"We are a reformist party. We're going back to basics in terms of what is real on the planet. People and nature are real, the rest are constructs. Those constructs can be changed, and economic tools have to be changed in order for people and ecosystems to survive.'

Christine Milne, Leader, Australian Greens 2012 (Bowman 2012)

**Introduction**

Despite Australia surviving the GFC better than most OECD nations (Wettenhall 2011), there was a voter backlash against the incumbent Labor government to the extent that his deputy, Julia Gillard, deposed Prime Minister Rudd. The backlash benefited the Australian Greens (Greens), who, after the 2010 election, gained both a share of the balance of power in the Lower House of Representatives and the balance of power in the Australian Senate. This paper examines this ‘coming of age’ of the Greens in terms of parliamentary representation (Pedersen 1982) and considers the extent to which green economic policies may have been a factor. Green political history and electoral trends in Australia are examined, as is the Green policy response to the GFC, and any factors in the Greens' economic policies that may help to explain their recent political success. It is argued that the Greens are a pragmatic party, which has been successful over the last two decades in expanding the scope of its threshold of relevance beyond environmental issues. The Greens have had a major recent impact in negotiating the adoption in 2012 of a carbon tax, but only since the GFC and their support of minority government have they turned their attention to developing economic credentials.

Green parties could be expected to suffer electorally during an economic downturn, but at the 2010 election, the Greens achieved their best national result. This has placed them at the influential crux of national policy making, with the capacity to review, amend, reject and initiate legislation, and critically, with the ability to negotiate the passage of legislation in return for policy concessions. The Labor vote weakened in 2010 in the wake of Labor's leadership problems (Cassidy 2010), and it is possible that the shift in support to the Greens was by voters who could not bring themselves to abandon social democrats entirely by voting for the conservative Liberal/National Coalition parties. Because the government's competent handling of the GFC response stood in stark contrast to its inability to develop a credible climate change policy, it is also possible that ecological crisis trumped economic crisis for some voters, given the level of concern about climate change in 2010 in marginal electorates in particular (Climate Institute 2010). This paper reviews the rise of the Greens, and their economic policy principles, both in theory and in their response to the GFC, and considers the extent to which these were a factor in the 2010 result. It finds that their economic policy is transformative; inspired by a desire to reorient the Australian economy towards sustainability, but that their political practice is transactional and exploits the leverage that their position in the Senate affords.
The Rise of the Australian Greens

Australia is endowed with a unique natural environment including world heritage areas, such as the Tasmanian wilderness, Gondwana rainforests, mountains, islands, and coasts. Australian environmentalism was inspired by North American wilderness preservationists such as Henry David Thoreau and Walt Whitman, with the wellspring of green commitment triggered, in Hay's (2001) terms, by the natural environment. After an early wave of preservationists, naturalists and bushwalkers, came the 1960s conservationists, who, in an attempt to take wilderness issues into the political process, founded the world's first green party in 1972, the United Tasmania Group (Mulligan and Hill 2000: 243; Pybus and Flanagan 1990). Emerging from this experience were tactically sophisticated environmentalists including Bob Brown who would find Tasmanian, Australian and global green political organisations. Although green parties began emerging in the 1980s at the subnational level, formation of the Australian Greens was held back by the presence of like-minded minor parties, the Australian Democrats (Democrats), and the Nuclear Disarmament Party (Mulligan and Hill 2000). A failed attempt in 1986 by Brown and Queensland conservationist Drew Hutton provided a valuable lesson in how not to set up a national green party (Hutton 1987). It took until August 1992 for the Greens to be launched, by green parties from Queensland, Tasmania and New South Wales, eventually to be joined by greens across the country (Brown and Singer 1996)\(^1\). The new party was rewarded by the election of Bob Brown to the Australian Senate in 1996 and could begin national development in earnest.

The formation of a national organisation brought green parties in Tasmania and Queensland, the states with the highest remnant wilderness areas, together with state based green parties less concerned with wilderness preservation. The party has, however, proved capable of the pragmatism required to accommodate such extremes, and to reconcile for example the party's 'twin aims of setting a progressive policy agenda and promoting participatory democracy in practice' (Turnball and Vromen 2006: 458). This pragmatism is evident in the decision to pursue electoral politics, to reconcile local agendas with a national charter, to compromise on policy in order to maximise its appeal, and in organisational and electoral decision-making (Miragliotta 2006: 590-594). It is evident that this capacity for pragmatism, including running a full complement of candidates in order to maximise electoral funding, preference trading and administrative support (Miragliotta 2006: 592-593), has contributed to the growth and consolidation of the party. The growth of the parliamentary party has been assisted by the Greens humanitarian position on asylum seekers at the 2001 election, by the demise of the Democrats in 2004, by support for strong climate action in 2007, and by the unpopularity of the major parties in 2010. From 2001, the party has run candidates in every federal lower and upper house electorate in order to maximise the opportunities for preference deals with other parties (Miragliotta 2006: 592). The lower house has a preferential electoral system where the full value of the vote is transferred to the voter's second preference, and so on, as candidates are eliminated. The Senate has a proportional representation system that favours minor parties and independents. The Greens typically seek to gain second preferences in the Senate, in return for giving their second preferences in the lower house to other parties (Bennett 2008).

At the 2010 election, the Greens negotiated a critical preference deal with Labor to direct its Senate preferences to the Greens, and the Greens to direct their lower house preferences to Labor (Holmes and Fernandes 2012). The Greens achieved 11.76% of the lower house vote, with one Green, Adam Bandt elected\(^2\), and 13.11% in the Senate, with Lee Rhiannon (NSW), Richard Di Natale (VIC), Larissa Waters (Qld), Rachel Siewert (WA re-elected), Penny Wright (SA) and Christine Milne (TAS re-elected), joining incumbents Scott Ludlam (WA), Sarah Hanson-Young (SA) and Bob Brown (Peter Wish-Wilson on

---

1 For detail on the formation of the Australian Greens see Miragliotta 2012.
2 Previously a Green, Michael Organ, had been elected in the Cunningham by-election, but lost his seat at the next general election.
Brown's retirement). The Greens won the balance of power in the Senate, whilst Bandt gained a shared balance of power with a number of independents in the lower house. At this election, the Greens passed a number of new thresholds for an Australian minor party by winning: a lower house seat in a general election; the highest number of Senate seats and percentage vote by a minor party in one election; and a senator in each state simultaneously (Manne 2010). These achievements surpass the Democrats, although the Democrats held seats in the Senate from 1977 to 2001, and the balance of power in the Senate, either themselves or jointly, from 1981 to 2004. There is no doubt that the rise of the Greens contributed to their demise, but so did the Democrats' leadership tensions, its changed disposition from 'watch dog' to 'partner' in government, and its brand problem in affirming what they stood for. However, most blame the Democrats' support of a conservative government's new goods and services tax in return for policy concessions, and the damage it did internally and externally to the party, as critical to their demise (Madden 2009: 13-15).

Table One depicts the steady rise in the Greens vote from 1.86% in the lower house in 1993 to 11.76% in 2010, and in the Senate from 2.46% to 13.11%, as well as the decline in support for the Democrats until none were elected in 2010. As well as benefitting from the Democrats decline, the Greens have benefited from decline in support for the major parties. As Table Two and Three demonstrate, this has been about 11% in the House from the 1950s until 2010, and in the Senate, where the proportional voting system favours the election of minor parties and independents, by about 20% (Bennett 1999, Australian Electoral Commission). Marsh (2006: 135-6) argues that in recent decades both major parties have 'adopted the neo-liberal view of state capacity', 'turned from their publics towards the views of elites', and failed as a consequence to represent the community. With electoral politics increasingly less dominated by policy differences between the major parties, the Greens have been able to emerge as conviction politicians, particularly for their rejection of neo-liberalism. Leader Bob Brown's 2010 policy speech to the party was, for example, described as 'an eloquent statement from a politician of passion and commitment, a man arguing for positions he has long held' and leading 'a party that knows what it stands for' (Farnsworth 2010). McAllister et al (2012: 190) confirm that voters saw few differences between the major parties and increased support for the minor parties in 2010. They attribute the rise in the Green vote to Labor voters defecting because they disapproved of Kevin Rudd's dismissal from office and preferred Bob Brown as a leader to Kevin Rudd or Julia Gillard. It was less significant that Labor defectors disapproved of the Labor's equivocation on climate change and preferred the Greens education policy (p. 195; p. 206).

The Greens campaigned in 2010 on their responsible behaviour in the Senate between 2007-10, in particular for supporting the Labor government's GFC economic stimulus package, and were seeking a mandate for the balance of power. They campaigned on the need for resources taxes, increased education funding, high-speed rail, forest protection and action on climate change, including a carbon price of AUD$23 a ton that rises 4 percent plus inflation each year (Daley and Johnson 2010). Support for climate action was strong in 2010, despite the major parties' neglect of the issue, with 76% believing that it was important to take action and 46% believing that it was extremely important to take action. Eighty-five percent said they would support a party that had a detailed plan to move Australia to cleaner energy, and, amongst Green voters, 32% said they would have voted for Labor if it had such a plan (Climate Institute 2010). In every state and territory the swing towards the Greens in 2010 was the largest swing to any party, with Labor voters defecting predominantly to the Greens everywhere except for New South Wales where they defected predominantly to the Liberal/National Coalition (Green 2010). The Greens threatened Labor in inner urban seats polling 23.7% and threatening Labor Minister Tanya Plibersek in Sydney, 25.5% and threatening Labor Minister Anthony Albanese in Grayndler, and 23.4% and

---

3 In the House of Representatives, the vote for 'Other', or not a major party, has increased from 4.1% in 1975, to 10.8% in 1993, to 18% in 2010.
threatening Labor Minister Martin Ferguson in Batman. Preference dealing is critical in these circumstances. In the inner urban seat of Melbourne, which had been held by Labor since 1904, Liberal/National Coalition preferences in 2010 helped elect the first Green to the House of Representatives, with 39.5% of the primary vote, but 56.1% to Labor's 43.9% after preferences distribution (ABC 2010).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lab</td>
<td>44.92/43.50</td>
<td>38.75/33.16</td>
<td>40.10/37.31</td>
<td>37.84/34.42</td>
<td>37.63/35.02</td>
<td>43.38/40.30</td>
<td>37.99/35.13</td>
</tr>
<tr>
<td>Lib</td>
<td>37.10/39.99</td>
<td>38.69/40.73</td>
<td>33.89/35.50</td>
<td>37.40/39.57</td>
<td>40.47/43.37</td>
<td>36.60/39.94</td>
<td>30.46/38.30</td>
</tr>
<tr>
<td>Nat</td>
<td>7.17/above*</td>
<td>8.21/above*</td>
<td>5.29/above*</td>
<td>5.61/above*</td>
<td>5.89/above*</td>
<td>5.49/above*</td>
<td>12.55/above*</td>
</tr>
<tr>
<td>Dem</td>
<td>3.75/5.31</td>
<td>6.76/10.82</td>
<td>5.13/8.45</td>
<td>5.41/7.25</td>
<td>1.24/2.09</td>
<td>0.72/1.29</td>
<td>-</td>
</tr>
<tr>
<td>Grn</td>
<td>1.86/2.46+</td>
<td>1.74/1.66</td>
<td>2.14/2.17</td>
<td>4.96/4.94#</td>
<td>7.19/7.67</td>
<td>7.79/9.04</td>
<td>11.76/13.11</td>
</tr>
</tbody>
</table>

Table One: Australian House/Senate since Australian Greens entry (not showing Independents or 'Others')
Source: Australian Electoral Commission

*Includes the combined Liberal/National and Liberal Party of Australia results in the Senate.
†This includes the Liberal National Party (Queensland).
‡From 2001 the Australian Greens stood candidates in every federal lower and upper house electorate.
§There were two Western Australian Greens briefly in the Senate as well, one elected in 1990 and another in 1993. But at this stage that party was not yet a part of the Australian Greens.

Table Two: Major Party first preference votes (House of Representatives)

<table>
<thead>
<tr>
<th>Period</th>
<th>Number of Elections</th>
<th>Average major party vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950s</td>
<td>4</td>
<td>94.2</td>
</tr>
<tr>
<td>1960s</td>
<td>4</td>
<td>90.5</td>
</tr>
<tr>
<td>1970s</td>
<td>4</td>
<td>92.4</td>
</tr>
<tr>
<td>1980s</td>
<td>4</td>
<td>92.4</td>
</tr>
<tr>
<td>1990s</td>
<td>4</td>
<td>84.4</td>
</tr>
<tr>
<td>2000s</td>
<td>3</td>
<td>83.43</td>
</tr>
<tr>
<td>2010</td>
<td>1</td>
<td>81</td>
</tr>
</tbody>
</table>

Table Three: Major Party first preference votes (Australian Senate)

<table>
<thead>
<tr>
<th>Period</th>
<th>Number of Elections</th>
<th>Average major party vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>1940s</td>
<td>1</td>
<td>95.3</td>
</tr>
<tr>
<td>1950s</td>
<td>4</td>
<td>92.0</td>
</tr>
<tr>
<td>1960s</td>
<td>3</td>
<td>88.3</td>
</tr>
<tr>
<td>1970s</td>
<td>4</td>
<td>86.7</td>
</tr>
<tr>
<td>1980s</td>
<td>4</td>
<td>84.4</td>
</tr>
<tr>
<td>1990s</td>
<td>4</td>
<td>80.5</td>
</tr>
<tr>
<td>2000s</td>
<td>3</td>
<td>77.54</td>
</tr>
<tr>
<td>2010</td>
<td>1</td>
<td>73.43</td>
</tr>
</tbody>
</table>

Australian Greens and Economic Policy
The Green's policy principles have not changed since the 1992 establishment of its first Greens Charter, other than to add, under the principle of Social Justice, 'introduce measures that redress the imbalance of wealth between rich and poor'. However, in 1992 the principle of seeking An Ecologically Sustainable Economy listed the sole objective of developing 'economic policies which will ensure greater resource and energy efficiency as well as development and use of environmentally sustainable technologies' (Brown
and Singer 1996: 194). In the Greens Charter today, several points have been moved from under the principle of A Long-Range Future Focus and have been added as objectives under An Ecologically Sustainable Economy; which now lists i) economic policies that will ensure greater resource and energy efficiency and development and use of environmentally sustainable technologies; ii) reduced dependence on non-renewable resources and sustainable use of renewable resources; iii) more comprehensive social, environmental and technology assessment practices; and iv) the facilitation of socially and ecologically responsible investment (Greens 2013; see Appendix One here). The Greens today are technologically optimistic about solving the problems of the developing world, believing that only political will is lacking, and determined to show the way forward. They advocate transformative, participatory, electoral and grassroots politics as means of achieving an ecologically sustainable and socially just society, which respects both human and non-human life (Greens 2013a). Reforming Australia so that the economy serves people and the environment - not the other way around - is a central plank of the Greens 2013 electoral plan (Greens 2013b).

Greens Bob Brown and Peter Singer describe Australia as the world's richest nation 'well ahead of our nearest rival, Canada, and almost twice as wealthy as the citizens of the United States' and capable of meeting the goals of Green economics. These include democratic control of the economy, employment for all who want it, fair trade for mutual benefit and 'economic activity that leaves our country - and, as far as it is within our power, our planet - in at least as good shape as we found it' (Brown and Singer 1996: 119-121). For them, green economics is anti-market rule, anti-transnational corporate control of the economy, and anti-economic rational holds over government policy (p. 122). They advocate an Index of Sustainable Economic Welfare rather than gross national product accounting, and favour positive economic growth, not growth that 'increases consumption and waste, placing more pressure on our already fragile environment' (pp. 128-9). They believe in cross-subsidies for social and ecological benefits, shorter working weeks, fair trade not free trade, and business, taxation and jobs policies that foster Australia as 'the clean, green continent' (pp 148-9). As the Greens' brokerage role in the Senate has evolved some of these beliefs have been tested, for example that privatisation is a short-sighted, doctrinaire economic ideology (p. 125). The Greens agreed to the part-privatisation of Telstra, the state owned telecommunications company, in return for the establishment of the $AUD1.5 billion Natural Heritage Trust, Australia's largest ever environmental policy initiative (Stewart 2000; Crowley 2001). Bob Brown later failed to persuade green colleagues to support full privatisation 'in return for government undertakings to end clear felling and the logging of old growth forests as well as taking further action on preventing salinity' (Age 2002; Rood 2002).

Despite such pragmatism, the Greens have steadfastly pursued green economic policy measures, with a social justice twist. In order to pay for an economy that meets human needs without unnecessarily damaging the environment, they would, for example, institute progressive taxation, raise company taxes, tax family trusts as companies, remove a range of wealth based benefits and concessional arrangements, and shift the tax base away from employment to natural resource exploitation and pollution taxes. All subsidies and tax concessions to environmentally harmful industries would be discontinued. There would be no government rebate for those able to afford private health insurance. The current tax on goods and services would be reviewed for any negative impacts in terms of income, the environment, and the cost of its administration, on small business (Greens 2007). Some of the recent economic proposals advanced by the Greens, besides pricing carbon, include: removing fossil fuel subsidies, raising the mining tax during the resources boom, and a range of banking reform measures including reducing mortgage exit fees to encourage competition, capping fees on automatic teller machine use, and the banks passing on interest rate cuts to their customers. They have recommended that the Australian Productivity Commission
(APC’s)\textsuperscript{4} review the level of compensation to the coal-fired generators (Milne 2012a), and that Australia's Future Fund\textsuperscript{5}, which currently has assets of AUD$85 billion, sell off its shares in the coal mining industry (Vorrath 2013). They have also criticised the APC’s cost-benefit analysis of carbon emission policies that found rooftop solar to have generated little abatement for substantial cost (Energy Matters 2011).

The leader of the Greens, Christine Milne, describes the Australian economy as the envy of the world, but argues that it needs to be 'an economy that serves people and nature - not the other way around':

'It's clear that whilst the economy is growing, our quality of life is stagnating, our environment is suffering, and we are failing as a country to invest seriously in the things that we value, the things we need now if we are to have a better future: a fair education system where you can get a good start in life regardless of how much money you have or where you live; a zero emissions energy network that doesn't pollute the air and drive global warming; a health system that takes care of us all, from the state of our teeth to the state of our mind' (Milne 2012b)

Milne and Brown honed their political skills in the state of Tasmania, one quarter of which is now World Heritage Wilderness area thanks to environmental campaigning. They have spent the last thirty years working up plans for Tasmania's sustainable economic development (Pybus and Flanagan 1990; Crowley 2008; Greens 2013c) that now inform their approach to the Australian economy. Senator Milne argues that change at the national level is almost impossible given that 'vested interests fight like partisans to keep their vested interests in place', and so has focused her energy on building relations with small and medium scale businesses, and rural communities (Bowman 2012). Her 2013 budget reply (Milne 2013) is a reflection, not only of contemporary green economic philosophy, but also of the role that the Australian Greens play as balance of power holders in the Senate at the crux of national policy making. The Senate has full legislative powers (although not for appropriation or taxation bills), and can defer or block legislation, including supply bills, and hold the government to account through its committee system, and its scrutiny of government finances in estimates hearings. Subnational jurisdictions are equally represented so that policy making remains broadly in the national interest, but Senators often strike parochial bargains with the government in return for supporting its legislation. The Greens are never passive in the Senate. They are conscious of its role as a house of review and do not 'rubber stamp' budgets. Many initiatives require legislation, so they negotiate, scrutinise and work with government for improvement, as they did to improve the economic stimulus package (Brown 2009).

If the Greens retain their balance of power beyond 2013, they will continue to strike bargains in return for passing legislation. They would, for example, block any legislative changes reducing the impact of carbon pricing arrangements, which would test the resolve of a conservative Liberal/National government, if elected, to repeal carbon pricing. And they would block revenue driven cuts to university funding, which the Labor government is using to pay for reforms to the pre-tertiary school education system. Given the deep and sustained emission mitigation that is required in Australia, they would oppose Labor's proposed $AUD400 million cuts to the Australian Renewable Energy Agency, the Low Carbon Communities Program and the Biodiversity Fund. These cuts breach a Multi-Party Climate Change Committee agreement between the Labor government, independents and the Greens\textsuperscript{6}. Milne is critical

\textsuperscript{4} The Productivity Commission is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians (see - http://www.pc.gov.au/)

\textsuperscript{5} The Future Fund was established by the Future Fund Act 2006 to assist future Australian governments meet the cost of public sector superannuation liabilities by delivering investment returns on contributions to the Fund (see - http://www.futurefund.gov.au/).

that Labor's current budget has no vision, no relief for those facing job losses, rising fees, the failure of their farms, or urban congestion, and no additional revenue from sources such as mining taxes, ending fossil fuel subsidies or bank levies. The Greens opposes the subsidy of fossil fuel by billions of dollars. They argue for narrowing the gap between rich and poor; for a sustainable environment to future-proof the economy and society; infrastructure spending to create clean, livable cities; farmers remaining on the land; research and development investment; education, innovation and a low carbon economy. They would support research and development, in technological innovation for example flexible solar panels that can be printed at home. They would prioritise increases to welfare, free dental care, increased school and child care funding, less spent on detaining refugees, and more spent on overseas aid (Milne 2013).

**The Australian Greens and the GFC**

Wanna observes that after being initially unsure how to respond to the GFC, the Rudd government moved in late 2008 decisively with a taxpayer funded, direct spending stimulus response, initially of AUD$10.4 billion, followed by AUD$42 billion in February 2009. The package comprised funding for the car industry, new infrastructure (mainly school based), community housing, and various cash handouts to middle and lower income earners, farmers and families, which would cause an immediate debt problem for the national budget (Wanna 2009: 584; Grattan 2009). In terms of why Australia's response was so successful, McAllister (2012: 194) finds that the package equated to 2.6% of GDP during the 2008-10 planning period, and was double that of the next highest expenditure by OECD countries, and that Australia's banks were better regulated (see Makin 2010; and Wettenhall 2011). However Australia was also in the midst of its biggest ever resources boom at a time when it was more favourably exposed to reap the benefits than most other economies (Stevens 2011). By October 2008, the Greens were calling for a 'green new deal' along the lines of the United Nations Environment Program and Deutsche Bank's proposal to jointly tackle the economic crisis and the financial crisis by investing in green jobs in clean technology, clean energy businesses, sustainable agriculture and conservation-based enterprises (UNEP 2008). In Australia, the Greens' proposal was for 'massive investment in energy efficiency, renewable energy, alternative transport and forest protection, creating high quality, permanent jobs in a thriving, prosperous, green economy'. Senator Milne continued:

> The economic meltdown and the planetary meltdown are in many ways two sides of the same coin. The best path to recovery is to use the same solutions to benefit both crises simultaneously, boosting our economy by breaking through the capacity constraints holding back the transition to a zero emissions economy (Milne 2008).

The idea of a green new deal was jointly advocated in a *Green Gold Rush* proposal by two national umbrella bodies, the Australian Council of Trade Unions (ACTU) and the Australian Conservation Foundation (ACF), with interesting implications for the Labor party. *Green Gold Rush* identifies green jobs opportunities for Australia in six key green industries renewable energy, energy efficiency, sustainable water industries, biomaterials, green buildings and waste recycling. It argues that with appropriate industry policies and private investment these industries could grow an additional 500,000 green jobs by 2030 and take on a significant proportion of global market share (ACF-ACTU 2008). The Executive Directors of the ACTU and the ACF jointly argued for embedding 'environmental and social integrity at the very heart of our economic policy, including our response to the economic downturn' and cited the efforts of President-elect Barak Obama's five million new jobs in clean energy industries alone. They called on the government to bring forward its proposed Carbon Pollution Reduction Scheme (CPRS) and to institute a strong 2020 emissions reduction target, amongst other initiatives, as a way of 'building a more robust and resilient economy for Australia, while positioning for leadership in the green industries and jobs of the future' (Henry and Burrow 2008). The Greens' advocacy of a green new deal featured in
the party's May 2009 budget reply. Bob Brown stressed that 'when the community is facing unprecedented environmental and economic challenges, this Budget should be transforming Australia to a low-carbon economy'. The AUD$350 jobs eventually negotiated by the Greens for communities, for refurbishing national heritage, and for bikeways, was the only jobs package, outside of the building and construction sector, in the economic stimulus package (Brown 2009).

Instead of adopting a green new deal, the government predominantly stuck to its building and construction, and cash hand out based, stimulus. The Greens argued that this missed the opportunity for green economic transformation, and remained 'locked in to the coal-reliant past instead of forging a path towards a vibrant carbon neutral economy for Australia' (Brown 2009). Reliance upon coal, as a fuel source and as a dominant export income earner, has frustrated progressive climate policy in Australia until the 2007 election of the Rudd government, which promised to curb emissions. The government commissioned Australian National University economist Ross Garnaut to recommend national emission reduction targets and to investigate carbon pricing for Australia. As luck would have it, the day before the Garnaut Climate Change Review (Garnaut 2008) was presented to the Prime Minister, the New York Stock Exchange experienced its largest ever one day points falls, with the equities market 'on edge as private credit shrivelled after the collapse of the Lehman Brothers' (Garnaut 2009: 2). This was the great crash at the beginning of the GFC that was to sorely test Garnaut's proposition that there is no fundamental conflict between prosperity and the mitigation of climate change. He argued that during the GFC was a good time to lock in a carbon price, with a fixed price to the end of the Kyoto period in 2012, because this would allow for industry adjustment and an easing of the mechanism into place. Instituting a period of fixed pricing before moving to an emission trading scheme (ETS) in 2013 would furthermore fill a policy vacuum and address the high level of community interest in mitigation whilst avoiding 'manifold policy interventions', 'with less potential', and 'at much greater cost, than an ETS' (Garnaut 2009: 18). This became the position of the Greens.

Since the 2007 election, climate change policy had rocked Australian politics. In mid-2008, Malcolm Turnbull successfully challenged Liberal/National Opposition Leader Brendan Nelson, after Nelson had been accused of waterering down the Opposition's commitment to an ETS (Eastley 2008; Taylor 2008). In December 2009, Tony Abbott successfully challenged Malcolm Turnbull who had been sympathetic to the introduction of an ETS, and, although critical of the detail of the government's CPRS, was poised to help it gain passage through the Senate. Finally, Prime Minister Rudd, who had proclaimed climate change 'the great moral challenge of our generation,' deferred the introduction of the CPRS after losing Opposition support, partly to avoid having to negotiate with the Greens in the Senate (Daley 2010). The Greens had concerns that the level of industry assistance proposed in the CPRS was 'geared towards protecting the status quo, sandbagging the old resource based economy when we need transformation' (Milne 2009). In June 2010, Labor Deputy Julia Gillard successfully challenged the Prime Minister, in large part for his equivocation over climate policy (Cassidy 2010). She went to an August election with a climate policy of no carbon tax, a citizen’s assembly to investigate an ETS, a climate commission to build consensus, and a review of the government’s position in 2012 (Morton and Arup 2010). However, Labor was returned as a minority government after negotiating written agreements with the Greens, who had won the balance of power in the Senate, and who shared the balance of power in the House of Representatives with independents. Included in the agreement with the Greens was the condition that:

....(t)hat Australia must tackle climate change and that reducing carbon pollution by 2020 will require a price on carbon. Therefore the Parties agree to form a well-resourced Climate Change Committee, which encompasses experts, and representative ALP, Greens, independent and Coalition

---

parliamentarians who are committed to tackling climate change and who acknowledge that reducing carbon pollution by 2020 will require a carbon price.\(^8\)

Despite avoidance, equivocation and obstruction by the major parties, carbon pricing was eventually introduced by the Gillard Labor government in June 2012 following agreement struck by the Multi-Party Climate Change Committee called for by the Greens (Crowley 2013). This is without any doubt, the greatest policy achievement by the Greens to date, significant for having emerged as an environmental and economic policy option as the GFC was unfolding, and for having been implemented as the consequence of a written agreement between Labor and the Greens. The government's ETS was abandoned for a transitional carbon pricing scheme beginning with a fixed price period. Bob Brown argued that:

\[\ldots\]

...rather than costing taxpayers billions of dollars, as the government's ETS proposal would be doing in this and subsequent budgets, the Greens' proposal will bring in some $10 billion a year from a pollution tax on the 1,000 biggest polluters in the country, $5 billion of it earmarked to help households facing climate change right across the country. It would be a community dividend as well as a stimulus to business and a reorienting of our economy to green in an age when we must do that if we are going to face the challenge of much bigger and stronger economies (Brown 2010).

There is no suggestion, however, that Green economic policy, or Green support for the stimulus package, played any role in the 2010 election, or has contributed in any way to the further rise of the Greens. Perversely, the 2010 election was seen as a 'policy free' election, or at least an election where policy took second place to the issue of leadership, which suited the Greens (McAllister \textit{et al} 2012: 189). McAllister \textit{et al} suggest that the government had so successfully navigated the GFC that the GFC response was neutralised as a campaign issue. Quite remarkably, despite the advent of the GFC and the government's generous stimulus package to offset its domestic impact, 'there was virtually no change in public opinion towards the government's effects on the performance of the economy', and, 'to the chagrin of many Labor strategists' there was no benefit to the government electorally (McAllister \textit{et al} 2012: 203-4).

Nevertheless, it is worth observing that the Greens take credit for the passage of the stimulus package because the Liberal/National Coalition voted it down. Bob Brown observes that this threw the Greens the challenge of supporting 'such a huge taking of taxpayer's money and applying it to, in no small measure, the big end of town as well as to such worthy projects as a building program for 9,000 schools'. In return for their support, the Greens negotiated the AUD$350 jobs package (Brown 2009; 2010). McAllister \textit{et al}'s (2012) research concludes, however, that it was Bob Brown's leadership qualities rather than the Greens response to the GFC that contributed to their electoral high in 2010.

Discussion

In the wake of the GFC, Australia currently has 'the lowest of budget deficits and debt to GDP of any other major economies in the developed world' as well as a AAA credit rating acknowledged by three ratings agencies (Rudd 2013; Carmignani 2013). The country has weathered the GFC remarkably well thanks to a stimulus package more than double that of other OECD countries, and to the resources boom 'driven in large part by the rapid growth of key emerging market economies such as China and India' which has seen soaring global consumption of Australian coal, iron ore and liquid natural gas (Stevens

\(^8\) See, http://www.scribd.com/doc/37069246/The-Australian-Greens-and-The-Australian-Labor-Party-agreement. The Greens undertook to ensure supply and to oppose any motions of no confidence in return for: i) agreed principles for working together; ii) joint efforts to establish several initiatives (Leaders' Debate Commission; electoral funding reform; voting reforms; public interest disclosure; referenda on indigenous and local government recognition in the Australian Constitution); iii) a variety of improvements to the processes and integrity of parliament; iv) agreed working relations; and v) a process for pricing carbon, action on dental care, an implementation study on high-speed rail, and a full parliamentary debate on the war in Afghanistan.
The economy did not feature in 2010, so the record result achieved by the Greens cannot be attributed to their support of Labor's GFC response, nor was it a judgment on the green new deal or other green economic concerns. The GFC provided a context, however, for the Greens to focus beyond their environmental policy objectives, and more firmly upon economic management, revenue raising and the stimulus package. Their confidence with economic policy is apparent in Farnsworth's (2010) observation that Bob Brown presented journalists with a more cogent defence of the government's GFC response than the government did. The Greens' post GFC economic strategy was transactional, as they bargained pragmatically for greener policy outcomes, but transformative in the sense that their green new deal would aid a transition to a low-carbon economy. The Greens followed President Obama in seeing the GFC as offering an opportunity to invest in new technology and green jobs in renewable energy, energy efficiency, and intelligent grid infrastructure. They saw the proposal for carbon pricing, as Garnaut (2009) did, as a complementary stimulatory activity.

The achievement of carbon pricing by the Greens in a post GFC environment was a massive political win in a country whose predominant domestic power source and export commodity is coal. The major parties failed to focus on climate action during the 2010 election other than to agree with each other that Australia should cut its emissions by only 5% by 2020, that it should defer the introduction of an ETS, and eschew any type of carbon tax. The Greens advocated Garnaut's compromise two-phase carbon price, fixed then followed by an ETS. The electoral advantages for the Greens were to be able to pick up on community concern over climate policy inaction, to offer a viable alternative to the major parties, and to paint the major parties as the 'coal parties' and the Greens as the 'people's party' (Farnsworth 2010). Quite by chance, the Greens were able to see carbon pricing implemented by a re-elected Labor government, which had opposed it during the election campaign, but only because this government was reduced to a minority and needed Green support to govern. This was an unexpected policy window (Crowley 2013). Again the Greens used transactional politics to achieve a transformative policy ambition in keeping with their capacity for political pragmatism (Mirgaliotta 2006; Turnbull and Vromen 2006). Here the experience of the leader, Bob Brown, and deputy, Christine Milne, was critical in negotiating to support Labor. Both had been leaders of the Tasmanian Greens at times where the Greens supported state based minority governments, and had pragmatically bargained for greener policy - in 1989-91 when Bob Brown led the Greens in supporting a Labor minority government, and in 1996-8 when Christine Milne led the Greens in supporting a Liberal minority government (Crowley 2003).

During and after the GFC the Greens paid particular attention in their own policies to revenue raising, as well as to the social justice and equity issues within the stimulus package. The Greens backed Garnaut's proposal for carbon pricing, and the Henry Tax Review's recommendation for a resource tax. The Rudd government initiated the independent Henry Tax review in 2008. It was chaired by then Treasury Secretary Don Henry, and was charged with making recommendations to create a tax structure that will position Australia to deal with the demographic, social, economic and environmental challenges of the 21st century and enhance Australia’s economic and social outcomes'. The review recommended a simplification of the Australian taxation system, and included the suggested introduction of a resources rent tax, which the Rudd government used to propose a 40% tax on mining profits (Crook and Marsh 2013). However, following rent-seeking political campaigning and multi-million dollar lobbying efforts by the mining industry, this was scaled back by the Gillard government and reduced in coverage to the coal and iron ore industries to the point where the tax is now an ineffective revenue raiser. The Greens are the only party pursuing the implementation of a 40% resources tax, which they claim would return AUD $10 billion annually until the 2020s at least. They argue that 'it is only the Greens who are looking at the revenue base of this wealthy country in a mining boom' (Brown 2011). Labor will not restore the tax to 40%, and the Liberal/National Coalition would to abolish it.
The Greens gain credibility for supporting the recommendations of impartial experts, such as Ross Garnaut and Don Henry, or, in the case of more humane asylum seeker policy, of the International Human Rights Commission. Their advocacy of onshore resettlement of illegal refugees resonates with young and left leaning voters and showcases their social justice policy and its threat to the Labor vote. It has been argued that the major parties in Australia occupy centrist territory with a common commitment to economic rationalism that has stunted the policy differences between the left and right (Jaensch 1989; Manwaring 2012). Enter the Greens, as conviction politicians, 'who want to break the stranglehold of economic rationalists over government policy' (Brown and Singer 1996: 122) with the potential to attract Labor supporters. In several post GFC budgets, the Greens have negotiated better access to income support for the unemployed and increases for pensions. They have campaigned for increased support for single parents and child care, for paid parental leave, for increased expenditure on mental health, an easing of requirements for receiving the disability support pension, and for a sovereign wealth fund built with mining tax proceeds (Brown 2009; 2010; 2011). They achieved the funding of a national universal dental care program as part of their agreement to support the Labor minority government. These are heartland social justice concerns. In keeping with their social justice principles, the Greens also work with trade unions, health and education unions for example that are calling for more public funding, and higher education unions opposing the current Labor governments cuts to university funding. In 2013, the Electrical Trades Union in Victoria, which disaffiliated from the Labor party in 2010, gave AUD$300,000 in campaign support to Greens MP Adam Bandt, once the union's industrial relations lawyer (ETU 2013;). Bob Brown has expressed the Greens' post GFC concerns for social justice:

> Australia is an enormously wealthy country and its economy is booming. It has emerged from the global recession with an economic stimulus package, which was backed and improved by the Greens, creating hundreds of thousands of jobs. Now there is tremendous economic growth on the back of the resources boom, and mining investment will rise to about eight times the level preceding the boom - that is, $76 billion by 2011-12. We have the highest terms of trade in 140 years. So the Greens pose this question to both the government and the opposition: how is it that so few are benefiting from the country's great natural wealth and why is it that there is growing power at the corporate sector, which is the big winner-takes-all section of the economy? We have a two-speed economy and a two-tiered democracy, and upstairs are the mining barons (Brown 2011).

Conclusions
The advent of the GFC has forced the Greens to more explicitly articulate their principles for national economic management, which remain those upon which the party was founded in 1992. Their economic vision is transformative in terms of pursuing an economy where people and nature matter, but their role as a brokerage party in the Senate has led them to develop skill at transactional politics. Their transformative approach, with its pragmatic, transactional twist sets them apart from the Australian Democrats, whom they have eclipsed as the third force in Australian politics, in particular by supporting the 2010-13 Labor minority government. The Greens post GFC have come of age in terms of political participation at the national level, surviving the political process, and achieving policy successes in the Senate and as minority government supporters. Their national support has been on an upward trajectory since 1993, aided by the collapse of the Democrats, preference dealing, the rise in support for minor parties and independents, and their conviction politics with its distinctive policies. In 2013, they may be punished for supporting an unpopular Labor minority government, and for championing the adoption of carbon pricing in the wake of the GFC, although its cost of living impact has not been as a severe as was feared (Aston 2013). There is no sense in which the Green's economic policies can explain their success, but these policies have grown in sophistication post-GFC with increasing focus on economic management, and attention to revenue raising, equity and social justice. For example, in 2013, a Parliamentary Budget
Office (PBO), established at the request of the Greens in return for their support of the Labor minority government, is calculating the costs of election campaign policy promises for the first time. It has costed a proposal by the Greens for a levy of 0.2% on all bank assets over $100 billion, (to be held by government as insurance against a future economic crisis), at $11 billion over the next four years (ABC 2013). These are the sorts of initiatives that can be increasingly expected from the Greens as they move to enhance their economic credentials, which they will need if they aspire to participation in government. On assuming the Greens leadership, Christine Milne's first political foray was an unexpected attack on the major parties, emphasising the significance of economic policy in a post-GFC political environment:

.. for putting a “political imperative”, the long-promised surplus, before sound economic management. What might leave even more people scratching their heads is that business groups and the majority of economists agree with her. The consensus is that achieving a surplus by slashing approximately $40 billion dollars out of government spending could push non-mining sectors into recession .. (Haines 2012)

The major parties should expect the Greens to pay increasing attention to their economic policy flank.

REFERENCES


Milne, Christine. 2012b. An economy that serves people and nature, not the other way around. Address to the National Press Club, 26 September, Canberra: Australian Greens.


Rudd, Kevin. 2013. What Australians are looking for is a new way for the future... not the old politics of the past. Transcript ABC's AM Program. http://www.abc.net.au/am/content/2013/s3817899.htm.

Stevens, Glen. 2011. The resources boom. Speech by the Governor of the Reserve Bank delivered at The Resources Boom: Understanding National and Regional Implications Conference, Melbourne: Victoria University.


Appendix One

2013 Charter of the Australian Greens (Greens 2013)

CHARTER

We live at a crucial time in history. Never before have we had so many answers to the problems that have dogged our developing world. Solutions now exist that could greatly decrease the poverty, hunger and ill-health of our fellow humans and we now have technologies to reduce and repair much of the ecological damage to our planet. Clean air, clean water and ecological sustainability are possible. Yet this is not being achieved. World-wide, governments lack the political will to make the necessary adjustments that will bring an end to the conflict, pollution, poor health and social inequity that characterise our time.

The Greens have evolved in this climate to show a new way forward. A Green response to the ecological crisis proceeds on the basis of a respect for all life, both human and non-human. We recognise the mutual interdependence between humanity and the rest of nature and we seek to move toward an ecologically sustainable path. We seek to eradicate poverty, oppression and discrimination and to build a society underpinned by values of participatory democracy, social justice, and the respect for cultural and ecological diversity. We aim to transform the political, social and economic structures that disempower and oppress people and to develop a rich, participatory cultural life that enables the flourishing of new democratic movements for progressive change.

We believe that contesting elections is a necessary step toward the building of an ecologically sustainable and socially just society, but that it is by no means the only step. We seek to encourage and facilitate grassroots movements and community initiatives that are working towards ecological responsibility, social justice, affirmative action and global equity. We seek to avoid parochialism and to cultivate a global, ecological consciousness and a long-term perspective in order to safeguard the interests of both existing and future generations and nonhuman species. We believe Australia should play an active role in building a more cooperative world that is capable of addressing the glaring disparities in energy and resource consumption and quality of life between rich and poor. We aim to extend recognition and assistance to progressive social movements in other countries and to international institutions that are working toward these ends.

Reflecting an awareness of the interrelatedness of all ecological, social and economic processes the general principles of The Greens are:

ECOLOGY

a. To ensure that human activity respects the integrity of ecosystems and does not impair biodiversity and ecological resilience of life-supporting systems.
b. To encourage the development of a consciousness that respects the value of all life.

DEMOCRACY

a. To increase opportunities for public participation in political, social and economic decision making.
b. To break down inequalities of wealth and power which inhibit participatory democracy.

SOCIAL JUSTICE

a. To eradicate poverty by developing initiatives that address the causes as well as the symptoms of poverty.
b. To provide affirmative action to eliminate discrimination based on gender, age, race, ethnicity, class, religion, disability, sexuality, or membership of a minority group.
c. To introduce measures that redress the imbalance of wealth between rich and poor.

PEACE
a. To adopt and promote the nonviolent resolution of conflict.
b. To develop an independent, nonaligned foreign policy and a non-nuclear, defensive, self-reliant defence policy.

AN ECOLOGICALLY SUSTAINABLE ECONOMY
a. To develop economic policies that will ensure greater resource and energy efficiency and development and use of environmentally sustainable technologies.
b. To reduce dependence on non-renewable resources and ensure sustainable use of renewable resources.
c. To adopt more comprehensive social, environmental and technology assessment practices.
d. To facilitate socially and ecologically responsible investment.

MEANINGFUL WORK
a. To encourage, develop and assist work that is safe, fairly paid, socially useful, personally fulfilling and not harmful to the environment.
b. To encourage and facilitate more flexible work arrangements (such as job sharing, part-time work, self-employment), on-going education, training and social welfare (including child-care) so that more people can engage in meaningful work.

CULTURE
a. To respect and protect ethnic, religious, racial diversity.
b. To recognise the cultural requirements of the original Australians and to assist in ensuring the achievement of Aboriginal land rights and self-determination.

INFORMATION
a. To facilitate a free flow of information between citizens and all tiers of government.
b. To ensure that Australians have the benefit of a locally responsible, diverse, democratically controlled and independent mass media.

GLOBAL RESPONSIBILITY
To promote equity between nations and peoples by:

a. facilitating fair trading relationships.
b. providing for increased development assistance and concerted international action to abolish Third World Debt
c. providing increased green technology transfer and skills to developing countries
d. opposing human rights abuses and political oppression
e. ensuring that Australia plays an active role in promoting peace and ecological sustainability.

LONG-TERM FUTURE FOCUS
a. To avoid action which might risk long-term or irreversible damage to the environment.
b. To safeguard the planet's ecological resources and values on behalf of future generations.