

Political crisis deepens in Australia's "double dissolution" election

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The past week has seen a sharp turn in the campaign for the July 2 "double dissolution" election in Australia, reflecting fears in the media and corporate establishment that Prime Minister Malcolm Turnbull's decision to call the rare election for all members of both houses of parliament has backfired.

When Turnbull announced the election five weeks ago, it was a bid to break through a political impasse produced by the failure of successive governments, both Liberal-National and Labor, to fully impose an agenda of sweeping cuts to social spending and working conditions amid a deepening economic breakdown in Australia and internationally.

It was not just that key budget cuts had been stalled in the Senate since 2014, due to the election in 2013 of a range of "independent" and "fourth party" candidates who exploited the hostility toward the two major parties by professing to oppose key austerity measures. The underlying political crisis was reflected in the fact that not one prime minister had been able to see out a full term of office since 2007: the eve of the global financial crisis.

Now, however, there is the distinct possibility that the election could produce an even worse outcome for the financial elite. Not only could the government fail to secure control of the Senate but the result could be another "hung parliament" in the lower house, with no party able to obtain a majority, as occurred from 2010 to 2013, when the Greens propped up a minority Labor government.

Five weeks ago, Turnbull's political gamble was dressed up in rhetoric of promising "exciting times" and "jobs and growth." Equally cynically, Labor sought to appease the anger and alienation among masses of people over deteriorating living standards and widening social inequality by pledging to deliver "fairness" that would "put people first."

Two factors have combined to shatter these lies. One is the rapid deterioration in the economic situation confronting Australian capitalism and the other is the growing public disaffection and hostility towards the entire political establishment. Over the past week, the posturing by the two

traditional ruling parties has been replaced by de facto bipartisan unity on a program of severe cuts to healthcare, family payments, pensions, education and social infrastructure.

First, in response to incessant demands by big business and the corporate media, Labor leader Bill Shorten began unveiling a series of policy reversals, abandoning Labor's earlier populist claims to oppose the government's "billionaires" budget cuts to social spending. By one estimate, Labor has so far adopted \$33 billion worth of cutbacks proposed over the next four years, plus the government's devastating \$50 billion cut to hospital funding over the coming decade—all of which Labor had professed to strongly oppose when the election campaign began.

Then, last Sunday, Turnbull declared a so-called "captain's pick" to direct his Liberal Party to allocate its second-vote preferences to Labor. He insisted this was essential in the "national interest" to avoid a return to "unstable, chaotic minority Labor, Greens, independent government." Turnbull overruled leading Liberals who urged allocating preferences to the Greens, which were seeking to gain several inner-city seats at Labor's expense on the back of Liberal preferences.

Clearly, the "national interest," dictated by the concerns in the corporate elite, required bolstering the position of the Labor Party, in the hope that it could form a majority government in the event of the Coalition losing office.

Some inkling of the anxiety in ruling circles was revealed yesterday when Fairfax Media reported focus group research showing that "voters are disgruntled with their lot, lack confidence in the future, have become increasingly disengaged with politics and lack belief in the political class." The opinions of both Turnbull and Shorten were negative, but support for Turnbull had "fallen off a cliff" since he deposed Tony Abbott as prime minister last September.

Both major parties are seeking to impose the dictates of the financial markets, which are driven by the slump overtaking global and Australian capitalism. Since the mining boom

began to collapse in 2014, tens of thousands of full-time jobs have been destroyed and investment has plummeted, making many more job losses inevitable in the months ahead. With many parts of the country already in recession, a housing bubble in Sydney, Melbourne and Brisbane shows signs of bursting.

The most common refrain in the corporate media has become that Australia will lose its AAA credit rating, with dire consequences, because of its exposure to China's slowdown and depressed export prices, unless drastic action is taken to slash the almost \$40 billion annual budget deficit.

The *Australian Financial Review* editorial on Tuesday welcomed the “potentially-sensible political convergence” but made it clear that the next government must impose even more savage measures, regardless of popular opposition. “Whoever wins the July 2 election will need to do much more to both further deflate public expectations of what governments can deliver,” it declared.

The air of economic and political volatility was underscored by feature article in the financial newspaper last weekend, under the headline: “Warning! Danger ahead.” It warned of “an uncertain world out there threatening smug political forecasts and also threatening to burst the current Australian election campaign bubble.”

The article listed shocks that could “ricochet here and erode Australia's financial security.” They included a “fiscal debt-generated threat to Australia's AAA credit rating,” “China's precarious pump-priming balancing act,” instability generated by the Brexit referendum in Britain and the US presidential election, “the spectre of war in Eastern Europe” and “the global refugee crisis.”

The depth of the economic crisis makes clear that the next government, whether led by Liberal or Labor, will be compelled to make far deeper inroads into public spending than are being discussed in the election campaign.

Behind the backs of the population, the Coalition and Labor are also both committed to participating in more disastrous US-led wars, particularly against China. While both parties agree on making the working class pay for the economic breakdown, declaring there is “no money” for essential social programs, they are equally united in allocating almost half a trillion dollars over the next decade to the military, including \$195 billion for new submarines, ships and war planes.

This military expansion is integral to Washington's “pivot to Asia” to confront China in order to assert unchallenged hegemony over the Asia-Pacific region. But these preparations are being kept from view, as much as possible, until after the election, for fear of arousing mass public opposition to war.

In response to the intensifying political crisis, the Greens,

which currently constitute the “third party” of the political establishment, are seeking to channel the widespread discontent back into the parliamentary framework of capitalist politics by professing to oppose the most egregious cuts to social programs. In reality, they stand ready to again support a Labor-led government, as they did from 2010 to 2013, or to go further by joining a coalition government with Labor that would seek to implement the cuts pledged by Shorten.

While Greens leader Richard Di Natale voiced “strong disappointment” with the cuts embraced by Labor, he reiterated the Greens' willingness to negotiate with either major party after the election to ensure that a stable government could be formed. Di Natale also accused the two main parties of striking a “nasty deal” on voting preferences to try to retain their political duopoly, but admitted that the Greens had sought similar vote-swapping agreements with the Liberals, as well as Labor.

Given the volatile political situation, further shocks and turns are quite possible before July 2—still more than two weeks away. But it is already clear that whichever parties form the next government, it will confront workers and young people with social devastation, deepening attacks on basic democratic rights and war.

The only party committed to opposing this offensive and speaking for the independent interests of the working people is the Socialist Equality Party. Its candidates are advancing a genuine socialist and internationalist program to unite the working class in Australia, across the Asia-Pacific region and globally, against the source of war, social inequality and dictatorship—the capitalist profit system itself.

To contact the SEP and get involved, visit our website or Facebook page.

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