

Australia's Liberal-National Coalition in spiralling crisis

Oscar Grenfell**6 November 2025**

The decision by the National Party to formally abandon any commitment to a “net zero” climate policy at a meeting last Sunday has brought a protracted crisis of the Australian ruling elite’s main conservative political formation to a new level.

Throughout the post-war period, that conservative formation has been based upon a coalition between the rural and regional-based Nationals and the urban Liberal Party. But the social constituency and political foundation of a stable and traditional conservative outfit no longer exists, with a break in the Coalition on the cards and the Liberals facing complete disintegration.

The immediate function of the Nationals’ announcement was to place immense pressure on the Liberals to outline their position on “net zero.” The Nationals did that, under conditions where they were well aware of sharp differences within the Liberal Party on climate and a host of other issues.

The Coalition’s former pledge to reach “net zero” carbon emissions by 2050 was always a sham, with no clear policies to reach it. Even on its face the program was a million miles behind what is required to address the existential threat of climate change.

Far more than disputes about climate policy are involved. The issue of “net zero” is something of a symbol, behind which competing agendas are being fought out, in terms of the social orientation and political appeal that the Coalition and its constituent components should make.

The move to abandon “net zero,” both by the Nationals and sections of the Liberal Party, is bound up with a broader shift to the right. In both parties, there are forces watching the rise of far-right elements internationally, including the fascistic President Donald Trump in the US and Nigel Farage’s Reform in the UK, and considering emulating them.

Those within the Liberal Party who are calling for the maintenance of “net zero” are warning that its abandonment would confirm the party’s inability to make any appeal in the major cities. They are also fearful that a turn to explicit climate change denial will put the Liberals out of step with major sections of business that are making substantial money from renewables.

Since the National announcement, Liberal leader Sussan Ley has desperately sought to hold the party together and to delay

any decision on “net zero,” for fear that it will provoke a rupture within the Liberal Party.

That holding act has characterised Ley’s tenure as leader, since her ascension after the May federal election. The election was a rout for the Coalition and above all the Liberal Party. Masses of people cast a ballot against the Coalition, because they identified it with Trump and his agenda of trade war, militarism and authoritarianism.

The Liberal vote was its lowest since the party was formed in 1944. Previous Liberal leader Peter Dutton lost his own seat, and overall the Liberals retained just nine out of 88 metropolitan seats. That confirmed a pattern that was evident in the previous two elections, of former safe Liberal seats falling to Teal independents, who appeal to affluent layers of the middle and upper classes, based on pro-business policies and genuflections to concerns over the climate.

Ley, who hails from former Prime Minister Scott Morrison’s “centre-right” faction, has been described as a “moderate” since the election, itself an indication of a shift to the right within the Liberal Party.

She only secured the leadership by a handful of votes, against a right-wing ticket headed by Angus Taylor and Jacinta Price, who had defected from the Nationals in the immediate aftermath of the election. Price’s defection pointed to the role of elements of the National Party, in pushing the Liberals further to the right, again on display in the current furore around “net zero.”

Ley’s leadership has been marked by a series of public attempts to undermine her. In September, Price refused to affirm her support for Ley and was demoted to the backbench. She called for a more openly right-wing pitch, based on virulent nationalism, anti-immigrant xenophobia and other staples of Trumpian politics.

Andrew Hastie raised a similar flag last month. He demanded a far greater cut to immigration numbers than the Liberal Party is already committed to and insisted on the need to drop “net zero.” Hastie also went to the backbench and has continued his right-wing, nationalist agitation.

Ley, despite remaining as leader, has been widely viewed as a placeholder figure, and it seems likely that her day of reckoning is coming. The attempt to put off the issues of dispute has its

limits, and today it was confirmed that there will be a Liberal Party meeting to decide the issue next Wednesday.

Liberal Senator Sarah Henderson this morning declared that Ley is “losing support” and refused to provide her own backing for the party leader. There is growing discussion in the press, based on internal Liberal leaks, that Taylor may make a bid for the leadership.

Whatever the immediate fate of Ley, the crisis of her leadership is emblematic of a more deepgoing and objective crisis, the trajectory of which is towards a rupture or implosion.

Right-wing figures, such as Hastie, have publicly made clear that they will not abide by the maintenance of “net zero.” Meanwhile, the “moderate” Liberals have indicated that they are no less hostile to the abandonment of the policy. The logic is towards a split.

As the WSWS has previously outlined in analysing the crisis of the Liberals, it is rooted in far-reaching changes to class relations. The party, which emerged and gained an ascendency under conditions of the post-World War II boom, was based socially upon a relatively broad middle-class constituency, including small businesspeople and professionals. But after decades of social polarisation, that constituency no longer exists as the social buffer between the capitalist class and the working class. The conditions, work loads and pay freezes experienced by many sections of professionals including teachers, doctors, nurses and layers of the public service are parallel to those of broad sections of workers.

Whether the divisions in the Liberal Party can be held together next week or not, a realignment in right-wing politics is already taking place. That was made clear by a report yesterday in the *Australian* that more than 200 members of the Liberal Party in South Australia have quit, citing their hostility to “net zero.”

The report indicated that the resignations accounted for roughly 5 percent of the Liberal membership in South Australia. That itself is a marker of crisis, indicating that the Liberals, nominally a party of government, have just 4,000 members in a state with a population of almost two million.

There is an intensive discussion within sections of the ruling elite, over the need for a far-right formation, in line with the rise of Trump in the US, Farage in the UK and similar forces throughout Europe. There have evidently been questions as to whether that can be carried out through shifting the Coalition to the right, or through the establishment of a new formation.

Gina Rinehart, the country’s richest individual, has been involved and has been a prominent backer of Price and Hastie within the Coalition.

She has been in the US, attending a Great Gatsby themed Halloween Party hosted by Trump over the weekend and then the Conservative Political Action Conference.

Significantly, Pauline Hanson, the leader of the far-right One Nation outfit also attended both events. One Nation’s polling is higher than ever before, with a Newspoll published by the

Australian this week showing it receiving a primary vote of 15 percent. This morning, the *Australian* claimed that One Nation has doubled its membership since the May election.

Nationals MP Barnaby Joyce, who formerly headed the party, has been in talks with Hanson about defecting to One Nation. Senior Liberal figures pushing the abandonment of “net zero” and a more explicit lurch to the right, have insisted that such a course is necessary to prevent what remains of the party’s base from shifting to One Nation and other right-wing outfits.

The issue they all have is that as the federal election showed, there is currently no mass constituency for far-right politics. As in the US and elsewhere, the drive to the right is being led by sections of the ruling elite, who recognise that more openly authoritarian forms of rule are necessary to enforce an inherently unpopular agenda of imperialist war abroad and ruthless austerity measures.

The Newspoll showed that the crisis of the Coalition is a crisis of the entire official political establishment. At 60 percent, the combined support for the Coalition and Labor, the two formations of capitalist rule, was the lowest since polling began in 1985.

With the Coalition meltdown deepening, the bourgeoisie is more dependent on Labor and its affiliated trade union bureaucracy than ever. Since returning to office in 2022, Labor has completely aligned itself with the interests of the capitalist class.

On the social front, the Labor government is carrying out massive attacks on the working class, aimed at returning it to the conditions that existed in the 1930s. That goes hand in hand with its transformation of Australia into a frontline state for war with China and major attacks on democratic rights.

That is an agenda that sets it on a collision course with the working class.



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