

Australian election crisis fuels rifts in governing Coalition

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The debacle produced for the Liberal-National government by last Saturday's Australian election has exacerbated deep-rooted fissures in the ruling Coalition and the entire parliamentary establishment, producing a highly volatile political situation.

Prime Minister Malcolm Turnbull called the rare "double dissolution" election for all members of both houses of parliament in a failed bid to end the protracted political instability that has already seen prime ministers ousted five times since 2007. No government, Coalition or Labor, has been able to fully impose the sweeping cuts to social services and working class living standards demanded by the corporate elite.

Instead, the immense social discontent, already generated by widespread job losses, wage cuts and glaring inequality, produced an anti-government backlash. The final outcome of the election remains unclear, with the counting of postal votes continuing today in seven undecided seats in the 150-seat House of Representatives. But the Coalition, which held 90 seats in the previous parliament, has suffered substantial losses.

Even if Turnbull, as now appears likely, is able to form a government with a wafer-thin majority, for which it needs 76 seats, or a minority government reliant on the votes of right-wing "independents," the result will be an unstable administration. It will be wracked by divisions and lack any popular mandate to prosecute a brutal austerity agenda under conditions of a rapidly worsening economic situation.

Moreover, the government's position in the 76-member Senate will be even worse than it was before the election. The Coalition is likely to hold just 30 seats, down from 33, and will need the support of all 9 or 10 minor party or independent senators, who are mostly right-wing populists, to push through any legislation that is opposed by Labor and the Greens. Alternatively, it will have to rely on Labor and/or the Greens, both of which have

pledged to back parts of the multi-billion dollar budget cuts to which the government is committed.

The precariousness of the government's position has been highlighted by Turnbull's frantic efforts to strike deals with various other parties and independents. Today Turnbull flew to northern Queensland for negotiations with Bob Katter, a right-wing rural-based populist and protectionist. Later, Turnbull will see another rural "independent," Cathy McGowan. Yesterday, Turnbull spent an hour with South Australian-based protectionist Nick Xenophon, whose party is likely to have three seats in the Senate, plus one in the lower house.

Even while Turnbull was trying to salvage his government, recriminations broke out throughout his Liberal Party and its rural partners, the National Party. Within the Liberal Party, supporters of Tony Abbott, whom Turnbull removed in an inner-party coup last September, criticised Turnbull's election campaign and some called into question his capacity to govern.

Among those voicing their dissent were Abbott's most senior backer in the cabinet, Immigration Minister Peter Dutton, and former cabinet member Eric Abetz. One of the most forthright denunciations came from Liberal backbencher and former SAS officer Andrew Hastie, who declared that Turnbull's proposed company tax cuts and economic "innovation agenda" was not "resonating with everyday Australians." Hastie backed calls for a Liberal Party room meeting to prevent Turnbull from "selling out" conservatives in making deals with other parties.

These calls were issued despite a plea by former Coalition Prime Minister John Howard for unity between conservatives and "small L" Liberals. Howard, who lost his parliamentary seat in the Coalition's landslide 2007 election defeat, declared that with many votes to be counted, members of his party "shouldn't start slitting their throats."

However, a prominent conservative, Senator Cory

Bernadi, announced the formation of a new political movement, the Australian Conservatives, to gather proponents of “limited government, traditional values.” He said his preference was to “save” the Liberal Party, but his proposed movement could transform into a political party. He accused the “Turnbull Liberals” of ushering forth a hung parliament that put Australia “right back where we were in 2010,” when Labor formed a minority government with the Greens.

Bernadi said he was appealing to the 1.7 million people who voted “for right-of-centre or conservative parties rather than the Liberal Party.” These parties include Christian fundamentalists, anti-Islam formations and Pauline Hanson’s xenophobic One Nation, each of which is seeking to channel the social dissatisfaction and political alienation in right-wing nationalist directions. Any such formation would serve to help shift official politics even further to the right, fomenting anti-refugee and jingoistic responses to Australian and global capitalism’s worsening economic crisis.

While the fault lines in the Liberal Party are depicted as a conservative/liberal divide, they also reflect rifts between the interests of formerly nationally-protected sectors of the economy, such as small business, manufacturing and agriculture, and those of globally-oriented finance capital, personified by Turnbull, a wealthy investment banker. Turnbull’s electoral pitch of “innovation” and “exciting times” is also totally divorced from the reality of recession, mine and factory closures and declining conditions facing millions of working people.

Similar conflicts are resurfacing with the National Party, which this week leaked to the media a post-poll briefing that branded Turnbull’s election campaign as “aloof” and “presidential” and urged a “complete policy rethink by the Coalition.” Nationals’ sources told the *Australian* they avoided the “new” in Turnbull’s “new economy” mantra and his talk of economic “agility.” A source said: “Most people live in the old economy and they equate the new economy with losing their job and having to find another one.”

National Party leader and deputy prime minister Barnaby Joyce is demanding a key role in any negotiations with other parties, as well as greater representation in cabinet. He pointed to the fact that the Nationals, who ran their own campaign, appear to have held 14 of their 15 lower house seats, and picked up one from the Liberals.

Adding to the tensions is the likelihood that the US

government will call on the next government to send warships into the South China Sea to mount “freedom of navigation” operations to challenge Chinese territorial claims. Turnbull’s government has not yet committed itself to such a confrontation.

Today’s *Australian Financial Review* editorial continued to rail against the election outcome, casting doubt on the viability of Turnbull’s government, and declaring that “the nation is yet to wake up” to the country’s economic crisis. “Even if, as likely, Mr Turnbull scrapes together a slim majority, he will not have the authority within his own party or the popular mandate to deal with the challenges facing Australia as the end of our biggest-ever resources boom collides with the new global instability highlighted by Brexit,” it stated.

One indicator of the impact of the post-2008 global economic breakdown, now exacerbated by the instability produced by Britain’s vote to leave the European Union, is that foreign direct investment into Australia has fallen by 50 percent in the past two years, contributing to a collapse in overall capital investment. Whatever government is formed will be under intense pressure from the financial markets to intensify the slashing of health, education and other social spending, as well as wages and working conditions.

Amid the political turmoil, Labor Party leader Bill Shorten is currently touring the country, offering to work with “all parties,” including the Coalition, to “make the 45th Parliament work.” In Tasmania yesterday, Shorten said that if Turnbull did scrape back into office, “his problems have only just begun,” because of the splits in his ranks. Above all, Shorten declared: “The problem is he has a mandate for absolutely nothing.”

This amounts to a pitch for a united front to impose severe budget cuts on the working class, and to position Labor to step into government if Turnbull falls. During the election campaign, Labor already demonstrated to the financial elite its readiness to enforce the austerity agenda, abandoning pledges to oppose spending cuts totalling about \$40 billion over four years, plus a \$57 billion cut to public hospital funding over the following six years.



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