

Australian election crisis

Labor edges closer to forming minority government

Patrick O'Connor
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Key sections of the media are moving towards supporting a minority Labor government after a black hole was revealed in election costings by the Liberal-National coalition, and a virtual sting operation, conducted by independent Tasmanian parliamentarian Andrew Wilkie, demonstrated that opposition leader Tony Abbott was prepared to spend \$1 billion on a new Hobart hospital, in the state's capital, to secure his support.

These events were met with a wave of criticism, recalling the turning point in the 2007 federal election campaign, when Labor opposition leader Kevin Rudd repudiated the spending promises of then Prime Minister John Howard to the universal acclaim of the press.

The most strident attack on the coalition's actions came from two articles in today's *Australian Financial Review*, written by political editor Laura Tingle. In the first, she concluded that Abbott's "ridiculously excessive offer" to Wilkie "has all but finished off the coalition's claims to economic credibility, let alone superior economic credibility". She also emphasised that unlike Gillard, the opposition leader had refused to promise that any additional spending arising out of deals with the independents would be offset by equivalent budget cuts in other areas.

In the second article, "Liars and clunkheads fail budget test", she presented alternative explanations for the Liberals' fiscal miscalculations: "One is that they are liars, the other is that they are clunkheads. Actually, there is a third explanation: they are liars *and* clunkheads. But whatever the combination, they are not fit to govern."

Even the Murdoch press, which has been campaigning

against the formation of a minority Labor government, was forced to express concern over the Liberals' performance. The *Australian's* editorial today admitted that the billion dollar hospital offer and the dispute with Treasury "did little to boost Mr Abbott's credentials as an economic manager".

Wilkie yesterday signed an agreement with Prime Minister Julia Gillard, giving his support to the establishment of a minority Labor government. Gillard now has 74 lower house seats—72 Labor, 1 Green, and Wilkie—meaning it needs the support of two of the three rural independents to reach the 76 seats required for a majority. The Tony Abbott-led opposition, with 73 seats, now needs all three independents in order to form government.

Much of the eight-page agreement between Wilkie and Gillard is similar to the deal struck between Labor and the Greens (see "Greens sign deal backing minority Labor government"). Wilkie—who was elected to the seat of Denison, in Tasmania's state capital of Hobart—has pledged to vote for Labor's budgets and not support any no confidence motions unless moved or seconded by him. Like the Greens, Wilkie will meet with Gillard once a week when parliament is in session and fortnightly at other times; he will also hold regular discussions with the treasurer and finance minister and receive briefings from treasury officials.

The agreement reiterates the various reforms to parliamentary procedure outlined by Gillard earlier this week. Among the concessions granted to Wilkie, Gillard has provided him with two extra personal staffers, pledged to introduce new legislation protecting

whistleblowers and promised new measures on poker-machine gambling, including the introduction of “smart cards” for problem gamblers. Wilkie also demanded extra funding for the Royal Hobart Hospital and received \$340 million, as part of Gillard’s new plan to bring forward up to \$1.8 billion in national health funding.

Prior to striking the deal with Gillard, Wilkie had engaged in negotiations with Abbott about the possibility of supporting a minority coalition government. In the course of the discussions, Wilkie apparently asked for the billion dollars—only to publicly accuse Abbott of being irresponsible after the opposition leader offered him the funds, in exchange for his support. “I very quickly came to the conclusion that it was almost a reckless offer because there was no indication of where that money might come from,” Wilkie declared.

Wilkie’s manoeuvre has all the hallmarks of a calculated trap. The independent parliamentarian is a former intelligence analyst who resigned from the Office of National Assessments (ONA) in March 2003 in protest against the former Liberal-National government’s manipulation of intelligence on Iraq’s non-existent weapons of mass destruction. Wilkie’s statements against the pending illegal invasion helped undermine the war’s official pretext and caused significant political damage to then Prime Minister John Howard.

Senior government figures responded at the time with a filthy slander campaign. One journalist revealed that the prime minister’s office was telling reporters that “Wilkie was not in the loop at ONA, was mentally unstable, was not to be trusted”. West Australian Liberal Senator David Johnston, a long-time Liberal Party official, exploited parliamentary privilege (under which speakers cannot be sued for libel or slander) to describe Wilkie as “flaky and irrational” as well as dishonourable, low, outrageous, grandiose, and incongruous, among other epithets.

Now, it appears, is payback time. Abbott’s billion dollar pledge, which he is now bound to retain as official coalition policy, despite failing to win Wilkie’s support, has undermined the coalition’s economic credentials. As far as the ruling elite is concerned, the next government should be determined solely on the basis of which party will commit to, and deliver, the most severe spending cuts. The Liberals’ debacle with Wilkie follows yesterday’s furore over what rural independent Tony

Windsor described as a “black hole” discrepancy between the Liberal-National budget forecasts and the treasury department’s calculations, estimated at between \$7-\$11 billion.

The three rural independents—Tony Windsor, Bob Katter, and Rob Oakeshott—have indicated they will announce whether they will support Labor or the opposition early next week.

While they have negotiated as a bloc, it is possible they will split over which party to support. The *Australian* reported yesterday of “growing disquiet” in Liberal Party ranks over Windsor’s close relationship with his cousin, Labor strategist Bruce Hawker. “Several sources conceded they were losing hope Mr Windsor and Mr Oakeshott could be persuaded to back the Coalition,” the newspaper reported.

The media and political establishment has devoted extraordinary efforts to presenting the backroom wheelings and dealings between the independents and Gillard and Abbott as an example of democracy at work. In particular, the independents’ demands for parliamentary reform have been portrayed as a fight for the renewal of parliamentary democracy and an effort to revive the credibility of parliament itself.

The reality is that the widespread disaffection with the major parties, which left both of them unable to win a majority of seats for the first time in seven decades is due, not to the length of parliamentary questions or the workings of parliamentary committees, but to the successive policies and agendas of successive Labor and Liberal governments that have been diametrically opposed to the interests and concerns of the vast majority of the population, and created unprecedented levels of social inequality, insecurity and hardship.

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