

# Australian mining magnate's party gains parliamentary presence

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The September 7 Australian election saw the emergence of a new political party created and bankrolled by a single mining magnate. Clive Palmer's Palmer United Party (PUP) marks the direct entry into official politics of an outspoken section of the corporate elite—the mining tycoons who enriched themselves during the resources boom that is now starting to unravel.

By posturing as an opponent of both the Labor and Liberal parties, the PUP, which stood Senate candidates across the country, and in all 150 lower house electorates, attracted around 5 percent of the national vote, and 11 percent in the northern state of Queensland. The vote count for all seats is yet to be finalised. The PUP won a Senate seat this week in the state of Tasmania on top of one in Queensland. It could pick up one more Senate seat, along with a seat for Palmer himself in the House of Representatives.

A long time office-bearer and financier of the Liberal National Party (LNP) in Queensland, Palmer broke from the LNP last year. During the 1980s he had been a campaign manager for Queensland Premier Joh Bjelke-Petersen, a notorious right-wing and anti-working class figure. Palmer supported Bjelke-Petersen's unsuccessful 1987 "Joh for Canberra" campaign to become Australian prime minister.

As a result of the PUP's seats, Palmer could wield considerable influence, in combination with other right-wing groups in the Senate, where Prime Minister Tony Abbott's Liberal-National government will lack a majority and will have to strike deals with minor party senators to pass legislation.

The PUP was the most cashed-up of an array of formations seeking to exploit the mounting popular hostility toward the pro-business, pro-war and increasingly right-wing trajectory of the major parties

of the political establishment—Labor, Liberal-National and Greens. Other groups and independents secured a record near 25 percent of the vote for the Senate.

Palmer harvested a share of that vote with the help of massive spending. During the final weeks of the election campaign alone, he is estimated to have outlaid \$12 million on TV and newspaper ads. Palmer also pressured hundreds of his employees to "volunteer" for four-hour shifts of handing out how-to-vote cards for his candidates, many of whom were his relatives or company executives.

Palmer's political pitch consisted of cynical populism. He claimed to oppose severe austerity measures. "Abbott wants to cut government expenditure, shrink the economy to the size of a pea, and [Labor leader Kevin] Rudd wants to join Abbott," he declared at his presidential-style campaign launch at the Palmer Coolum Resort on Queensland's Sunshine Coast. Similarly, he denounced Queensland LNP Premier Campbell Newman for making "savagely cuts to public sector jobs and budget spending."

Palmer also criticised the bipartisan policy of expelling all asylum seekers to detention in Nauru or Papua New Guinea's Manus Island, saying it would be \$5 billion a year cheaper to give refugees air tickets to come to Australia. At the same time, refugees would be sent "back on the very next plane" if they were classified as a "queue-jumper" or lacking a legal entitlement to a protection visa.

The mine owner issued a grab-bag of promises, including to abolish tertiary education fees, reduce all income tax by 15 percent, provide pensioners with an extra \$150 each fortnight, and inject \$80 billion into the federal health budget.

If one were to believe Palmer, all this would be financed by boosting corporate profits, with a supposed

trickle down effect for government revenues. Stripped of its bombastic veneer, his program entails a radical free-market restructuring of the economy in the interests of the ruling elite. He declared at his campaign launch: “We are talking about a revolution. A revolution in the way we think, in the way we boost our wealth and economy for all our citizens.”

In this “revolution,” business taxes would be drastically reduced, along with income taxes for the wealthy. The Labor government’s token mining tax would be scrapped, as well as the carbon tax. In fact, all previous carbon tax payments would be reimbursed, a policy that would immediately benefit Palmer, who has refused to pay the tax on his nickel refinery and is being pursued by the taxation office for more than \$6 million.

Palmer’s venture certainly reflects the specific interests of his own corporate empire, which largely consists of yet-to-be-developed coal and iron ore mines and a variety of tourist resorts and golf courses (each bearing his name). More broadly, however, he voices the concerns of business leaders who fear that Canberra’s backing for President Obama’s anti-China “pivot” to Asia could have catastrophic consequences, given their reliance on Chinese markets.

In November 2011, Palmer denounced Prime Minister Gillard’s announcement that US Marines would be stationed in northern Australia. During this year’s election campaign, he criticised Rudd’s proposal to relocate Sydney’s naval base to northern ports—a move that dovetailed with Washington’s push for a military focus on confronting China.

Palmer’s financial prospects depend heavily on exports to China and on loans secured from Chinese corporations. His \$6.4 billion China First project in central Queensland, consisting of four underground mines, two open-cut mines and a 468-kilometre rail line to a port, still needs federal government approval. Much of the funding is from the Chinese state-owned Eximbank, and most of the coal will be purchased by China Power International Holding, a power plant operator.

Doubts have been expressed in the financial media about the true extent of Palmer’s wealth, which was estimated earlier this year by *Business Review Weekly* at \$2.2 billion, down from \$3.85 billion a year ago as falling commodity prices took their toll. *Forbes*

magazine estimated in January last year that he was worth considerably less—around \$864.5 million.

The PUP secured its votes despite Palmer coming under sustained attack in the Murdoch media. Throughout the election campaign it published article after article casting doubt on the viability of his business empire. While not explicitly criticising Palmer on foreign policy, the same outlets have aligned themselves closely behind the US “pivot.”

After the election, Murdoch’s flagship, the *Australian*, voiced apprehension about the destabilising impact of the PUP on the political establishment. A September 9 editorial declared: “The outbreak of discontent that attracted more than half-a-million votes to the Palmer United Party is a potentially disruptive development that will test Mr Abbott’s resolve to run a grown-up government.”

The editorial warned that the “fracture on the conservative side of politics has all the hallmarks of Pauline Hanson’s One Nation movement.” Between 1996 and 1998, Hanson, who was initially backed by the media, secured a political following by posturing as an opponent of the political establishment, based on trade and investment protectionism and anti-refugee xenophobia. Having used Hanson to shift the political agenda to the right, the media then turned on her. The Howard government, with Abbott in the vanguard, executed a two-pronged demolition job on Hanson, simultaneously adopting her anti-refugee crusade while railroading her to jail on anti-democratic electoral fraud charges.

Whether Palmer will be subjected to a similar offensive, or will be courted by the Abbott government, is not yet clear. Nonetheless, his intervention into electoral politics reflects deep instability, and rifts within the ruling class, as well as widespread popular disaffection, which at present takes rather confused and inchoate forms.



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