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ELECTIONS IN AUSTRALIA – A NARROW VICTORY FOR THE PRIME MINISTER

Wilhelm Hofmeister

Australian Prime Minister Julia Gillard will remain in her post and keep on running a minority government after elections of August 21st, 2010. Her predecessor Kevin Rudd, whom she overthrew in an internal party coup, will hold the post of foreign minister in the new cabinet.

On June 24th, Julia Gillard, after having taken over the party leadership and the post of prime minister, sought the electorate's approval in an early parliamentary election. While polls initially predicted a clear win, she and her party gradually lost support as the electoral campaign progressed, with polls two weeks before the election showing extremely close results. At the beginning of the campaign, Tony Abbott, the leader of the conservative opposition, was considered by many observers as not having much of a chance. He had only taken over the lead of the Liberal Party in November 2009, also in the wake of an internal party coup.

The results of the election could not have been any closer. Both major parties, which have dominated Australian politics for decades and from whose ranks the prime minister has been chosen since 1941 (with only a single, three-week disruption in 1968), each received 72 of the 150 seats in the lower house (House of Representatives), resulting in the first hung parliament¹ in Australia since the elections of 1940. Contrary to Australian parliamentary tradition, there was no clear winner capable of forming a

1 | Within a hung parliament no single party has an absolute majority.

new government directly after the election. As a result, the two top candidates and their parties began tough negotiations to gain the support of the only representative of the Green Party, the one representative of the National Party and the four independent members of parliament (MPs). Prime Minister Gillard finally succeeded in securing the support of the Greens and three of the four independent representatives on September 7th. These MPs did not, however, join the government, but merely assured Gillard their support. This means that Gillard is head of a minority government. Following another brief week of negotiations, she presented her new cabinet on September 11th. On September 14th, she was sworn into office by the Governor General.

While this brought to a close the longest political deadlock witnessed in Australia in recent times, with a tiny majority of just one vote in the House of Representatives, the minority government under Julia Gillard is under constant threat of losing this fragile majority to unexpected events such as by-elections. Additional uncertainty arises from the fact that Gillard has now appointed her predecessor, Kevin Rudd, as foreign minister. Naturally, his loyalty to the prime minister is the subject of much speculation.

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Given this unusual political situation, many Australian commentators predict that the government will hardly be able to survive the entire term – which, at just three years, is brief – and that there will soon be new elections.

THE REASON FOR THE ELECTIONS IN AUSTRALIA

Under the leadership of Kevin Rudd, the Labor Party achieved a clear electoral victory on November 24th, 2007. Less than two weeks later, the former diplomat was sworn in as the successor of the longstanding prime minister, John Howard. Rudd's first official act was to ratify the Kyoto Protocol, which had been rejected by his predecessor. In doing so, Rudd made it clear that his goal was for Australia to take on a new role in international politics. In the following months, the prime minister was unusually active on the international stage, endeavoring to ensure that

Australia would play an active role in various important multilateral initiatives such as the G20.² For example, Danish Prime Minister Lars Lokke Rasmussen invited Rudd to help prepare the Copenhagen climate summit as a “friend of the chair”.

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Rudd made clear that as far as climate protection was concerned, he wanted Australia to take on new responsibility. However, his credibility on the international stage was dependent on which measures were taken within Australia. As the world’s main producer and exporter of coal, Australia is also one of the main emitters of carbon emissions. Growth in coal exports has even been encouraged by government funding. Because the country does not have any provisions on emissions trading, Rudd attempted to push a law on emissions through parliament. To do so, he needed the support of the opposition, the Liberal Party in the upper chamber. This was due to the fact that, despite the Labor Party’s clear majority in the House of Representatives, the government did not have a majority in the Senate. In addition, mining companies were opposed to any additional costs. The general public did not support the prime minister as far as this subject was concerned. This can probably also be attributed to Rudd’s style of government, which repeatedly took initiatives on the national and international level without sufficient preparation. As far as the law on emissions is concerned, his government should perhaps have explained the situation in more depth by means of a more intensive information campaign for the public in the first place in order to seek general approval.

Despite these shortcomings, the government appeared to have gained a slim majority in favor of a law on emissions after a challenging debate with the opposition. The then leader of the Liberals, Malcolm Turnbull, who was environment minister in the last cabinet of Rudd’s predecessor, John Howard, wanted to support Rudd’s initiative, but was met with bitter opposition in his own party. On December 1st,

2 | Cf. Wilhelm Hofmeister: “An odd man in’. Australiens Rolle in der internationalen Politik,” in: *KAS-Auslandsinformationen* 2/2010, 73 – 96: http://www.kas.de/wf/doc/kas_18674-544-1-30.pdf?100128110650 (accessed October 14, 2010).

he lost a vote by Liberal Party representatives of the first and second chamber on the emissions trading provisions by a very narrow margin, with 42 to 41 votes, whereupon he was forced to resign. Tony Abbott took his place as the leader of the opposition, and set the faction and the party on course for confrontation with the government. Thus, Rudd set out for the climate conference in Copenhagen without having implemented his ambitious project for modern legal provisions at home.

Initially, this defeat in parliament did not lead to any decline in Rudd's popularity. It was expected that he would soon make use of his right to dissolve parliament, to win a majority in both chambers and thus inter alia pass the law on emissions. However, he delayed announcing an election date.

A new initiative by the prime minister ultimately led to a change in opinion in the polls. On May 2nd, 2010, he announced the introduction of an additional tax on natural resources (Resource Super Profits Tax). From 2012, mining company profits were to be subject to an additional tax of 40 percent up to a certain threshold. In view of the fact that the mining companies achieved high profits in the last few years, and since natural resources in Australia can for the most part be accessed from above ground and thus without the need for complex technical measures, society ought to be given a larger share in the profits. However, the Australian mining association, the Australian Minerals Council, opposed the tax and mounted its own public relations and advertising campaign. The association is said to have spent around 100 million Australian Dollars on the campaign – approx. 72 million Euro. That is three times as much as the government spent on its information campaign justifying the tax. The industry feared for its international competitiveness and thus also for jobs in the sector.

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The Liberal Party joined the protest. While Rudd received a great deal of support for his project on the economic side and from environmental groups, even the Nobel Prize-winning economist Josef Stiglitz warned during a speech in Australia that profits from mining would not benefit the

country in the long run. Swayed by the anti-government campaign instigated by the mining industry – a key sector in the Australian economy – the prime minister's popularity quickly waned and he was unable to win majority support for his suggestion among the electorate.

While various party leaders repeatedly assured their loyalty, events nevertheless suddenly snowballed. As soon as it became clear that Rudd was likely to lose the vote of confidence, he announced his resignation.

The decline in Kevin Rudd's public popularity led to growing anxiety within the Labor Party and an increase in criticism within the party, especially focusing on its leader. While various party leaders repeatedly assured their loyalty – not least his deputy Julia Gillard, at that time minister for education – events nevertheless suddenly snowballed. On June 23rd, Rudd announced a vote of confidence of 115 Labor MPs for the following day. However, as soon as it became clear that he was likely to lose this vote to Gillard, who suddenly appeared as his challenger, Rudd announced his resignation as party leader a day later. This meant that he also had to resign from his post as prime minister. Julia Gillard was elected the new party leader and was sworn in as the new prime minister a short time later. Justifying this surprising turn of events and her own change of heart, she stated that Rudd's government had "lost the trail." She had reached the conclusion "that a good government was about to lose its way."

Julia Gillard is the first woman to take on the post of prime minister in Australia. Once the public had recovered from the shock of the unexpected replacement of Kevin Rudd, the majority of the electorate, as polls showed, was open to the idea of now being governed by a woman. In view of these positive poll results, on July 17th, Gillard with the Governor General's approval announced new elections. This marked the beginning of a brief election campaign in which Gillard was seen by most as the clear favorite.

THE TOP CANDIDATES

At the beginning of the election campaign, the prime minister and her Labor Party were clearly ahead in the polls, with 48 to 52 percent compared with 39 to 42 percent for the Liberals and around 13 percent for the Greens. Of the two top candidates, Julia Gillard had a clear advantage of 23 percent over her opponent.

The images of the two top candidates could not have been more different. Julia Gillard, unmarried, was born in Wales and came to Australia as a child. She is an atheist with progressive views on many socio-political issues. In contrast, Tony Abbott, who was Minister for Health and Ageing in the last Liberal Party government until 2007, was seen as a conservative catholic who had garnered attention on account of his tough stance on abortion, stem-cell research and same-sex marriage.

During the election campaign, Abbott was at pains to soften his macho-image and to appear more moderate. Poll results for him and his party gradually improved. While the polls showed that Julia Gillard passed the sole television debate on July 24th with a slight advantage over her opponent, the Liberals were nevertheless able to continually close the gap. Two weeks before the election it became clear that the result would be close and that the Liberal Party was also in with a chance of winning.

The growing nervousness within the Labor Party could be seen in the fact that in the final phase of the election campaign, Prime Minister Gillard suddenly actively involved her predecessor Kevin Rudd in her campaign, having barely taken any notice of him in the beginning and having repealed several of his measures. This also fuelled rumors that the prime minister intended to put Rudd forward for a leading climate policy position in the United Nations. By the end of the election campaign, however, speculation was rife that Rudd had been promised the post of foreign minister in return for his help.

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The Labor Party concluded an election agreement with the Greens promising mutual support. In Australia's preferential voting system, voters place candidates in order of preference on the ballot paper. In accordance with their agreement, Labor supported the Green Party in the senate elections. In return, they backed up the Labor Party with their preferences in more than 50 contentious electoral districts. This agreement was the subject of sharp criticism from the other parties, who warned against granting the Green Party too much leverage.

A FREE SHAKE OF THE SAUCE BOTTLE AND OTHER ELECTORAL ISSUES

“Gillard commits to a free shake of the sauce bottle” read the headline of an article in the Sydney Morning Herald of August 15th, which was subsequently published in various other Australian newspapers.³ During an election event in Townsville, a young man had complained to the Prime Minister that the sauce accompanying the popular meat pie was now generally charged separately. Julia Gillard promptly announced that, as in her youth, sauce ought to be free for all. The newspaper commented that, in so doing, the Prime Minister had voiced her views on one of the most pressing problems facing the people of Australia. However, this article should be seen as an ironic criticism of the lack of any real debate during the election campaign.

Many commentators said the election campaign lacked clear political positions on specific topics. The lack of debate on real issues contributed to the striking lack of interest in the election displayed by the electorate.

The central issue for the two main parties was the continued recovery of the Australian economy from the aftereffects of the economic and financial crisis. In essence their ideas did not differ substantially.

For instance, in order to generate sufficient interest among viewers of the only television debate between the top candidates, it was aired straight after the finale of a popular cooking competition show.

The central issue for the two main parties was the continued recovery of the Australian economy from the aftereffects of the economic and financial crisis. In essence, however, their ideas did not differ substantially, particularly in view of the fact that the country had in any case largely overcome the consequences of the crisis. Thus, the programmatic debate centered on three other issues: the tax on resources, how to deal with boat refugees, and climate change.

3 | Tony Wright, “Gillard commits to a free shake of the sauce bottle,” in: *The Sydney Morning Herald*, August 17, 2010, <http://www.smh.com.au/federal-election/gillard-commits-to-a-free-shake-of-the-sauce-bottle-20100817-127fg.html> (accessed October 14, 2010).

THE DISCUSSIONS SURROUNDING THE TAX ON NATURAL RESOURCES

Since the attempt to introduce a tax on natural resources had been the main reason for Rudd's downfall as prime minister, Julia Gillard in her first speech as prime minister called on the resources industry to put a stop to their anti-government advertisements and to enter talks with the new government. The result of these negotiations was that both sides agreed on a 30 percent tax on natural resources (instead of the 40 percent originally suggested by Rudd) and an additional tax on fuel which includes all oil, gas, and coal projects. The industry thus largely asserted its position, even if some companies continued to criticize the agreement. During the election campaign the government attempted to sell the agreement as a success, emphasizing that it could help to completely balance the budget shortfall by 2013, which was caused by various government support programs in the aftermath of the economic crisis. At any event, there was strong criticism of the agreement, even among Labor Party members, since it revealed the power of some private companies to promote their interests against those of the general public.

During the election campaign the government attempted to sell the agreement on a tax on resources as a success. At any event, there was strong criticism, even among Labor Party members.

In contrast, the opposition continued to reject the new supplementary tax and criticized the agreement as a blow to the trust of potential investors in this key sector of the Australian economy. The Liberals promised to invest 418.3 million Australian Dollars to promote the competitiveness of the resource and energy sector, to encourage investment and create jobs, as well as boost exports.

"STOP THE BOATS" – THE TREATMENT OF BOAT REFUGEES

In 2009, around 4,500 asylum seekers landed on Australia's coast. The majority of these refugees was from Southern Asia, and had fled from hunger and the consequences of internal conflicts in their home countries. Often, these people are transported by illegal smuggling rings that charge extortionate rates for their unlawful services. In addition to the boat refugees, Australia issues

around 200,000 permanent permits of residence each year to people who come to Australia to live or work. These people generally come from a different social background than the boat refugees. A further estimated 50,000 are "overstayers" – nationals of New Zealand, the UK, the USA and other countries whose residency permit has expired. In formal terms, these people are illegal aliens, but they are rarely prosecuted or deported.

Both candidates utilized feelings of distrust in the election campaign employing populist slogans and making proposals to outdo one another with solutions to reduce the number of asylum seekers yet further.

Although Australia is known as an immigrant country and the number of asylum seekers is comparably very low, there is a great deal of resentment within the population and a kind of underlying fear of the boat people.

Both candidates, Gillard and Abbott, utilized these feelings of distrust in the election campaign employing populist slogans and making proposals to outdo one another with solutions to reduce the number of asylum seekers yet further. Both suggested "pacific" or "offshore solutions" to prevent the asylum seekers from even entering the country. The Labor Party had vehemently opposed this kind of "pacific" solution to the problem during its time in opposition to the Howard-government. Under Howard, 1,600 asylum seekers were sent to Nauru and Papua New Guinea, where they were subjected to long-term isolation as well as uncertainty about their future and also prevented from filing their applications for asylum in Australia.

During her election campaign, Julia Gillard suggested first detaining the refugees at a camp in East Timor – without actually having discussed this suggestion with the government there. In a speech in Sydney she announced that her government would fight human trafficking to help prevent the boats of refugees from even leaving their home harbor and reducing the profitability of this illegal activity. She did not, however, elaborate on precisely how she intended to do so. Gillard denied that her suggestions were similar to those of former Prime Minister John Howard, who had garnered much criticism from the UNHCR Refugee Agency as a result of his treatment of the boat refugees. However, critical comments from human rights organizations showed that Prime Minister Gillard was also unable to clarify just how her "offshore solution" could be reconciled with international treaties on human rights.

Opposition leader Tony Abbott made no secret of his intention to take up where the earlier government of his party had left off. With the call to “stop the boats!” he spoke out in favor of the detention of asylum seekers on Nauru, the issue of temporary visas for asylum seekers and the turning-away of refugee boats wherever possible. Asylum seekers who had destroyed their personal papers should be refused entry to Australia. He accused the Labor government of making life easier for human traffickers.

The candidates made no mention of the fundamental nature of the right to seek asylum, a recognized human right, nor did they comment on the fact that a “Pacific solution” would contravene international human rights standards. However, they appear to have been aware that the best chance they had of striking a chord with the views and expectations of the Australian electorate was to adopt this hardline stance.

CLIMATE CHANGE – NOT AN ISSUE FOR AUSTRALIA

After Prime Minister Rudd failed in two attempts to pass legislation on emissions (Carbon Pollution Reduction Scheme Bills, CPRS) the two major Australian parties were at pains throughout the election campaign not to make any concrete statements regarding the issue of climate change. Since taking over power, Julia Gillard had not taken any new initiatives on this issue. Her Labor government decided in April to postpone new draft legislation until 2012. In the election campaign she defended this decision citing the obstructive position of opposition leader Abbott. She announced that she would set up a “citizens’ assembly,” which, over the space of 12 months, would investigate climate change and the need for action, as well as the potential for market-oriented instruments to limit and reduce carbon emissions. A scientific committee would advise the “citizens’ assembly.” At the same time she announced that she intended to invest a billion Australian Dollars in promoting renewable energies, in order to achieve the goal of 20 percent renewable energy sources in Australia’s energy budget by 2020.

Gillard announced that she would set up a “citizens’ assembly,” which would investigate climate change and the need for action, as well as the potential for instruments to limit and reduce carbon emissions.

Opposition leader Abbott, who brought down the legislative proposals of Prime Minister Rudd with his oppositional stance, propelling himself to the head of the Liberal Party, maintained his hostile view. In the election campaign he denied that climate change was even an issue. However, the Liberals claimed that they intended to invest 3.2 billion Australian Dollars in climate protection projects. 2.5 billion were to go towards a fund to reduce emissions, which would be used by the government to subsidize

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corresponding investments by industry in order to achieve levels of emissions below the target levels set forth in the CPRS legislation. Companies that failed to comply with these levels would be sanctioned.

Environmental organizations and the Green Party sharply criticized the passive position of the two main parties regarding climate protection during the election campaign, pointing out that the majority of the Australian population already supported a law on emissions. The Australian Climate Institute warned that the stance of the two major parties would mean that it would not be possible to achieve even the modest goal of reducing emissions by five percent by 2020. The Green Party, in contrast, called for measures that would facilitate a reduction of 40 percent by 2020.

In view of the election result, it is likely to continue to be difficult to find a majority in parliament for new laws if the two main parties are not able to agree on new legislative measures.

THE ELECTION RESULTS

In addition to the 150 members of the House of Representatives, 40 of 76 Senators were elected on August 21st. The legislative period for members of the lower chamber is three years maximum, provided the prime minister does not dissolve the chamber earlier and holds elections. The majority of Senators are elected for six years. As voting is mandatory in Australia, turnout is always very high. There are around 14 million citizens with the right to vote in Australia.

The results of the election to the lower house were extremely close indeed. The Labor Party suffered a clear loss of 11 seats, but with a lead of 0.2 percent and 30,490 more votes had a marginally higher share of votes than the coalition between the Liberals and the National Party, which had won additional seven seats. Both sides now have 72 seats each.⁴ While in 2007 the Green Party won eight percent but no seats, this time it won a seat in the lower house, thereby increasing its political influence.

Table 1

2010 Elections to Australia's lower house of parliament

Parties	House of Representatives National two party preferred result		
	Votes	Proportion %	Change %
Australian Labor Party	6,216,435	50.12	-2.58
Liberal/National Coalition	6,185,948	49.88	+2.58

Party	Seats in the Lower House	
	2010 Election	2007 Election
Australian Labor Party	72	83
Liberal	44	55
Liberal National Party of Queensland	21	0
The Greens	1	0
The Nationals	7	10
Country Liberals	1	0
Independent	4	2
Total	150	150

Source: Australian Electoral Commission

As explained at the beginning of this article, Julia Gillard was able to secure the support of the Green Party MP and three other MPs in a marathon round of negotiations.

4 | The Liberal National Party of Queensland is part of the Liberal Party.

The price was, *inter alia*, assuring the two independent representatives that a program to support rural areas to the value of 10 billion Australian Dollars (7.3 billion Euro) will be put into place to cover infrastructure measures and the expansion of the broadband network in particular, which will also entail setting up a new ministry.

Labor Party losses were fewer in the Senate. 39 seats are needed for a majority in the second chamber. There were 40 senate seats up for election. In each of the six federal states⁵ half of the twelve senate seats were newly elected in each case. These thirty-six Senators will begin their period in office on 1 July 2011. In addition, two senators were elected for each of two territories. Their term began on Election Day and will end on the day before the next election.

Due to the good performance of the Greens, who won six seats and now have a total of nine seats in the Senate, Labor and the Green Party now have a majority of 40 seats in the second chamber.

In the Senate the Labor Party lost a seat and the coalition lost three. Nevertheless, with 37 Senators they still hold a relative majority. Due to the good performance of the Greens, who won six seats and now have a total of nine seats in the Senate, Labor and the Green Party now have a majority of 40 seats in the second chamber.

The Green Party now has a Senator in every federal state. As the provider of the majority in the second chamber, it was able to markedly expand its political influence. However, the new Green Party Senators will not take up office until 1 July 2011, meaning that for the time being the government does not have a majority in the Senate.

5 | There are six federal states within the Australian Federation: New South Wales, Queensland, South Australia, Tasmania, Victoria and Western Australia. Additionally, there are two so-called territories: the Australian Capital Territory and the Northern Territory, whose autonomy is somewhat limited compared to the federal states. Archipelagos in the Indian and Pacific Oceans that belong to Australia, referred to as "outside territories," do not have their own representatives. They are administrated by the national government in Canberra.

Table 2
2010 Senate elections in Australia

Party	Seats after 2007 election	Senate seats won 2010	Total number of senators from 2011
Australian Labor Party	32	15	31
Liberal/National Coalition	37	18	34
The Greens	5	6	9
Family First Party	1	0	0
Democratic Labor Party	0	1	1
Independent	1	0	1
Total	76	40	76

PARLIAMENTARY AGREEMENT BETWEEN LABOR AND THE GREEN PARTY

In the weeks of talks following the election, the Labor Party and the Green Party concluded an agreement in which they set out the rules for their future cooperation.⁶ It is not, however, a coalition agreement, since the Greens will not be part of the government. The agreement deals first and foremost with rules on mutual information and cooperation, as well as the reform of parliamentary procedures. The term "policy" is used to outline four policy areas: the need for a reduction of carbon dioxide emissions by 2020, improving dental care, performing an implementation study on high speed rail, as well as a discussion on the war in Afghanistan. With regards to climate policy, a committee is to be set up to analyze further measures. Without specifying this point any further, the agreement states that the reduction of emissions will come at a price.

6 | The agreement is published at: <http://www.scribd.com/doc/36708980/Labor-Greens-Deal> (accessed October 14, 2010).

OUTLOOK

The task of government has not become any easier in the wake of the parliamentary elections of August 21st. Prime

It is doubtful that there will be any moves with regard to important policy fields such as climate protection in the near future. This is liable to present more of an impediment to Australia's ambitions in the international arena.

Minister Julia Gillard had expected to win a clear mandate for her leadership, having replaced her predecessor in an unanticipated coup in June. However, the Australian voters did not grant her this mandate. While the outcome of the election is unlikely to affect the economic development of the country, it is doubtful that there will be any moves with regard to important policy fields such as climate protection in the near future. This is liable to present more of an impediment to Australia's ambitions in the international arena, which were emphatically expressed by Kevin Rudd in his time as Prime Minister and reinforced through various measures. Having said that, Rudd, in his current position as Foreign Minister, is sure to continue to pursue some of his earlier projects.

Prime Minister Gillard is head of a minority government. Given the extremely slim majority in parliament, it will be interesting to see whether she is able to hold her government together until the end of the legislative period in 2014.