

# Australian election results in unstable Senate

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Recounts are still underway in two close seats from the September 7 federal election, but it is already clear that the next Australian parliament will be no more stable than the previous one.

Mounting popular hostility toward the three main parties of the political establishment—Labor, Liberal-National and Greens—means that the Abbott government, like the Labor government before it, will depend on minor parties and independents to push its legislation through parliament.

Three years ago, the 2010 election produced a “hung parliament”—with neither Labor nor Liberal-National commanding a majority in the lower house, the House of Representatives—for the first time in 60 years. Now, the 2013 result has replicated that situation in the upper house, the Senate.

Prime Minister Tony Abbott’s government has a clear majority in the House of Representatives, thanks to the collapse of support for the Labor Party, whose vote fell to 34 percent—its lowest level in a century. In the new Senate, however, which takes office next July 1, Abbott’s government will have just 33 senators out of 78. If Labor and the Greens, with 37 senators between them, oppose any measure, the government will need the votes of six of eight minor party senators to pass bills.

Between them, an array of parties obtained a record 25 percent of the Senate vote by posing as opponents of the three establishment parties. Those that secured Senate seats are all right-wing formations that cynically exploited the political disaffection, largely by hiding their own policies.

Among them is the Palmer United Party (PUP), created and bankrolled by mining entrepreneur Clive Palmer. The size of its parliamentary contingent still depends on two recounts ordered by the Australian Electoral Commission. One is in the lower house Queensland seat of Fairfax, won by Palmer himself,

and another in a Western Australian (WA) Senate seat, won by a PUP candidate, Zhenya Wang.

If the PUP’s victories are upheld, it will hold three Senate seats—one each in WA, Tasmania and Queensland—and one in the House of Representatives. In addition, Palmer last week signed a deal with another senator-elect, Ricky Muir of the obscure Australian Motoring Enthusiast Party (AMEP). Under their Memorandum of Understanding, which Palmer refused to release to the public, Muir formally undertook to vote with the PUP as a bloc.

Thus the PUP could control at least three votes in the Senate, even if it loses the WA seat. As a result—if the PUP’s bloc holds—it could stymie legislation that has been rejected by Labor and the Greens.

Palmer has already issued a series of ultimatums to the Abbott government, warning that it faces a “cold winter” if it refuses to comply. His demands include the provision of extra staffing and other resources for the PUP (on a par with the 90 staff allocated to the Greens), the retrospective scrapping of the Labor government’s carbon tax, and postponement of corporate tax payments to the end of each financial year, a move that Palmer asserts would benefit companies by \$70 billion a year.

These policies underscore the real thrust of Palmer’s decision to spend about \$12 million assembling and promoting a team of candidates, including his relatives, corporate executives and employees, to contest every parliamentary electorate on September 7.

Palmer’s platform is dedicated to radically restructuring the economy to boost the profits of Australian-based companies, first and foremost his own mining, refining and tourism ventures. His loss-making nickel refinery in Queensland, for example, would benefit from the retrospective carbon tax removal, having refused to pay a \$6.2 million carbon tax bill. Altogether, reversing the tax payments would force the

government to refund an estimated \$10 billion, mostly to big business.

By contrast, Palmer has made no mention since the election of the populist pitches he made to win votes, such as abolishing university fees, increasing pensions and bolstering health spending. His role graphically illustrates how the popular disgust felt toward Labor, the Coalition and the Greens was channeled by right-wing formations.

Among them is the AMEP. After portraying itself as concerned only with motorists' interests, it formed a coalition with the billionaire Palmer. It was about "like-minded people working together," Palmer said at the media conference unveiling the agreement.

Family First, which presented itself as championing the cause of ordinary families, got a senator elected, Bob Day, who is a businessman and former Liberal Party candidate. In a post-election interview, Day called for changes to minimum wages and unfair dismissal laws, aligning himself with the demands of big business for swifter action by Abbott's government to slash workers' wages, job security and working conditions.

Likewise, the little known Liberal Democratic Party, which benefitted from number one spot on the New South Wales Senate ballot paper, succeeded in installing David Leyonhjelm, a business consultant. An ex-member of both Young Labor and the Liberal Party, he is an avowed libertarian who advocates dramatically slashing public spending, as well as taxes, and further privatising and de-regulating the economy. In a post-election commentary, he denounced Abbott's Liberal Party, saying it "ought to be re-named the 'Tax-and-Spend Populist Party.'"

After talks initiated by Palmer, both Day and Leyonhjelm agreed to work together with the PUP, while baulking at signing a formal pact with it. This alliance is expected to back Abbott's moves to abolish Labor's limited mining tax, but how far further the partnership will extend is unclear.

The two other non-major party senators are Nick Xenophon, re-elected as an independent, largely on an anti-gambling machine platform, and John Madigan from the Democratic Labour Party (DLP), who won his seat in 2010. The DLP, an anti-communist formation from the 1950s, made a surprise return to parliament for the first time since 1974, also by falsely promoting

itself as an opponent of the political establishment.

Within this unstable line-up, Palmer is probably the most volatile factor. Over the past decade, his fortunes have been increasingly tied to the rise of Chinese capitalism and its need to secure mineral resources. His corporate empire depends particularly on two troubled ventures: the \$8 billion Sino Iron Project in WA, which has not yet reached the production stage, and the proposed \$6 billion China First coal mine in Queensland's Galilee Basin.

In the past, Palmer has criticised Canberra's military involvement in President Obama's anti-China "pivot" to Asia. This reflects concerns within the Australian corporate elite that backing Washington's aggressive moves could disastrously affect their prospects, which rely heavily on Chinese markets.

Altogether, the emergence of right-wing populist parties profiting from the widespread alienation and disaffection underscores the dangers that the working class faces unless it develops a conscious political movement to fight for its class interests based on a socialist program.



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