A Labor leadership coup, a knife-edge election, a hung parliament, a cliffhanger aftermath - Australian politics have been through a three-month whirlwind. Peter Browne maps an extraordinary period and assesses the prospects of the new Labor-led coalition government.

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A few days before the Australian election on 21 August 2010 I had a call from Alyssa McDonald, who was in Sydney writing a piece for the London-based *New Statesman* [7]. She’d been talking to someone in the New South Wales branch of the Labor Party who’d told her that a hung parliament was looking like a strong possibility. What did I think?

The last time an Australian federal election [8] produced a hung parliament was nearly seventy years ago, during the second world war, when two consecutive minority governments governed for a total of two years and eleven months. The first, a conservative coalition, collapsed in scandal and disunity; the second, Labor with independent support, went on to a convincing win at the 1943 election, and helped contribute to John Curtin’s [9] reputation as one of Australia’s greatest prime ministers. On the electoral mathematics, another hung parliament - even after all this time - had to be an outside chance.

I airily dismissed the possibility, assuming that the growing speculation – which had spread through the online political blogs into the print and broadcast media - was as an attempt to persuade unhappy Labor voters not to risk a return to Liberal-National government by voting for the Greens (an argument that doesn’t make much sense given Australia’s preferential-voting system but has some emotional impact). In several inner suburban seats, but notably the seat of Melbourne, polls were giving the Greens [10] a strong chance of picking up most of the preferences of both major parties and turning them into a winning margin. The symbolism, if not the practical effect, of losing these formerly safe Labor [11] seats would be immense.

Now, four weeks later, the election result – a hung parliament - doesn’t seem anywhere near as strange. The polls during the campaign had been sending out a mixed message: strong swings against Labor in Queensland and New South Wales but much smaller shifts elsewhere and the likelihood of a swing towards Labor in Victoria and even, perhaps, in Tasmania and South Australia. An increase in the number of independent and small party MPs – and hence an increase in the possibility of neither party winning an absolute majority – always seemed a strong possibility.

Labor may have been in the usually comfortable position of a government facing its first election, but it had lost much of the benefit of incumbency by changing leaders so close to the election. And a lacklustre, small-target campaign by Labor and the Coalition (as the Liberal [12]-National alliance is called) meant that neither party seemed likely to persuade enough swinging voters to jump simultaneously one way or the other.
A downward curve

The campaign itself reduced many observers to despair. The last federal election, in late 2007, had in many ways been a referendum on two ways of looking at Australia’s future. John Howard’s Coalition was not so much backward-looking as defensive – attempting to protect Australian industry from the need to respond to climate change and from the expectations of an increasingly educated and well-informed workforce, and at the same time flattering its supporters and would-be supporters by turning their prejudices into policy. In the event, a late and half-hearted shift on climate change didn’t save the eleven-year-old government from a heavy defeat. Kevin Rudd’s Labor opposition managed to make the challenges – climate, education, asylum-seekers, industrial relations – look urgent, interesting and capable of resolution.

Polling around the time of that election revealed industrial relations and climate change – along with the Labor staples of health and education – to be the major issues that persuaded people to shift their votes from the Coalition. Rudd’s workplace-relations minister, Julia Gillard, moved quickly to implement the party’s proposed reforms in this area, but the government lost momentum on climate change. In opposition, Labor had appointed the highly regarded economist Ross Garnaut to map out a climate-change response; almost as soon as it took office, the government began distancing itself from his not-yet-delivered findings. The lobbyists for energy-intensive industries took the hint, whether it was intentional or not, and began winning costly concessions from Canberra.

Nicholas Stuart’s book about the Labor government, Rudd’s Way, describes how Rudd himself shaped and steered climate policy. He spent a long time developing an emissions-trading scheme, the Carbon Pollution Reduction Scheme, and then staked everything on negotiating it through a Senate controlled by the Coalition and a sole conservative Christian senator (who’d accidentally been elected as a result of a badly designed preference deal by Labor). Under its leader at the time, Malcolm Turnbull (the architect of the defeat of the Margaret Thatcher government in the Spycatcher case), the Coalition was willing to negotiate on the detail of a scheme; but as the deal firmed up, both conservative elements within the Liberal Party and the entire National Party revolted, giving Tony Abbott (a protege of John Howard) the opportunity to take the leadership - albeit by a single vote - and renege on the deal.

Rudd had called climate change the great moral challenge of this generation, so when he announced that the scheme would be postponed until after the next election his authority took a big knock. As his standing in the opinion-polls declined, the performance of the government in other key policy areas came under more intense scrutiny. And, equally importantly, Rudd’s highly centralised approach to policy development and implementation – by this stage clearly dysfunctional – became a live issue for the government. The fall in the polls seemed all the more dramatic because of the long period of unusually high approval ratings that had followed Labor’s election win. When the decline began to look terminal a group of MPs moved quickly and, less than a day after the plot became public, Rudd was no longer leader.

A curious campaign

Julia Gillard’s first move as leader was to try to neutralise a series of issues that had begun to present difficulty for Labor amid the waning of Rudd’s authority - an upsurge in asylum-seekers arriving by boat, a new tax on mining super-profits, and fears that Australia’s population was growing too quickly. Her next, taking advantage of the boost in the polls that the leadership change had produced, was to call an election.

The problem for Labor was that it had now thrown out many of the policies that had distinguished it from the Coalition, and Gillard herself was not the person to develop distinctive replacements. Instead, as the campaign unfolded, Labor sought to minimise the gap between itself and the Coalition on any question – including climate, immigration and education – that threatened to attract controversy.

A curious feature of the campaign was that under Tony Abbott, the Coalition was doing something
In its early stages, for example, Abbott set out to capitalise on the perception that Labor’s immigration programme was larger and looser than the Coalition’s. Immigration was already falling for a variety of reasons, so Abbott’s declaration that under his government it would be capped [22] at a net 170,000 arrivals, which seemed for a moment both politically audacious and practically impossible, turned out to be not far below the level that it would be if Labor’s current policies were held steady. On the one big policy distinguishing the parties – Labor’s existing commitment to spend $45 billion on a national broadband network [23] – the Coalition responded with a cut-price patchwork of measures.

What didn’t become clear until after election-day was how important the broadband plan was for many voters outside the cities, where internet services can be slow and unreliable. Not many would have shifted their vote to Labor on this issue alone, but when three of their representatives – the independent MPs Tony Windsor, Rob Oakeshott [24] and Bob Katter, who had made up an informal grouping in the previous parliament – found themselves in the position of deciding who would form the government, broadband suddenly became a central concern. As, surprisingly, did climate and, to a lesser degree, the treatment of asylum-seekers, along with more predictable concerns about parliamentary procedures and the allocation of funding and services to areas outside the major cities.

**A new formation**

Labor and the Coalition had both come out of the campaign with seventy-two seats. One new independent quickly indicated that he would sit with the National Party [25]. The Greens had picked up one inner-suburban seat (and five extra senators, taking their total to ten – and the balance of power – in a chamber of seventy-six) and quickly signed an agreement [26] to support Labor. An unexpected result in Tasmania had yielded another independent, Andrew Wilkie [27], a former federal intelligence officer who quit his job in 2003 in protest at the Howard government’s decision to join the invasion of Iraq; he too supported Labor.

This left Gillard in need of any two of Windsor, Oakeshott and Katter to have majority backing in the lower house. Katter [28], a colourful rural populist, broke with the group and backed the Coalition, leaving Windsor and Oakeshott – both former National Party members who had clashed frequently with their former colleagues – with the final decision [29]. As expected, they stuck together; as hadn’t been altogether certain, they backed Labor on the basis of a detailed [30] agreement.

Although it wasn’t remarked on during the campaign, every Australian state [31] and both territories has had a minority government at least once [32] over the past twenty years. The best-known cases are Labor governments in Tasmania, Victoria and South Australia; in the case of Victoria and South Australia, the electoral result next time was a landslide win for the governing party. The other cases were generally either a more mixed success or a failure, but Tasmania is once again governed by a Labor minority and the relatively new arrangement is working so far.

In Victoria, Labor governed [33] between 1999 and 2002 with the support of three rural independents; the premier at the time recently described it as “one of the best periods of government that I had.” In South Australia the Labor premier took the more innovative step of inviting an independent MP and (later) a National Party MP to sit in cabinet. It was presumably with that case in mind that Gillard offered Oakeshott a ministry, which he declined.

This recent and substantial Australian experience of hung parliaments notwithstanding, the outcome in Canberra seemed to unsettle [34] many of the country’s leading political journalists and commentators – a considerable number of whom are at the time of writing still forecasting either policy gridlock or an early falling-out between Labor, the Greens and the independents. Some of this analysis, especially in the Rupert Murdoch-owned press, is supportive of the Liberal-National strategy, which will be to discount Labor’s policy successes and relentlessly publicise implementation problems.

That approach worked very well in the year before the election, and created a sense that Labor’s stimulus policies (which helped steer the country through the global financial crisis in remarkably good shape) owed more to good luck and the legacy of the Howard years; and that Labor’s specific
initiatives – large-scale spending on school-buildings and home-insulation – were characterised by rorts [35] and mismanagement. Murdoch’s national broadsheet, the Australian, was especially persistent in seeking out cases of cost overruns and faulty work. (Joseph Stiglitz [36], visiting Sydney in July 2010, took a different view [37]: “You were lucky to have, probably, the best designed stimulus package of any of the countries, advanced industrial countries, both in size and in design, timing and how it was spent – and I think it served Australia well.”)

But in face of this strategy of destabilisation, there’s plenty of evidence to suggest that the deal brokered between Labor and its new partners will hold. The key players – the Labor leadership, the Green MP and his party leader, and Windsor and Oakeshott – have a significant stake in keeping together the government over a normal term of around three years. Although they’re routinely described as “rural independents”, Windsor and Oakeshott (particularly the latter) represent electorates that are a long way from the stereotype of outback Australia.

Each has at least one large population centre and both are within five hours’ drive of Sydney. Oakeshott’s coastal electorate is growing fast, partly fuelled by people seeking an alternative to high housing costs in Sydney. And the two men are thoughtful, independent thinkers who’ve benefited from some likely and unlikely friendships in parliament, which helps to explain why two former National Party MPs want to revive negotiations about climate-change legislation and are uncomfortable about both parties’ harsh policies towards asylum-seekers arriving by boat.

It’s still an unlikely coalition of interests and priorities. But an Australian political scene that in the midst of the election campaign seemed depressingly predictable has been given an unexpected and welcome injection of life.

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