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country report

Regional Programme for Australia and the Pacific



Australia is heading to the polls

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On March 28, Prime Minister Anthony Albanese announced that the federal election would be held on May 3rd, after three years under the government led by the Australian Labor Party (ALP). The Prime Minister is being challenged by Peter Dutton, leader of the Liberal-National Coalition, who is currently polling behind in several opinion polls. As of April 23, the ALP held a 55.5 percent to 44.5 percent lead over the Coalition in the two-party preferred polls, favored to again lead the next government.¹

The setup

Australia has a parliamentary system where the executive government is elected by and drawn from within parliament. It follows the United Kingdom's Westminster-style of government. The Parliament of Australia comprises two chambers: the House of Representatives and the Senate, of which both are up for election. According to the Australian Electoral Commission (AEC), 150 seats in the House of Representatives will be contested, following a redistribution process that resulted in a one seat reduction compared to the previous election. Meanwhile, only 40 of the 76 senatorial seats are up for election in May.

The AEC announced on April 11 that over 18 million Australians—representing 98.2 percent of eligible voters—have already enrolled to vote.² On May 3rd, Australians will decide not just which party will form the next government, but also which policies will shape Australia amidst distressing developments domestically and internationally.

The two traditional major parties, the Australian Labor Party (ALP) and the Coalition, comprising the Liberal Party of Australia and the National Party of Australia, are vying to form the next government. The ALP aims to retain its 77-seat majority, while the Coalition, currently holding 53 seats, must flip 23 additional seats to replace the ALP as the ruling party.

But the ALP and the Coalition are not the only contenders. The Australian Greens (AG) and independent candidates could play pivotal roles, especially if neither of the major parties secures the 76 seats needed for an outright majority in the House of Representatives. Notably, Independent, who hold 13 seats following the 2022 election, pose a growing challenge, with recent polling indicating strong prospects for them in several electorates traditionally considered safe for the major parties.³

Polls indicate that a “hung parliament” is not a remote possibility in this election. Should this scenario materialize, it will give the crossbenchers, comprising the independents and minor parties, significant leverage to shape the next government.⁴

Key Policy Battlegrounds

Approaching this election, Australians are grappling with a range of pressing challenges that affect their daily lives: from the housing crisis and the rising cost of living and inflation, to the highly polarized topics of immigration, climate and environmental policy, and energy security. On the international front, Australia faces a complex and rapidly evolving geopolitical landscape. Regionally, China's

expanding influence in the Indo-Pacific and unilateral assertiveness in the South China Sea put regional stability under pressure.⁵ Furthermore, the retreat by the US from the established multilateral trading system and the commitment to shared global responsibilities, are reshaping the international order. Across the whole election campaign, Anthony Albanese and Peter Dutton presented their policies and strategies to deal with these critical issues.

Housing Crisis

During the official campaign launch of the ALP, Prime Minister Anthony Albanese outlined key housing initiatives aimed at easing the burden on first-time home buyers. If re-elected, his government plans to: (1) reduce the required housing deposit from 20 percent to only 5 percent, and (2) invest A\$10 billion, through public-private partnerships, to build 100,000 new homes dedicated exclusively to first-home buyers.⁶

In contrast, Opposition Leader Peter Dutton has attributed Australia's housing crisis and broader economic challenges to mass immigration.⁷ If elected, he has pledged to cut the annual permanent migrant intake by 25 percent.⁸ The Coalition's policy also includes: (1) investing A\$5 billion in essential infrastructure to unlock 500,000 new homes; (2) imposing a two-year ban on foreign investors and temporary residents purchasing residential property in Australia; and (3) reducing permanent migration to 140,000 annually for two years.⁹ Both major parties' housing proposals have drawn criticism from policy experts, who question their merits in addressing the root causes of the housing crisis.¹⁰

Tackling the Cost-of-Living, Taxation, and Energy

The ALP's approach to address the cost-of-living crisis includes a combination of measures: tax reform, bans on supermarket price gouging, energy bill relief, student debt reductions, and a renewed focus on strengthening Medicare.¹¹ A centerpiece of the ALP's platform is a proposed A\$1,000 instant tax cut for the 2026–2027 financial year. This measure is expected to benefit 5.7 million Australians at an estimated cost of \$2.4 billion over the forward estimates.¹² The ALP also remains committed to its renewable energy agenda, aiming to increase the share of renewables in the national energy grid to 82 percent by the 2030s, alongside a \$10 billion investment to support emerging technologies and expand the Clean Energy Finance Corporation.¹³

In contrast, the Coalition has emphasized reducing government expenditure, initially proposing the layoff of 41,000 public servants. However, it later walked back from this position following broad public and political backlash.¹⁴ Departing sharply from the ALP's renewables-focused approach, the Coalition advocates for a "cheaper energy" strategy centered on zero-emission nuclear power. During the Liberal Party's official campaign launch, Peter Dutton announced plans for Australia to become a nuclear-powered nation under a Coalition government.¹⁵

Foreign Affairs and Defense

While both major parties share similar positions in principle on key foreign policy issues such as AUKUS, they differ in their strategic approaches. One area of divergence is defense spending: the ALP has pledged to increase defense expenditure from 2 percent to 2.3 percent of GDP by 2030.¹⁶ Whereas the Coalition announced on April 24, the plan to increase the defense spending from 2 percent of GDP to 2.5 percent within five years and 3 percent within ten years. The Coalition's defense plan to lift the defense budget by an additional A\$21 billion over the next five years raised questions about how the funds should be raised to fulfill this commitment.¹⁷

Both Prime Minister Anthony Albanese and Opposition Leader Peter Dutton have emphasized the importance of the Australia–U.S. alliance, particularly the need to strengthen ties with the current U.S. administration. Dutton claimed he could negotiate a better trade deal with the United States,

criticizing what he viewed as ineffectiveness of the Albanese government in engaging with Washington.¹⁸

Foreign policy and national security also featured prominently in the leaders' television debates. Peter Dutton appeared vulnerable on these issues during the second debate, particularly after making an inaccurate comment regarding potential Russian military aircraft in Indonesia, a mistake he conceded during the debate.¹⁹ However, he recovered some ground in the final debate on April 22, where he presented himself more confidently and highlighted his international connections as an asset in serving as Australia's next Prime Minister.

Standings in the Polls and Debates

The opinion polls in Australia hold a remarkable record with a 96 percent accuracy rate between 2007 and 2016, making it the key indicators to predict the likely outcomes of the election.²⁰ Before the Prime Minister's call for an election, the ALP was trailing the coalition in the opinion polls for months. Just in February this year, Peter Dutton was considered the most likely to become Prime Minister of Australia.²¹

As of April 23, according to Roy Morgan survey, the ALP held a 55.5 percent to 44.5 percent lead over the Coalition in the two-party preferred polls, favored to lead the next government. The Guardian's poll on the same date also finds ALP leading the Coalition 52.9 percent to 50.6 percent in the two-party preferred term.²²

Anthony Albanese and Peter Dutton faced off in three leaders' debates. The first debate saw the Prime Minister outperform the Opposition Leader by 44 votes to 35 among the 100 undecided voters who attended the debate. The Prime Minister was named as the winner again in the second debates by experts, however, the overall assessment stated "neither Peter Dutton nor the PM made a major error nor landed a knock-out blow".²³ Finally, Peter Dutton made a comeback and was named as the "narrow winner" of the third debate on April 22.²⁴ Anthony Albanese is favored to secure another term, but the race is still too close to call.

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