

Coalition parties to form unstable government in Australia

James Cogan
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The political crisis produced by the July 2 election entered a new stage yesterday, with the opposition Labor Party conceding that it cannot form a government and Prime Minister Malcolm Turnbull claiming victory on behalf of the Liberal-National Party Coalition.

With votes still being counted and a number of seats considered too close to call, Turnbull will head one of the most precarious governments in post-war Australian history.

In the 150-seat House of Representatives, the lower house, the Australian Electoral Commission is currently projecting that the Coalition will likely hold 76 seats—a majority of just one—though it might still be forced to rule as a minority government. Among the parties that make up the Coalition, the greatest losses were suffered by the Liberal Party which has won only 45 seats, down from 58. The Queensland-based Liberal National Party (LNP) lost only one seat and still holds 21, while the rural-based National Party gained one seat and has 10 members in the new lower house.

Despite recording its second-lowest vote in a century, the Labor Party appears likely to win 69 seats, up from 55, and could potentially win several more. The Greens did not win any additional seats and have just one member. Four other seats will be held by state-based independents and groupings.

The make-up of the House of Representatives is only a pale reflection of the massive repudiation delivered to the two-party system on July 2. In the Senate, where far more parties stand than in lower house seats, as many as 35 percent of voters took the opportunity to reject the Coalition and Labor.

Labor leader Bill Shorten's decision to concede yesterday, despite counting still continuing, was aimed at signaling to both the financial markets and the

United States, Australia's key strategic ally, that the dominant parties of the political establishment will come together to try to stabilise the situation the best they can.

Shorten declared: "I understand that we need to make this parliament function... I pledge, and I have indicated to Mr Turnbull, that where there is common ground, we will work very hard to accomplish it. The Australian people expect all sides of politics to work in the national interest."

In his victory speech, Turnbull praised Shorten for his statements and vowed "national unity."

One of the immediate concerns in both the US and the Australian foreign policy and military apparatus was that ongoing uncertainty over the election result could prevent Canberra responding to the sharp escalation of tensions with China expected when the UN Permanent Court of Arbitration in The Hague rules tomorrow on South China Sea territorial disputes.

Greg Sheridan, the international editor of the Murdoch-owned *Australian*, wrote today: "It is understood Canberra's national security agencies are working on a range of possible responses, with the ruling posing a potential crisis for the newly re-elected Coalition government."

A "potential crisis" could include requests by the Obama administration for Canberra to dispatch Australian warships and aircraft to join US operations in the South China Sea. During the election, the Labor Party vowed full support for confrontational US actions against China and demanded that the Coalition also fully commit to the deployment of the Australian military to back Washington. According to Sheridan, Chinese officials have threatened "economic consequences" if Australia intervenes in the South China Sea.

After the entire political and media establishment did everything possible throughout the election to prevent any public debate on the rising danger of war, the issue is set to erupt to the centre of discussion.

The second concern underlying Shorten's concession was last week's threat by Standard & Poor's to downgrade Australia's AAA credit rating unless there were commitments from the new parliament to impose sweeping austerity measures—regardless of the popular opposition to this agenda expressed in the election outcome. Australia is rapidly sliding into slump and toward its first recession in 25 years, which will be only intensified by conflicts with China, its largest export market and trading partner.

Shorten's vow of "common ground" was echoed today by Labor Treasury spokesperson Chris Bowen, who has called for the Coalition to adopt Labor's "budget repair" policies so it can give them bipartisan support. During the election, Labor committed to over \$40 billion in budget cuts over four years and endorsed stripping \$57 billion from health care funding to the states over the next decade. "The government, if they have a spirit of goodwill, will find willing partners with Labor," Bowen declared.

Above all, the Coalition will rely on Labor to push militarist and austerity policies through the Senate, the upper house of parliament. Turnbull's decision to call the first double dissolution election since 1987, with all seats up for re-election in both the lower house and the Senate, has resulted in a debacle. Far from gaining a majority in the Senate, the position of the Coalition has drastically worsened.

So far, it appears that the Coalition parties have definitely won only 29 of the 76 Senate seats. Labor appears likely to win just 25 and the Greens nine. The protectionist South Australian-based Xenophon Team will hold at least three. The anti-immigrant One Nation has probably won two. Tasmanian right-wing independent Jacqui Lambie and Victorian "law-and-order" campaigner Derryn Hinch have also been elected. Six seats remain in doubt and the final results may not be known for weeks.

Whether the Coalition will hold together once it faces the political backlash that will erupt as it attempts to impose unpopular policies is by no means certain. Already, sections of the Liberal Party are demanding that Turnbull repudiate measures that could affect the

superannuation tax schemes that benefit the ultra-wealthy. The rural-based Nationals, facing a resurgent One Nation, especially in the state of Queensland, are making demands on issues ranging from milk pricing to foreign investment, and an additional ministry in the cabinet.

A break-up of the Coalition is only one of a number of possibilities that could lead to a new election.

The starkest feature of the political situation, as the ruling elite desperately tries to work out how to implement its agenda, is the crisis of political perspective in the working class. Millions of workers and young people are alienated from the capitalist parties, due to decades of ever-widening social inequality and worsening social conditions. At present, however, that disaffection has been largely diverted behind right-wing populists, leaving power in the hands of the corporate and political establishment.

What must be developed is the independent political intervention of the working class on the socialist and internationalist program that represents its interests. The fight for that perspective was at the centre of the campaign conducted by the Socialist Equality Party. It will be further elaborated at the SEP's upcoming public meetings, "The Australian election crisis: The way forward for the working class."



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