

Liberal leadership contest marked by factional divisions after Australian election rout

Oscar Grenfell
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Yesterday's ballot for the leadership of the Liberal Party only further underscored the historic crisis of this right-wing party, which has fewer parliamentarians than at any point since its founding 80 years ago and is riven by acute factional divisions.

The ballot followed the rout of the Liberals in the May 3 federal election and the return of a majority Labor government.

Contrary to the claims of the media and Labor, the outcome did not express popular support for the incumbent government of Prime Minister Anthony Albanese. Instead, there was widespread hostility to the Liberals, which were associated in popular consciousness with the fascistic administration of US President Donald Trump, whose program of economic war, militarism and authoritarianism has provoked substantial concern and opposition among ordinary people.

As the WSWs has explained, these sentiments intersected with and accelerated a protracted crisis. Amid an enormous growth of social inequality, the post-World War II middle-class constituency on which the Liberals were based has collapsed. At the same time, conservative parties around the world have been roiled by the promotion of far-right and fascistic forces by the ruling elites.

These processes have riven apart the Liberals as a "broad Church" conservative party. There has been a protracted conflict between hard right tendencies within the party and so-called moderates, many of whom have left. In 2022, the Liberals suffered their worst result since the 1940s, losing a number of "blue-ribbon" seats in the capital cities to Teal candidates, who are essentially "moderate" Liberals.

But the 2025 election loss was even greater. The Liberals, the urban component of the Coalition with the

rural based National Party, now have only a handful of seats in major capital cities. Their defeated candidates included Peter Dutton, who led the Liberals and hence the Coalition. Dutton is the first opposition leader to have lost his seat in Australian history.

The leadership ballot was held amid substantial hand-wringing in ruling circles over the Liberal crisis. The possible disintegration of one of the main parties of capitalist rule is a threat to the entire two-party set-up, through which popular discontent has been managed and suppressed, and the capitalist class advances its interests.

But any hopes of a united front in defeat were rapidly quashed. Instead, there was a contested ballot, between Sussan Ley, who was presented as a moderate candidate, and Angus Taylor, a right-wing figure. The rancor was intensified, by the announcement of Jacinta Price that she would defect from the Nationals, to run as Taylor's deputy.

Price had been more open than Dutton in her embrace of Trump, including by declaring it was necessary to "make Australia great again" at campaign events. Dutton had appointed her the Shadow Minister for Government Efficiency, a position modelled on the wrecking operation of government services being conducted by Trump and Elon Musk. Amid the campaign, Dutton was compelled to withdraw the keynote policy associated with Price's ascension—the sacking of more than 41,000 federal public sector workers—because of widespread hostility.

Price, in Trumpian fashion, blamed the Liberal and Coalition defeat on media lies. In announcing her joint candidacy with Taylor, she declared that the Liberals had to return to values of "liberty," "individual freedom," "minimal government intervention" and "most of all, love for our nation, Australia."

Ley won yesterday's ballot, but only by a whisker, with

the much-diminished Liberal party room essentially split down the middle. Formally, Ley prevailed over Taylor with 29 votes to 25. But, as the Australian Broadcasting Corporation noted, three of Ley's votes were from outgoing Senators, who will leave the parliament on July 1 when the newly elected Senate convenes. If their votes were to be excluded, Ley's margin of victory was only one vote.

That sets the stage for ongoing factional conflicts and instability. A number of articles in the corporate media have sought to talk Ley up, and she has declared her commitment to "unity" and to "moving forward" from Dutton's legacy of defeat. But some of the commentary has also depicted her as a placeholder leader, noting that the scale of the Liberal defeat is such that it may take several elections before the Coalition is in a position to contest for government.

The fact that Ley was the supposed moderate candidate points to how far to the right the Liberals have shifted over the past decade. In reality, she was never in the "moderate" faction, but was a member of the "centre-right" grouping of former Prime Minister Scott Morrison. Ley supported Morrison in 2018 when he ousted moderate leader Malcolm Turnbull as party leader and prime minister.

Morrison was a right-wing figure, who closely identified his government with the first Trump administration.

Morrison intensified Australia's integration into the US-led plans for war with China, as have all governments since 2011, Labor and Coalition alike. During the COVID pandemic, he oversaw a massive diversion of public funds to the corporations, and then presided over the dismantling of safety measures, with a profit-driven "let it rip" policy. That paralleled the Morrison government's response to the disastrous 2019-20 bushfires, which was to do nothing as dozens were killed and swathes of the country burnt.

Unlike some moderates and the Teals, Morrison's centre-right faction has always been openly contemptuous of environmental destruction and is closely identified with the coal and fossil fuel industries.

Upon her leadership victory, Ley immediately walked back the handful of policies that justified the description of her as the "moderate" contender. She declared that she no longer supported the recognition of a Palestinian state, and solidarised herself fully with the Israeli regime which is completing the genocide in Gaza.

Ley also stated that she no longer opposed the live

export of farm animals to other countries. There had been opposition to such exports, after media exposures of the inhumane conditions to which some animals were subjected.

The latter backflip pointed to fears of a rupture with the Nationals. Speaking for the major farming corporations, they have always opposed any restrictions on live exports.

Other policies may also become a focal point of divisions within the Coalition. A number of Liberals have declared, retrospectively, their opposition to Dutton's plan to establish a nuclear power sector in Australia. The policy, which had a grandiose Trumpian character to it, also raised popular fears over the prospect of domestic nuclear weapons. The Nationals, however, have long championed a turn to nuclear power, in part because of their hostility to renewables and their close ties to the fossil fuel sector.

More generally, the tensions between the Liberals and the Nationals will intensify given the changed make-up of Coalition MPs. While the Liberals have always held the leadership of the Coalition, appointing the prime minister, their parliamentary representation has been reduced to a fraction of what it was when Morrison was in office. The Nationals, meanwhile, have largely retained their seats.

Whatever the twists and turns, what is certain is that there will not be a return to the "broad Church" conservative party of old. The social basis for such a formation no longer exists. The old parties of the centre are breaking apart globally, amid unprecedented social polarisation.

Labor, despite its election victory, will not be spared. It is now tasked by the ruling elite with deepening the agenda of its first term, including a massive assault on social spending, to make the working class pay for the economic crisis that will be intensified by Trump's trade war, and an enormous expansion of the armed forces, as the economic war becomes a military war.



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