

# Divisions deepen in Australia's Liberal-National Coalition

**Mike Head****16 September 2025**

Rifts are continuing to tear through the opposition Liberal-National Coalition following its overwhelming defeat at the May 3 Australian federal election. This is further throwing into doubt the future of this formation, which has been a pillar of capitalist rule—together with the Labor Party—for the past century.

The May 2025 election saw the Coalition reduced to a parliamentary rump, especially in urban areas, holding just two out of 43 inner metropolitan seats and only seven out of 45 outer metro seats. The Liberals lost a record number of formerly blue-ribbon city seats in some of the country's most affluent areas to "green" industry-backed "Teal" independents.

The Liberal vote plunged to its lowest level since it was formed in 1944, while the rural-based Nationals' vote stagnated. That allowed the Albanese Labor government to win a commanding majority of seats in the House of Representatives, despite obtaining only about a third of the primary vote.

Liberal leader Peter Dutton began the party's campaign with Trump-like policies and populist rhetoric, including the establishment of an Elon Musk-type "Department of Government Efficiency" and the sacking of thousands of public servants. But he was forced to rapidly backpedal as it became apparent that Trump's fascistic agenda was widely reviled. Dutton lost his own seat as Labor associated the Liberals with Trump.

The Liberal Party has been in turmoil since its catastrophic election loss. Sussan Ley, who belongs to the party's centre-right faction, was narrowly elected as party leader with the support of the party's decimated "moderate" grouping. Widely regarded as little more than an interim leader, Ley has attempted to hold the feuding party factions together and maintain the coalition with the Nationals, while trying to moderate the party's image.

Over the past week, however, the inner-party tensions have erupted to the surface as Ley's leadership has been openly challenged by "hard right" figures. Last week, she was compelled to sack from the shadow ministry Senator Jacinta

Nampijinpa Price, who is clearly seeking to shift the party in a Trump-style direction.

In anti-immigrant comments, Price had accused the Labor government of letting in people from India to boost the Labor vote, as part of a supposed "mass migration" policy. Price had followed that up by rejecting calls to apologise to the nearly two million Indian-Australians, and publicly declining to endorse Ley's leadership.

After being sacked, Price vowed to use her position on the parliamentary backbench to keep campaigning against "mass migration," as well as the "net zero" climate policy and the "indoctrination of children in our classrooms that engenders national guilt and inhibits national pride," echoing Trump's nationalist and fascistic policies.

Price had also made an unmistakable pitch to far-right anti-immigration protests around Australia late last month. These events featured neo-Nazis and sought to emulate similar racist rallies in the UK and elsewhere by blaming immigrants for the worsening cost-of-living and housing crises affecting millions of working-class households. She declared that the marches, regardless of the neo-Nazis, were about "being pro-Australian."

Price has been heavily backed and promoted by Gina Rinehart, mining magnate and Australia's wealthiest oligarch, who is an outspoken Trump advocate. In 2022, Price was hoisted into the Senate by the Northern Territory's Country Liberal Party with Rinehart's support. Rinehart attended Price's swearing-in and hailed her in an article in the Murdoch media's *Australian* as one of the country's most influential people of the past six decades.

Despite her lack of political experience, Dutton had elevated Price into the shadow ministry making her the spokesperson of the "Department of Government Efficiency." After the electoral disaster in May, Price, who had only just defected from the Nationals to the Liberal Party, stood as deputy to hard-right Angus Taylor in the leadership contest against Ley.

Having fended off Price last week, Ley confronted a new challenge this week from Andrew Hastie, the shadow

minister for home affairs and a leading “hard right” figure. Hastie, a former SAS military officer, has been touted as a potential future leader of the Liberal Party since entering parliament in 2015.

On Monday, Hastie told Australian Broadcasting Corporation Radio in Perth that he would consider quitting the frontbench, or that he could be sacked by Ley if the Coalition failed to dump the “net zero” target for carbon emissions by 2050.

This is part of a wider push within both the Liberals and rural-based Nationals. A resolution to ditch the “net zero” commitments was adopted by the Victorian state council of the Liberal Party last Sunday, following similar calls by the Queensland, Western Australian and South Australian state branches.

Leading figures in the National Party, including former party leaders Barnaby Joyce and Michael McCormack, as well as ex-minister Matt Canavan, are also agitating for this shift. That is in line with the interests of the mining companies that dominate Australian capitalism’s exports, and with Trump’s “Make America Great Again” rejection of all climate change policies.

Overturning the “net zero” target had been one of the key issues on which the Nationals withdrew from the Coalition immediately following the May election. As part of patching up the Coalition, neither Ley nor Nationals leader David Littleproud re-committed to “net zero” and Ley tried to buy time by commissioning a panel of MPs to review the policy position and report next year.

Now Ley faces a revolt over the issue. Yesterday, Shadow Education Minister Jonathon Duniam, another “hard right” Liberal, followed Hastie’s lead by declaring there could be a “mass exodus” from Ley’s frontbench unless the Coalition dropped or qualified its support for net zero emissions.

The political crisis in the Liberal Party reflects the disintegration of its social base among layers of the middle classes amid ever-deeper social polarisation. Now professionals, including doctors and teachers, are being proletarianised, and small businesses are under intense financial pressure, while billionaires’ fortunes soar.

In ruling circles, there is considerable nervousness about the potential break-up of the big-business Liberal Party and perplexity about what to do about it. Since the end of World War II, the ruling class has relied on the two-party system—the Coalition and Labor—as the means for implementing its agenda.

Even among the Murdoch media’s right-wing commentators, there is concern about the adoption of openly fascistic Trump-like policies, given their clear rejection at the May election. Chris Kenny, for instance, urged the Liberal Party to “recast a conservative agenda built on

Australian values and avoiding the Trumpian themes that bedevilled the federal election campaign.”

Moreover, previous efforts to establish openly far-right parties, including by making immigrants the scapegoat for worsening social crises, have failed to gain substantial votes. These bids included Senator Cory Bernardi’s short-lived Australian Conservatives of 2017 to 2019, and billionaire Clive Palmer’s two recent operations, the United Australia Party and the overtly-Trump-style Trumpet of Patriots.

An editorial in the *Australian* last week surveyed the dire state of the Liberal Party at the federal and state levels before concluding: “The only hope is to rise above internal divisions and present a better alternative for voters.” However, it gave no indication of what a “better alternative” might be, amid deepening hostility to the big-business, pro-war policies of the entire political establishment.

Ley herself has proven completely unable to advance an alternative vision to counter the far-right of the party, which will only encourage Price, Hastie and others to step up the destabilisation of her leadership.

That leaves the ruling class depending heavily on the Labor government and its trade union partners, already widely distrusted by workers, to impose the corporate agenda. Labor’s program includes cuts to disability services and other social programs, ongoing complicity in the US-backed Israeli genocide in Gaza, ramped-up military spending and even greater alignment behind the AUKUS pact for war against China.

Labor is also scapegoating immigrants for the social crisis, by gutting university enrolments of international students, planning mass deportations to Nauru and seeking to halve immigration to 235,000 annually for the next three years. In doing so, it is providing fodder to the anti-immigrant demagogic of the far right.

The rightward plunge of the entire Australian political establishment mirrors political processes internationally that have led to the installation of the fascistic Trump administration in the United States and far-right governments in Europe. It can be answered only by building a socialist movement of the working class, in Australia and internationally.



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