

Coalition break-up expresses crisis of Australia's two-party system

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2 February 2026

Polling and worried commentary in the financial press is underscoring the reality that the breakup of the Coalition on January 22 is only the sharpest expression of an historic crisis of the entire two-party set-up that has defended capitalist rule for more than 80 years.

On the first regular sitting day of parliament for the year today, the Liberals and the Nationals, the component parties of the erstwhile Coalition, sat separately. Talks between Liberal leader Sussan Ley and National's David Littleproud prior to the sitting had failed to reunify the federal opposition.

That graphic display of the split followed the release of polling by the *Australian Financial Review* (AFR) on Monday, which showed the depth of the crisis confronting the Coalition parties and the extent to which the entire framework of parliamentary politics is being upended.

According to the polling, the primary vote of the Liberals and the Nationals combined now sits at just 19 percent, the lowest level ever recorded. It is 13 percentage points beneath the tally recorded by the Coalition in the May 2025 federal election, when it suffered a rout and the Liberals received their lowest vote since the party was founded in 1944.

The far-right One Nation party received its highest ever polling at 26 percent, comfortably eclipsing the old parties of the Coalition.

The governing Labor Party's polling, by the AFR's measure, remained stagnant compared to its December levels, at 34 percent of the primary. That is the same level as in the May election, when Labor returned to office with its second-lowest ever winning total on the back of the Coalition meltdown.

That points to a situation where, increasingly, discontent and crisis within one or the other of the traditional parties is not benefitting the other. The hemorrhaging support for the Coalition appears to have flowed directly to One Nation and has not improved the position of Labor even slightly.

There is an increasingly clear parallel with the political situation in the United Kingdom. There, the Labour government of Prime Minister Keir Starmer is implementing a program of sweeping austerity and a vast militarisation, provoking widespread opposition.

The Conservatives, the traditional opposition, has effectively been supplanted by Nigel Farage's Reform, which is being

promoted by sections of the ruling elite to shift politics even further to the right, and is making a reactionary, anti-immigrant pitch to social discontent.

Similarly in Australia, the Labor government's pro-business program has inflicted the biggest reversal to working-class living standards in history. Its central focus has been on increasing military spending, above all to prepare for a US-led war with China. Labor is implementing a right-wing program that is indistinguishable from those of previous Coalition governments.

Deeply divided, the Coalition has not been able to present any credible opposition. Instead, One Nation, like Farage, is posturing as an opponent of the widely-reviled two-party system, and is similarly making a populist appeal centred on the scapegoating of immigrants.

An editorial in the AFR accompanying the release of the polling, noted in worried tones that "A structural realignment appears to be challenging Australia's entrenched two-party duopoly. The fragmentation of the electorate has gathered pace, fuelled by similar factors to those that have led to the populist uprisings overseas, such as Donald Trump's America First movement and ex-Brexit leader Nigel Farage's Reform Party in Britain."

The plunge in the Coalition's support, it stated, was not simply due to hostility to Liberal leader Sussan Ley, but reflected an "anti-establishment sentiment, lack of confidence in the political system, and the perception that the major parties are Tweedledee and Tweedledum."

While pointing to One Nation's anti-immigrant demagogic, the AFR commented that a more fundamental motivator of the shift away from the major parties was the reality that "living standards have now gone backwards" for the majority of the population.

The editorial and similar commentary have highlighted that this is not a conjunctural crisis but a new stage in the protracted breakdown of the old political mechanisms of capitalist rule.

The Labor Party has lost any stable, mass base in the working class, having dispensed with even a nominal connection to social reform more than 40 years ago, and having served as an unalloyed instrument of the corporate elite ever since. Labor's real base is an affluent upper middle-class, the corrupt trade

union bureaucracy and the intelligence and policing agencies.

For its part, the Coalition has been roiled by the disintegration of the relatively large middle-class of the post-World War II period, upon which it was once based. Small businesses account for a smaller share of economic activity than they once did. Increasing numbers of professionals, such as teachers and medical staff, have entered the ranks of the working class.

Those processes have found political expression in the Coalition's deepening crisis over more than a decade. In successive elections, the Liberals have lost once safe, "blue-ribbon" seats to Teal independents, who combine right-wing, free market policies with a pitch to the lifestyle concerns of a new, more affluent and concentrated middle class. That shift in social demographics culminated in the Liberals, the urban party of the Coalition, retaining just nine of 88 metropolitan seats at the last election.

The advent of the Teals has corresponded to the marginalisation of a "moderate" faction within the Liberals and a growing shift to the right. Following the loss of former Liberal leader Peter Dutton's own seat in the rout of the 2025 election, current leader Sussan Ley assumed the reins, based on a program of keeping the factions, along with the Coalition, together. But that is increasingly recognised as unviable.

The bust-up of the Coalition, which had been repeatedly presaged after the May election, was triggered by the Labor government's new "hate speech" laws. Introduced in the wake of the Bondi terrorist attack, they create the framework for criminalising anti-war and oppositional organisations, particularly those that oppose the Israeli genocide of the Palestinians.

While the Coalition had agreed to pass the legislation providing for "hate groups" to be banned, three shadow cabinet Nationals MPs crossed the floor and voted against it, deliberately provoking the split. The Nationals MPs were not opposed to the attack on civil liberties. They were adapting to far-right forces that are fearful their own racist rhetoric could fall foul of the sweeping new laws.

That underscores the extent to which the old centre is breaking apart and a significant section of the political establishment is stampeding to the right. Last December, former Nationals leader and deputy prime minister Barnaby Joyce defected to One Nation. Yesterday, Corey Bernardi, a former Liberal MP announced that he too was joining the right-wing populist outfit. At the rank-and-file level, there are reports of entire branches of the Nationals defecting to One Nation.

Within what remains of both former parties of the Coalition, chaos reigns. Nationals leader David Littleproud yesterday saw off a leadership challenge, which was based on a demand for an immediate reunification with the Liberals.

Ley is widely viewed as a lame duck. There is no attempt among her factional opponents to conceal the fact that they have no respect for her leadership. Right-wing Liberals Angus Taylor and Andrew Hastie have been publicly working out

which of them will lead a challenge against Ley's leadership, with Taylor appearing to be anointed as the candidate late last week.

Hastie has openly campaigned for a right-populist pitch, based on even more aggressive vilification of immigrants and an "Australia First" line. Taylor has not gone as far, partly because he may need the votes of several "moderates" to secure the leadership. But in a statement over the weekend he declared that he shared many of Hastie's "values."

Whatever the twists and turns, it is clear that the political situation in Australia is transforming. The old exceptionalist nostrums, including that a far-right movement could not develop in this country, are being exposed as a fraud. Powerful sections of the ruling elite, including the country's wealthiest individual, mining magnate Gina Rinehart, are increasingly seeking to cultivate a Trump or Farage-style formation.

They are doing so, because they recognise that the deepening social crisis and discontent presages major struggles by the working class against the entire political establishment. The aim is to channel discontent in a reactionary direction, and to create political mechanisms for openly dictatorial rule, aimed at suppressing workers and youth.

For the present, the ruling class is reliant entirely on Labor carrying out the program required in the interests of Australian capitalism. This means the intensification of the assault on working and living conditions, wage rates and democratic rights of the population. The scenes unfolding in the United States, the UK and more broadly are the outcome of international conditions expressed sharply in this country.

The critical issue for the working class is to establish its political independence from the entire decrepit establishment. A mass socialist movement must be built, in opposition to Labor, the Liberals, Nationals, One Nation and all the parliamentary parties. That is the only way in which to oppose the capitalist program of war, austerity and authoritarianism that they all represent.



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