also repudiated Fielding's threat to block supply to a Labor government. Instead, after an exchange of formal letters, Abbott and Gillard announced a bipartisan agreement to modify the caretaker government conventions in order to allow the Treasury to give the three independent MPs access to confidential Treasury calculations of the cost of each party's election promises.

Nonetheless, it would be premature to conclude that the prospect of a constitutional crisis has faded. Yesterday, Governor-General Bryce released legal advice she had received from Commonwealth Solicitor-General Stephen Gageler about her role, after concerns were raised that her daughter Chloe's marriage to Labor minister Bill Shorten created a potential conflict of interest for the head of state.

The 1901 Australian Constitution deliberately preserves, in the hands of the governor-general, the "reserve powers" of the British monarchy, which include the power to decide who should form government, and to dismiss an elected government, as occurred in 1975. Gageler advised that it was unnecessary for Bryce to stand aside. Gageler noted that only in "extraordinary circumstances" would Bryce be called on to resolve a constitutional crisis. Nevertheless, Gageler said the possibility of such circumstances arising in the "current state of uncertainty" could not be excluded.

Gageler emphasised that any accusation of "a perception of bias or

of a conflict of interest" would undermine the office of the governor-general, pointing to the crucial importance of the anti-democratic powers of the vice-regal representative.

The costings agreement unveiled by Gillard and Abbott is one of a number of signs of moves toward a possible "grand coalition" of the two parties, which could also embrace the Greens, to shore up the political establishment, at least until a more secure government can be fashioned.

The Greens are offering their services to hold together, or "stabilise", the political order. Yesterday, Greens leader, Senator Bob Brown and Greens MP Bandt held what Brown termed "constructive talks" with Gillard and her deputy Wayne Swan about Labor forming a minority government. "There is progress afoot there," Brown told reporters.

But Brown said the door also remained open to the possibility of the Greens serving as ministers in an Abbott government. Brown said his Greens colleagues, Christine Milne and Rachel Siewert, would be "assets" as ministers in either a Labor or Coalition government.

While distancing herself from the prospect of serving in a Liberal ministry, Senator Milne denied that joining with the Liberals would betray the Greens' voter base. She said the Greens had achieved some of its most "progressive reforms" under the Liberal minority government in Tasmania in 1996, including gay law and gun law changes, and a parliamentary apology to the Aboriginal stolen generations.

In effect, the Greens are striving to channel growing popular disaffection back behind the parliamentary charade, while the ruling elites conspire to fashion a government more willing to push ahead with their demands. In another editorial today, the *Australian* denounced the entire outcome of the election.

"Neither leader sought a mandate for an economic reform plan and the indecisive result reflects that lack of ambition," the editorial complained. "There is little hope Australia will address necessary industrial relations and tax reform. Both sides are locked into small-Australia promises inimical to growth and that will be hard to reverse." The independents and the Greens had to "put the national interest over their own agenda" and "the incoming government must have the courage to pursue big reforms."

Political editor Paul Kelly reinforced these concerns with another thinly-disguised threat of a destabilising operation to bring down any government that failed to deliver the required outcomes. "Every sign points to a period of weaker government delivering poorer policy. If this doesn't work, the nation should not fear another election to deliver the stable government being much discussed."

Despite the claims of the Greens, and the independents, that the election deadlock has opened the way for a new, more inclusive and democratic, "paradigm" of politics, these comments make plain that the most powerful sections of the corporate and media establishment will not rest until a government is installed that will impose the dictates of the money markets and corporate boardrooms, regardless of public opposition.

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