

Resolution for the Eighth Congress of the Socialist Equality Party (Australia)

The crisis of capitalist rule in Australia and the political fight for socialism

Socialist Equality Party (Australia)
14 October 2026

We are publishing here the second of five resolutions adopted unanimously by the Eighth National Congress of the Socialist Equality Party (Australia), held September 26–29, 2026. The first is published here

1. The two-party system in Australia, based on Labor and the Liberal-National Coalition, which has served the capitalist class as its method of rule since World War II, is disintegrating. This is the result of the unfolding world war, decades of mounting social inequality, attacks on democratic rights and the growing radicalisation of the working class.

2. These processes mirror an international phenomenon in which the traditional parties of capitalist rule—social-democratic, liberal, and conservative alike—are in an advanced state of decay. Sections of the ruling class are now deliberately cultivating far-right and fascistic formations—Trump in the US, the AfD in Germany, Le Pen in France, Meloni in Italy, Reform in Britain and in Australia, One Nation—as alternative political mechanisms to suppress the coming revolutionary upsurge.

3. While the burgeoning crisis of the Australian political elite is expressed most starkly with the collapse of support for the Liberal Party, the post-war social bases of both Labor and the Coalition are breaking up. The broad middle-class constituency that sustained the Coalition's conservative politics for decades has been torn apart as significant layers of the professions are being proletarianised and small businesses are placed under intense financial pressure.

4. The 2025 election marked a historic turning point in the protracted decay of the two-party system. It was an electoral debacle for the Coalition as it challenged the incumbent Labor government. The attempt by Liberal leader Peter Dutton to recast the Liberals as a far-right, Trump-like formation was decisively rejected, reducing the Coalition to a rump, retaining just nine of the 88 metropolitan seats. Dutton became the first opposition leader in history to lose his own seat. The ensuing crisis within the Coalition has continued almost unabated since. The Liberal-National Coalition ruptured in January 2026 when the Nationals quit the shadow cabinet, leaving the entire parliamentary framework in an advanced state of decomposition. Although it subsequently re-formed, the unity remains fragile.

5. For the ruling class, the ramifications are profound and dangerous: With the Liberals no longer viable as an alternative party of rule, Labor is left alone to impose the agenda of war, austerity and authoritarianism, without the safety valve of a stable parliamentary framework, under conditions of historically low levels of support.

6. The political establishment is responding with a dramatic lurch to the right, expressed not only in the elevation of One Nation but also in the

reactionary program being implemented by the Labor government, including militarism, austerity and anti-democratic measures. While the capitalist parties are hurtling to the right, there is a broad shift to the left among workers and young people.

7. The working class is being driven into struggle against Labor governments and trade union bureaucracies, signalling a breakdown of the mechanisms used for decades to suppress the class struggle. The outcome of the deepening political crisis depends, to a decisive degree, on the SEP's fight to organise and politically free the working class from the grip of these old organisations and to arm it with a socialist and revolutionary perspective.

The rise of One Nation

8. Opinion polling and electoral results offer only a distorted reflection of the sentiments of broad layers of the population, particularly in a political situation characterised by rapid flux. Nonetheless, the present figures are unprecedented. One Nation has substantially eclipsed the Coalition in most polls and has received greater support than the Labor government in several others. Never before has a “third party” outpolled the two traditional parties of capitalist rule.

9. While the ruling elites are certainly not unanimous, significant sections, most visibly the country's wealthiest multi-billionaire, mining magnate Gina Rinehart, are concluding that neither of the longstanding ruling parties is capable of imposing the required agenda on a hostile population with the speed and ruthlessness needed to meet the urgent demands of Australian imperialism. Hence their turn to the far-right Pauline Hanson's One Nation.

10. For years, the political establishment regarded One Nation's founder, Pauline Hanson, whose only virtue is her ability to crudely voice her anti-immigrant, anti-Aboriginal, and anti-welfare prejudices, as a force pushing politics to the right. Now, serious consideration is being given to using the former fish-and-chip shop owner and her far-right party as an instrument of rule. The defection of former Deputy Prime Minister Barnaby Joyce from the National Party to One Nation, along with entire rural branches of the Nationals, is an expression of this.

11. One Nation has been the initial beneficiary of the crisis in the two-party system. Disgruntled Liberal and National voters form its main support base. But after decades of imposing the dictates of big business, Labor no longer commands any active, positive support among the

working class, prompting sections of workers to turn to One Nation under the mistaken belief that it is an “anti-establishment” party.

12. One Nation is not an anti-establishment party, and a vote for it will do nothing to halt the worsening economic and social crisis facing working people. It is a far-right formation being consciously integrated into official politics as a political instrument of the corporate-financial oligarchy. Its program directly expresses the demands of capital: support for war, increasing military spending to 5 percent of GDP, attacks on democratic rights and the gutting of social programs. Its demonisation of immigrants as the supposed cause of all social ills is intended to deflect attention from the real underlying cause—the profit system itself—and to set worker against worker.

13. One Nation’s growth is not primarily an endorsement of its reactionary nationalism, racism and authoritarianism, but a politically distorted and mistaken expression of widespread hostility to the entire political and media establishment. It is the Labor Party that bears political responsibility for the rise of One Nation. Over decades, Labor and the unions have suppressed the struggles of the working class and created the social crisis that the far-right exploits. One Nation’s anti-immigrant racism aligns with the vicious anti-refugee measures first implemented by Labor governments and continued by the Coalition. Its anti-Muslim demagoguery is a product of the US-led “war on terror,” which both Labor and Coalition governments have backed to the hilt. Its authoritarianism is an extension of the unprecedented assault on democratic rights carried out by both establishment parties.

The crisis of the Labor Party

14. The crisis of bourgeois rule in Australia is fundamentally a crisis of the Labor Party. The ruling class has relied on Labor in every period of crisis for more than a century.

15. While Prime Minister Albanese hailed Labor’s 2025 electoral victory as a great triumph, the party’s primary vote of just 34 percent continued its slump in support to historic lows. The party’s protracted decline calls into question its ability to suppress the emerging struggles of the working class while doing the bidding of the corporate oligopoly amid an unfolding world war and worsening global economic turmoil. This is not a situation which has been experienced before.

16. The Labor Party was founded in 1891 by the trade union movement amid mass struggles of the working class and consolidated as a national organisation upon Australia’s Federation in 1901. It was not founded as a socialist organisation but as a bourgeois party resting on the support of broad sections of the working class. Labor refused to affiliate with the then-Marxist Second International, founded in 1889. In 1920, Lenin stated that “the Labor Party is a thoroughly bourgeois party, because, although made up of workers, it is led by reactionaries... who act quite in the spirit of the bourgeoisie. It is an organisation of the bourgeoisie, which exists systematically to dupe the workers.”

17. Lacking a democratic or revolutionary tradition of its own, the Australian capitalist class has relied on the Labor Party and its affiliated trade unions to contain a pugnacious working class with a strong sense of fairness and equality and a long history of militancy. The racist “White Australia” policy, which divided Australian workers from their class brethren in Asia and the Pacific, and the integration of the trade unions into the capitalist state via the arbitration system became the reactionary pillars of capitalist rule.

18. Labor has been the pre-eminent party of war and the main instrument for suppressing the class struggle since Federation. During World War I, Labor Prime Minister Billy Hughes, in the face of mass

working class opposition, prosecuted an ultimately failed conscription campaign to drag workers into the imperialist slaughter. The Scullin Labor government, which came to power in 1929 at the onset of the Great Depression, faithfully implemented the demands of the British banks to slash government spending and wages. Millions of workers were plunged into poverty as unemployment soared to 30 percent. During World War II, the Curtin and Chifley Labor governments, working in league with the Communist Party of Australia (CPA), prosecuted the war while suppressing mounting strikes.

19. In the post-World War II period, the Labor Party, whether in government or opposition, supported the deployment of Australian troops to US-led wars in Korea, the first Gulf War, Afghanistan and the second invasion of Iraq. The Gillard Labor government provided the stage for US President Obama to announce his “pivot to Asia,” and integrated Australia into US preparations for war with China—a process that has dramatically escalated under the present Albanese Labor government. As for the Vietnam War, Labor never opposed it as such, nor did it call for an end to the US alliance. Its opposition to Australian military involvement was entirely tactical, centred on the fact that the war could not be won. Labor’s intervention in the mass anti-war movement was aimed at preventing it from turning to a revolutionary, socialist perspective.

20. The Whitlam Labor government came to power in 1972 in the last great period of social upheaval, fuelled by opposition to the Vietnam War and working-class opposition to surging inflation. By November 1975, the ruling class concluded that its chief political prop had failed to suppress the largest upsurge of the working class since the end of World War I. The Governor-General, using his anti-democratic reserve powers, dismissed Whitlam and put the army on alert. As bourgeois rule hung by a thread, the ruling elites depended on the entire Labor Party and trade union apparatus, particularly the Stalinists, supported by the Pabloites, to divert the mass opposition to the coup into the dead-end of a new parliamentary election. The ruling class today confronts a political crisis of far greater dimensions, in which the means that it used in 1975—Labor, the Stalinists and now the pseudo-lefts—are all deeply corroded.

21. Notwithstanding Labor’s previous treachery, the 13 years of the Hawke and Keating Labor governments (1983–96) marked a reactionary turn to the right by both the party and the trade unions. It was part of what the ICFI identified in its 1988 perspectives document as an international wave of renunciationism among traditional labour organisations, as the globalisation of production undermined all programs of national economic regulation and reform. The most graphic expression was the embrace of capitalist restoration by all the Stalinist regimes, culminating in the dissolution of the Soviet Union in 1991.

22. The Labor Party abandoned its minimalist program of social reforms, and the trade unions renounced the defence of even the most basic workers’ rights—all in the name of making Australian capitalism “internationally competitive.” What the conservatives in the US under Reagan and in Britain under Thatcher had carried out was implemented in Australia by Labor—financial deregulation, tariff reduction, wholesale privatisation, drastic cuts to corporate and income taxes, and the smashing of the wages system. The corporatist Prices and Incomes Accord imposed by the Labor government, with the essential assistance of the trade union bureaucracy and the Stalinist parties, was the mechanism for systematic wage suppression, the dismantling of centralised wage fixing, the smashing of conditions and hard-won gains such as the eight-hour day, and the destruction of any semblance of workers’ democracy in the unions.

23. The processes set in train by Hawke and Keating only intensified under subsequent governments, both Labor and Coalition. The results for the working class have been an unmitigated social disaster. What has occurred is the greatest redistribution of income to the wealthy in history, as real wages for working people declined and social services were

slashed. Labour's share of national income fell from 62.4 percent in 1975 to 56 percent by 1992 and to 53 percent by 2008. Social inequality has grown to grotesque proportions—170 billionaires now command a combined wealth of \$689 billion, equal to that of the bottom 60 percent of the population.

24. The political consequences have been profound. The growth of opposition and animosity across broad sections of the population has led to an uninterrupted rise in the vote for “third parties” and independents, while the combined primary vote for Labor and the Coalition fell from 93.1 percent in 1983 to 66.4 percent in 2025. Over the same period, trade union membership has collapsed from just over 3 million (57 percent of the workforce) to less than 1.6 million (13.1 percent of the workforce).

25. At the same time, the Greens, which has served as a critical political safety valve for mounting social opposition, failed to make any significant gains in the 2025 election. This outcome reflected the shift to the right by a party based in the well-off layers of the upper-middle class and committed to propping up capitalism. It funnels preferential votes to Labor and pledges to uphold parliamentary stability above all else. With its seats in the Senate, it has been instrumental in facilitating the Albanese government's regressive budgets and legislation. In the 2025 election, the Greens issued its first formally costed defence policy to fund new military programs. This was done under the banner of anti-AUKUS opposition, not because it opposes imperialist war against China, but because it deems AUKUS does not enhance the interests of Australian imperialism. The Greens' program is not an alternative to Labor's militarism but a variant of it.

The record of the Albanese government

26. The defining feature of the Albanese government has been the transformation of the Australian landmass into a forward base for US imperialism's war against China—through AUKUS, the acquisition of nuclear-powered submarines, the integration of Australian defence forces into US war-fighting command structures and the subordination of all economic and social policy to the demands of militarism. That this has been carried out by a prime minister who rose through the ranks as leader of what the ALP laughably calls its “socialist left” faction underscores, with brutal clarity, the irredeemably reactionary character of the Labor Party.

27. Since Labor took office in May 2022, workers' real wages have fallen to the same level as 15 years ago. Official unemployment is understated at 4.43 percent, while youth unemployment has reached 10.7 percent. However, the Roy Morgan survey puts the jobless rate at 11.7 percent and underemployment at 8.8 percent—more than 3.35 million workers either out of work or lacking enough work.

28. The Reserve Bank of Australia, backed by Labor, has imposed 16 interest rate rises since 2022, producing a 155 percent increase in the average cost of servicing a home mortgage. Servicing a new loan consumes 45 percent of household income—well into “mortgage stress” territory. Property prices have surged by 47.3 percent since March 2020, adding \$280,000 to the median dwelling value, locking millions, particularly young people, out of home ownership. Sydney's median house price is now a staggering \$1.75 million.

29. The centrepiece of the government's austerity program is the savage \$38 billion cut to the National Disability Insurance Scheme over the next four years—the largest single cut to a government program in history. At least 300,000 disabled people will be forced off the scheme or blocked from entering it, depriving some of the most vulnerable members of society of daily personal care, therapy, mobility aids and support workers.

Huge budget cuts to essential services are underway, as tens of billions are funnelled into the military to prepare for war against China.

30. The targeting of the most defenceless layers of society is not new. A similar assault has been carried out for decades against Aboriginal workers and communities, whose appalling levels of poverty, illness and incarceration result in drastically lower life expectancy. The “Closing the Gap” program launched in 2008 by the Rudd Labor government was supposed to address these horrifying conditions. Yet since its inception, none of its core targets has been met and incarceration, suicide and child-removal rates have only worsened. The program was always a bipartisan fraud that substituted token apologies and official posturing for the massive redistribution of social resources that genuine redress would require.

31. The protracted persecution of immigrants and refugees is another case in point. The Albanese government has responded to the rise of One Nation by, in effect, adopting its program. Home Affairs Minister Tony Burke has spearheaded a Trump-style offensive: legislation empowering the state to cancel all visa applications from targeted nationalities; punitive increases in visa fees; ministerial directives blocking most offshore arrivals; and the stripping of work and appeal rights from hundreds of thousands of temporary visa holders and asylum seekers. Additional funding has been provided for the deportation of more than 80,000 people to third countries, with the government indemnified against the consequences.

32. The pretext for these measures—blaming immigrants for the housing crisis and social discord—is a deliberate fabrication. The reason that many people leave their own country is to escape imperialist wars and poverty. Blaming immigrants for the shortage of affordable housing conceals that the real cause of skyrocketing property prices is the profit drive of banks and property developers, actively aided by government legislation.

33. The socially regressive and anti-democratic measures imposed on Aboriginal people and immigrants are always to establish precedents to be implemented against the working class as a whole. The defence of these oppressed layers is the responsibility of the workers of all nationalities as part of the political struggle for the unity of the international working class. The SEP insists that all workers must be able to travel to, live and work in any country with full citizenship rights.

The political radicalisation of the working class

34. The ruling class is aware that its agenda of war and austerity is fuelling a political radicalisation of the working class in Australia, as it is internationally, and is fearful that the Labor Party and the trade unions will not be able to contain and suppress it.

35. The shift in social consciousness is most evident in the mass protests against the Israeli genocide in Gaza, sustained for two years from October 2023—the most significant expression of anti-war sentiment since the US-led invasion of Iraq in 2003. Week after week, tens of thousands rallied, and workers declared they would “never again vote for any of those parties now supporting the Israeli government.” The protests signalled a rupture between broad layers of the population and the political establishment.

36. Workers and youth, however, are drawing broader conclusions. At protests over Gaza, against the war on Iran or the NDIS cuts, and at the emerging strikes by educators, health workers and others, the increasingly common refrain is: “There's clearly money for the military and war, but never enough for working people and their needs.” Awareness is growing that war and the ruthless imposition of austerity measures are two sides of the same program.

37. Governments have responded with police-state methods and intensified the decades-long assault on fundamental democratic rights that began with the bogus “war on terror” and the treatment of immigrants and refugees as criminals. When the relentless campaign of vilifying the Gaza protests by fraudulently equating opposition to genocide with antisemitism failed to disperse the movement, the Bondi Beach terrorist attack of December 2025 was seized upon as the pretext for sweeping anti-protest laws.

38. Despite being the worst terrorist attack on Australian soil, claiming the lives of 15 innocent people, the circumstances of the Bondi atrocity have not been publicly explained. The alleged perpetrators were hardline Islamists on the radar of the intelligence agencies, but their attack was immediately seized upon by the political establishment to step up the offensive against the pro-Palestinian movement, which had no involvement, and anti-war sentiment generally. As with 9/11, Bondi was a turning point, being invoked to justify unprecedented authoritarianism—including provisions that can ban political parties—and war.

39. Albanese, together with New South Wales Labor Premier Chris Minns, enacted some of the most far-reaching anti-democratic legislation in generations. The sweeping federal legislation—including the Combatting Antisemitism, Hate and Extremism Act—creates arbitrary powers to criminalise political opinion branded as “hate crimes,” to declare political organisations “prohibited hate groups” with members facing up to 15 years’ imprisonment, to revoke visas and deport non-citizens for alleged “associations” and to massively expand surveillance powers. In NSW in February 2026, the violent police rampage at a demonstration against the provocative visit by Israeli president Isaac Herzog used Minns’ anti-protest laws for the first time. Some of the laws were struck down as unconstitutional by the Supreme Court following the protests, a decision rejected by the Minns government. These wartime measures aim to suppress all forms of opposition as Australian imperialism deepens its integration into the unfolding US-led world war.

40. In parallel with the anti-war movement, the class struggle has markedly accelerated over the past year and more. Educators, health workers, public servants, mine workers, and many others have voted to reject company-union enterprise agreement offers and opt for strike action after years of sub-inflation wage rises and the imposition of intolerable working conditions.

41. The trade union bureaucracy has played a dual role in suppressing the emerging class struggle and blocking any connection to the anti-war opposition. Not a single Australian union has organised a strike against military supplies to Israel or the war against Iran. The Maritime Union of Australia reacted with fury when the SEP asked whether it would act on the Palestinian trade unions’ call to halt the war machine. Victorian Trades Hall Council secretary Luke Hilakari *called in the police* against anti-genocide protesters in Melbourne.

42. For decades, union bureaucrats have suppressed industrial action by citing laws that render unapproved strikes illegal—laws the union leaders themselves consented to, knowing they would be used as a battering ram against workers’ action. Ballots on strike action or enterprise agreements are declared lost or won through dubious mechanisms that deny independent scrutiny. The undeniable reality for workers is that to fight for their interests they must fight the very union leaders who purport to represent them.

43. The union apparatus, as it suppresses and sabotages struggles, is acutely aware of the resentment and anger welling up in the working class. The sudden joint resignation of the two top ACTU bureaucrats—Secretary Sally McManus and President Michele O’Neil—in the immediate wake of the 2026 Labor Party Conference is a telling sign that an explosive rebellion is brewing and others deemed more capable are being slotted in to do the job.

44. None of the enormous dangers and problems confronting workers in Australia and internationally can be resolved within the framework of the profit system and its division of the world into rival and warring nation states. To the danger of nuclear conflagration must be added the accelerating climate catastrophe that threatens to render large areas of the planet uninhabitable. Its resolution patently requires a globally coordinated, scientifically based plan, which has repeatedly proven impossible as governments defend the narrow, short-term interests of their national corporate elites.

45. Amid the profound crisis of parliamentary rule in Australia, the pseudo-left organisations such as Socialist Alternative, Socialist Alliance and Solidarity constitute a last line of defence. On every important issue, they combine socialist-sounding phrase-mongering with an insistence that workers can do nothing more than pressure capitalist governments to drop their reactionary policies and the corporatised trade unions to end their function as industrial police. Two years of mass protests against the Gaza genocide once again proved the futility of such a perspective. Decades of betrayals and social regression have confirmed the impossibility of turning the unions into fighting organisations of the working class.

46. The pseudo-left are neither socialist nor working class. They trace their origins to tendencies that broke from Trotskyism in the post-war period, capitulating to Stalinism, bourgeois nationalism and social democracy. Today they serve the class interests of an affluent upper-middle class layer, whose privileges within academia, the public sector, and the union apparatus depend on suppressing independent working class struggle. They play the indispensable political role of channelling workers’ opposition back into the dead end of the trade union bureaucracy and the Labor government.

47. The pseudo-left’s response to the rise of One Nation has further exposed its class character. Leading Socialist Alternative member Mick Armstrong denounced workers who voted for One Nation in the South Australian election as “racist scum” who must be “physically crushed.” At the same time, their political orientation is to back “anyone but Hanson,” subordinating workers to the Greens, Labor and the unions, whose policies created the social crisis upon which One Nation preys. This is part of a broader attempt to create new political traps to channel oppositional sentiment back behind the parliamentary set-up. The initiation of the Australian Socialist Party by Socialist Alternative, as part of the national expansion of its electoral fronts, is a political fraud. The new organisation is modelled on left-populist outfits that have betrayed the working class internationally, such as the DSA and Syriza. Its decision not to adopt any program upon its founding was a calling card to the ruling elite and its political representatives that this outfit is willing to work with anyone.

48. One Nation will not be stopped by provocative stunts on the streets or by an alliance of capitalist parties involving the Greens, Labor, or anyone else who opposes Hanson irrespective of their class character or political reasoning. The far right, whether One Nation or another formation, can only be defeated through a socialist program that fights for the overthrow of capitalism. It is above all against this revolutionary perspective and the SEP that fights for it that the pseudo-left increasingly direct their fire.

49. Objective changes in social conditions drive the working class into struggle, but they do not, of themselves, produce socialist consciousness. The radicalisation of the masses develops through molecular processes beneath the surface of official political life. The party’s task is to comprehend these processes while they are still subterranean, to give them political direction and to fight for the independent mobilisation of the working class before these shifts are captured and diverted by the agencies of bourgeois rule. This task can only be carried out through definite organisational mechanisms.

50. The SEP is committed to building independent rank-and-file

committees, rooted in the workplaces, independent from the trade union bureaucracy and answerable to the workers who elect them. The party must go deeper and lower into the working class—into the factories, the mines, the hospitals, the schools, the transport depots—and patiently explain, through the *World Socialist Web Site*, party publications and discussion with individual workers, the political lessons of each struggle, developing worker-socialists who can themselves become the organisers and leaders of their class.

51. The SEP must expand and develop the work of its youth movement, the International Youth and Students for Social Equality (IYSSE). The younger generations face, under capitalism, a future of global war, climate catastrophe, poverty and precarity, i.e., no future at all. That reality is already resulting in a radicalisation, with widespread hostility to the Gaza genocide and war, and a developing anti-capitalist sentiment. IYSSE clubs must be built at universities across the country in opposition to their transformation into hubs of militarism, in the TAFEs, at the high schools and particularly among working-class youth.

52. Our task is to transform the present political radicalisation into a conscious revolutionary movement by arming workers and young people with the lessons of Marxist history—above all the history of the Fourth International and its International Committee — since it is precisely the assimilation of these experiences that enables those moving leftward to grasp the necessity to fight for the socialist transformation of society. The work of political education, pursued both in the class struggle and inside the party, is the most vital task we carry out.

53. The development of socialist consciousness is not the spontaneous product of events, however sharp the crisis; it is the product of the persistent, systematic, and patient intervention of the revolutionary party, which alone can transform the political radicalisation underway into a conscious struggle for the overthrow of capitalism and the establishment of a workers' government.



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