

Senate result underscores Australian government's instability

Mike Head
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More than a month after the July 2 election, the Australian Electoral Commission this week released the final results of the voting for the Senate. The outcome highlights how far the election backfired for the Liberal-National Coalition government and the entire parliamentary establishment.

Prime Minister Malcolm Turnbull called the double dissolution election of all members of both houses of parliament to try to break through a protracted political deadlock, in which consecutive governments, Coalition and Labor alike, have lacked an upper house majority and been unable fully impose the severe spending cuts demanded by the corporate elite.

Instead, the election saw millions of people express their hostility towards this agenda by voting for other candidates who posed as opponents of the political establishment, which includes the Greens, which propped up the previous Labor government. For the Senate, the upper house, more than 26 percent of people, a record, voted for parties other than Labor, the Coalition and the Greens.

Not only was the government reduced to a razor-thin majority of one seat in the 150-member House of Representatives. It lost three seats in the 75-member Senate, cutting its numbers to 30. Labor gained just one, taking its tally to 26, while the Greens lost a seat, reducing its members to nine.

The number of “crossbench” senators, mostly right-wing populists, increased by three to 11. If Labor and the Greens oppose a bill, the government will have to secure the votes of nine of these senators. In the previous Senate, the government needed deals with six of the eight “crossbenchers” to pass legislation where it could not come to an arrangement with Labor or the Greens.

Pauline Hanson's One Nation Political Party, an anti-

immigrant formation, will have four Senate seats—two in Hanson's home state of Queensland and one each in New South Wales (NSW) and Western Australia. The Nick Xenophon Team, a South Australian-based protectionist group, will have three. The remaining four crossbenchers are free market libertarian David Leyonhjelm of the Liberal Democratic Party, who retained his NSW seat, Family First's Bob Day from South Australia, Victorian independent Derryn Hinch and ex-Palmer United Party representative Jacqui Lambie in Tasmania.

These figures exploited the seething discontent among broad layers of the population with mounting job losses, growing inequality and deteriorating social conditions, by seeking to channel it in nationalist and xenophobic directions.

Hanson, in particular, consciously targeted some of Australia's most economically and socially destitute regions, combining populist pitches, such as advocating higher aged pensions, denouncing the predatory practices of the banks and calling for higher taxes on foreign companies, with agitation against “Islamic terrorism,” Chinese land purchases and immigration.

Years of suppression of working class struggles by the Labor and trade union bureaucrats, assisted in recent decades by the Greens, have opened the door for these reactionary elements to take advantage of the worsening social distress.

While their emergence underscores the instability and breakup of the parliamentary order, the government and the media establishment will seek to use these formations to shift the political agenda further to the right, as a means of imposing deep cuts to working conditions, and health, education, welfare and other social programs.

Turnbull has already held talks with Hanson, saying:

“I respect her, I respect her election, 500,000 Australians voted for her.” He noted that she spoke “warmly” about their meeting, which discussed “a wide range of policy interests which she wants to pursue.” Turnbull said there would be “no freeze on Muslim migration”—one of Hanson’s policies—but ruled out nothing else.

At the same time, the unpredictability of trying to cobble together votes from an array of ostensibly anti-elite senators has fuelled calls in the media for the government to forge deals with Labor and/or the Greens to push through the austerity agenda. In today’s *Australian Financial Review*, chief political correspondent Phillip Coorey reiterated that the government could pass much of its agenda “without relying on the crossbench.”

Because the Greens clung onto nine seats, their votes will be sufficient to pass legislation with the Coalition’s 30 votes. In the last parliament, the Greens teamed up with the government to back several key measures to slash pension entitlements and other spending. Labor also partnered with the government to achieve similar outcomes, and pledged during the election campaign to reverse its opposition to billions of dollars worth of “zombie” measures that remain blocked from the 2013, 2014 and 2015 federal budgets.

Turnbull’s shaky government faces two escalating pressures—from Washington and the financial markets. The first was highlighted by US Vice President Joe Biden’s visit to Australia last month. He held talks with Turnbull to underscore the US insistence that Australia’s military forces take part in provocative operations inside Chinese-claimed waters in the South China Sea.

The second pressure was underlined by post-election threats by the three main global ratings agencies to cut Australia’s AAA credit rating unless the government moves swiftly to slash spending.

This week the dire economic situation was accentuated by the Reserve Bank of Australia (RBA) decision to reduce the cash rate for its loans to the banks by another 0.25 points to 1.5 percent—a historic low. This rate is now half the “emergency level” of 3 percent set in 2009 during the global financial crisis.

The RBA referred to slowing growth in China and the global economy, continuing low prices for Australia’s commodities exports and “a very large decline in

business investment.” As with other central banks around the world, the RBA is cutting interest rates in desperate battles to attract investment, drive down the value of their currencies and pump cash into the finance houses.

There is mounting consternation in ruling circles with the Turnbull government’s failure to aggressively prosecute the austerity offensive since the election. These concerns were intensified by a string of political debacles, notably the open rifts in the government over its rejection of former Prime Minister Kevin Rudd’s bid for nomination as UN secretary general, and the rapid resignation of the judge originally appointed to head the government’s royal commission into the horrific abuses of boys in Northern Territory juvenile prisons.

In editorials this week, the *Australian* declared that Turnbull’s inaction on “tough decisions” had produced “an extraordinary and worrisome state of affairs” nearly a year after Turnbull ousted his predecessor Tony Abbott, citing Abbott’s lack of economic leadership. “Budget repair must be Mr Turnbull’s central cause,” today’s editorial declared. “There is much to do and no time to lose.”

These marching orders mean that explosive social and political battles lie ahead for the working class. As the Socialist Equality Party warned throughout the election campaign, whichever government was formed, the real agenda of austerity and militarism would soon be brought forward. Those predictions are being confirmed, underlining the necessity for workers and youth to turn to the socialist and internationalist perspective fought for by the SEP.



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