

Volatile result in New South Wales election

Support for old parties plunges

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30 March 1999

A collapse in support for the opposition Liberal-National Party Coalition saw the Australian Labor Party government of Premier Bob Carr returned with an increased majority in the New South Wales state election last Saturday. Labor's vote only rose by 1.4 percentage points to 42.7 percent but it will hold a majority of at least 13 seats in the 93-member lower house, the Legislative Assembly, compared to a margin of just three seats before the election.

The Liberal Party was decimated, suffering an 8.3 percent loss to hold a mere 24.5 percent of the statewide vote. This is its worst result in NSW since Sir Robert Menzies founded the party in 1944. In some Sydney electorates the Liberals were reduced to a rump, recording votes as low as 7.4 percent. Three Liberal shadow ministers lost their seats, including deputy leader Ron Phillips and transport spokesman Michael Photios. Their coalition partners, the rural-based National Party did almost as badly as the Liberals, with its vote falling by 2.4 percent to just 8.7 percent.

The most significant feature of the results is that nearly 25 percent of the vote went to other parties or independents, indicating growing disgust with the entire political establishment. Just five months ago, in the last Australian federal election, the vote for the two old parties fell to a record post-war low of 80 percent. The result in NSW--the country's most populous state--marks a further five-percent turn away from the major parties.

Six independent MPs are likely to sit in the lower house, whereas 13 representatives of minor parties are expected to take seats in the 84-member upper house. The Carr government will be in a minority in that house, the Legislative Council, which has the power to amend or block government measures.

In regional and country areas, there is such concern with endemic unemployment and the loss of government services that traditional National Party seats such as Albury, Dubbo, Northern Tablelands and Tamworth, are now held by locally-based independents, including city mayors.

In other rural areas the extreme right-wing One Nation

party profited from the disaffection. In fact, it almost outpolled the Nationals, winning 10.5 percent of the rural vote and 7.6 percent statewide. Overall, its vote declined from last June's Queensland state election, when it polled almost 25 percent, and last October's federal elections, when it averaged 8.4 percent nationally. Nevertheless, one of its figureheads, David Oldfield, a self-styled "national socialist" will now occupy a seat in the upper house for at least eight years.

Various National Party figures, including its recently-installed state leader, George Souris, are threatening to break the coalition with the Liberals. With independents and One Nation eroding their base of support, the Nationals are attempting to repackage themselves as a third force of rural discontent. If the Coalition does split, the Liberals will be left with just 20 seats in the lower house, hardly enough to form a new shadow ministry.

Labor's vote barely rose, despite popular hostility toward the federal Liberal-National government. Labor improved its showing in most working class areas, but its vote fell sharply in several key electorates, including Keira, covering the northern suburbs of the steel city of Wollongong (down 8 percent), Cabramatta, a largely immigrant area in Sydney's industrial western suburbs (down 16 percent) and Granville, also in Sydney's west (down 1.4 percent).

The mass media tried to draw a comparison between Carr's victory and the landslides enjoyed by one of his predecessors, Neville Wran, in 1978 and 1981. But in Wran's wins the Labor vote reached almost 60 percent. And in this election, Labor's higher vote partly came at the expense of the Liberal Party on Sydney's wealthy north shore. Labor's vote rose by 9 percent or more in "blue-ribbon" Liberal seats such as The Hills, Hornsby, Ku-ring-gai, Baulkham Hills, Epping, Hawkesbury and Willoughby.

The most significant issue in policy terms was the rebuff delivered to the big business agenda of privatising public services. The Liberals went to the polls pledging to sell the state's electricity grid for an estimated \$25 billion in order to pay off debts owed to the financial markets. It was the

centrepiece of their election platform. Defeated National and Liberal candidates are now lashing out at the privatisation policy, with one describing it as "absolutely fatal".

Amid these bitter recriminations, some details have begun to emerge about how and why, just three months before the election, Sydney's bankers and financiers demanded the removal of the then Liberal leader Peter Collins and his replacement by Kerry Chikarovski.

"According to Liberal sources," reported Brian Toohey in the Sydney *Sun-Herald*, "Collins was tossed out because key backers in banking and broking circles were adamant that NSW's electricity assets had to be privatised. About \$300 million in fees were at stake for advising on the sale. There was the enticing prospect of getting their hands on fat parcels of shares, which were expected to show a strong capital gain soon after listing on the stock exchange."

To reinforce their demands, corporate executives cut off their all-important donations to the Liberal Party. "Financial support from the corporate community had dried up," revealed the party's state president, Michael Osborne.

However, the Liberal Party's own polling showed that privatisation was so unpopular that it would be electoral suicide. Ordinary people in both urban and rural areas had seen the disastrous loss of jobs and services that followed the previous federal Labor government's privatisation of the Commonwealth Bank, followed by the breakdown in Sydney's semi-privatised water supply, the failure of gas supplies in Victoria and the power blackouts in New Zealand and Queensland.

Soon after Chikarovski took over she announced a cynical bid to buy the support of voters by declaring that every electricity customer would get \$1,000 in cash or \$1,100 in shares if the Coalition won the election and the power industry was sold off. This electoral bribe backfired, however, with polls showing that it only hardened the opposition to privatisation.

Chikarovski then fell back on a "law and order" campaign. But, as Toohey observed, "she was never going to out-gun Carr. Promising to send more people to jail is one of the few political issues which genuinely seems to fire Carr's passions". So strident was Labor's own law and order drive that at least one candidate, Tony Stewart in Bankstown, a major working class area, had campaign T-shirts emblazoned with the slogan, "For law enforcement".

Chikarovski's debacle is a blow to the federal government. Prime Minister John Howard personally identified himself with Chikarovski, saying he was a "long-term friend and admirer". Chikarovski is literally a Howard protégé, a member of his faction within the Liberal Party. He was actively involved in her leadership coup, as well as her privatisation scheme. He injected himself into the state

campaign, acting as the warm-up speaker for Chikarovski at the Liberals' campaign launch.

Howard's government is now facing widespread rejection of its plans to sell off the remaining two-thirds of Telstra, the telecommunications conglomerate, and introduce a regressive Goods and Services Tax. Both measures are demanded by big business but are in danger of being blocked in the federal Senate.

Within two days of the state election, the financial sector and the mass media resuscitated their campaign for power industry privatisation, exposing the sham of the electoral process. The *Sydney Morning Herald* lambasted Carr for abandoning his previous commitment to sell off the electricity network, accusing him of lacking "guts" and of "prostrating himself" when a 1997 Labor Party state conference rebuffed his plan in the face of popular opposition. Similarly, the NSW Chamber of Commerce told the Carr government that privatisation needed to be "repackaged" and "resold".

One of Carr's first post-election statements was that he would hold a summit with business leaders, as he did at the beginning of his first term of office four years ago. "I will be briefing them on the government's plans on investment and jobs creation," he said. The problem that Carr faces, like Howard, is that the program required by the financial markets is increasingly incompatible with the democratic façade of parliament.

The Socialist Equality Party stood two candidates in the election to advance the need for a socially-progressive alternative to the bipartisan program of "law and order" and the gutting of social spending. It posed the necessity for the complete reorganisation of economic, social and political life to meet the needs of all, instead of the private profits of a few. The SEP candidate for Bankstown, Richard Phillips won 210 votes and Terry Cook, the candidate for Newcastle, 133 (as at the close of counting on Saturday night).

Despite substantial coverage given to many of the record number of independents and 80 minor parties that stood in the election, the SEP's socialist campaign was met with an almost total media blackout.



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