

# Victorian Labor Party pitches for big business support

## New leader installed

Peter Byrne  
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In an attempt to improve its poor electoral prospects, the Victorian branch of the Australian Labor Party installed a new parliamentary leader this week. The previous lacklustre leadership of John Brumby had become an issue in bitter factional divisions, culminating in a walkout by trade union delegates at last month's state ALP conference.

The main credential of the new figurehead, Steve Bracks, is that he is the principal architect of *Labor. New Solutions*, the party's new pro-big business platform. The 137-page document is the product of a protracted rightward shift in the ALP. It claims to be a "new kind of politics" but its central theme is a pledge to the money markets and business that an ALP government in Victoria will maintain a budget surplus.

At the party's February conference, Bracks, then the shadow treasurer, stated proudly that the state's peak business body, the Victorian Employers Chamber of Commerce and Industry, had applauded this budget guarantee. "This is our meal ticket to the next election," Bracks declared.

Bracks also promised that all contracts entered into by the incumbent Liberal Party government of Premier Jeff Kennett would be honoured. Bracks said there was a legitimate role for private participation in the provision of public infrastructure. In effect, he scrapped the ALP's previous claims of opposition to the privatisation of hospitals, ambulance services, and electricity and gas supplies, as well as private toll roads such as the Melbourne CityLink project.

To further reassure business that profits will be boosted and the cost of doing business will be lowered, *Labor. New Solutions* pledges that taxation and other government charges will be equal to or less than the Australian average. This can only be achieved by further cutting social programs. Already, education spending in Victoria is the lowest per capita of any Australian state.

On his ascendancy to leadership Bracks said: "A Bracks government will not spend money it hasn't got." The ALP will establish an Expenditure Review Committee "to cut

waste so we have the funds for our priorities, such as schools, hospitals, roads and police." Despite the elimination of thousands of jobs in the schools, public health system and public transport by the Kennett government since 1992, the Labor leaders have accused the Liberals of "waste".

Like their state counterparts in the New South Wales government, the Victorian Labor leaders plan to run a law and order election campaign to divert attention from the underlying social crisis. One of the key promises unveiled at last month's party conference was the creation of a Street Crime Taskforce of 200 police. John Pandazopoulos, Labor's shadow tourism, sport and racing minister, attacked the Liberals for failing to employ 1,400 new police they had promised.

Bracks has been endorsed by all Labor's factions and presented by the media as "warm" and "genuine". Yet, as a fellow member of Labor's right-wing, Bracks has a similar political biography to Brumby. Born in the Victorian regional city of Ballarat in 1954, he twice failed to win the parliamentary seat of Ballarat North and then became a ministerial adviser to former Labor state premiers, John Cain and Joan Kirner. When Kirner quit parliament in 1994, Bracks was slotted into her seat of Williamstown, a working class area regarded as "safe" Labor territory.

Despite this, the media has portrayed Bracks as part of a new look for Labor. Rupert Murdoch's *Herald Sun* reported his election under the headline "New Labor," while the Melbourne *Age* headline was "New Order". Both downplayed Bracks' role in the previous Labor government. The *Age* quoted Victorian Employers Chamber of Commerce and Industry policy director Steven Shepherd, who said: "Bracks has no historical baggage."

Just a month ago, Brumby dismissed the ALP's upper house parliamentary leader Theo Theophanous, the sole remaining cabinet member of the last Labor administration, declaring it was a break with the past. The previous Cain and Kirner governments imposed severe spending cuts in

education, health and transport, leading to clashes such as the 1989-90 tramway workers' blockade of Melbourne. But they failed to sufficiently carry through the measures required by business, which supported the election of Kennett in 1992.

Bracks' installation is a signal that the Laborites will do anything to win back the corporate support that Labor enjoyed in the 1980s.

His election followed open factional warfare at the February ALP conference. When Brumby began to read his leader's speech, about 20 union delegates, including the Trades Hall Council president Martin Kingham and building unions convenor Brian Boyd, walked out with TV cameras and reporters hot on their heels.

The walkout primarily reflected trade union efforts to develop closer relations with the Kennett government. Before the conference, Brumby called Boyd a "lapdog" of Kennett. Boyd and Kingham had participated in talks with Kennett on the building unions' involvement in CityLink and other major projects over the next decade. Boyd said the unions were meeting with Kennett because the ALP had no chance of winning the upcoming election.

These rifts occurred against the backdrop of moves to implement reforms in Labor's internal structure. Recently a barrister, Mark Dreyfus, presented a report littered with glowing references to the British Labour Party. He canvassed reducing the trade union vote in the ALP and changing party membership rules to facilitate the entry of a new professional layer, such as former TV newsreader Mary Delahunty, who was recently elevated to Labor's parliamentary frontbench.

Dreyfus recommended that attendance at local party branch meetings be no longer necessary. Because many branches are moribund, he urged that prospective members be admitted even if there were no quorum at their first meeting.

On the vexed relationship between the unions and the ALP, Dreyfus sidestepped the issue, calling for a further review. At present the unions have 60 percent of voting delegates at the state conference and the local branches 40 percent. The Labor leaders see the union ties as their Achilles' heel in elections. Dreyfus said: "If altering the ratio (of union representation) makes the party more electable it must be further considered."

The problem for the new leadership, however, is that the party is largely dependant on the payment of union dues--amounting to \$1,128,000 over the past year. The decline of total affiliated union members from 531,841 in 1987 to 341,300 in 1998 has meant an annual loss of \$632,000 in income for the Victorian ALP, but the unions still constitute the bedrock of party funding.

Figures given by Dreyfus showed that business donations for the ALP dried up before it lost office in 1992. Whereas the ALP spent \$3 million in the 1988 election, it could only spend \$750,000 in 1996. The total amount of non-trade union fundraising plunged from \$800,000 in 1988 to just \$78,000 in 1992, recovering a little to \$394,000 in 1996. In 1996 the ALP ran only 100 TV ads against the Liberal Party's 1,400.

These statistics also highlight the collapse of broad financial support among working people. Dreyfus did not anticipate any reversal of this trend. Instead he recommended new efforts to obtain corporate funding and large individual donations.

Possibly the most revealing indication of the ALP's crisis was a report to the conference on its youth wing. "The Youth Policy Committee has been consistently unable to reach quorum and the development of policy via formal meetings and committee processes was abandoned early during its term," it stated.

This loss of support among young people is particularly significant. In the 1970s and early 1980s youth, both working class and middle class, looked overwhelmingly to the ALP, identifying the party with progressive social reform including the improvement and expansion of public education. In the 1980s and 1990s, the Labor governments, state and federal, spearheaded the corporate offensive on jobs, living standards and social spending, with the youth worst affected.

Today, the Victorian ALP is in essence a big business party looking for a social base. Hence the appeal to professional layers and to those attracted by "law and order". Above all, as *Labor. New Solutions* illustrates, the ALP is appealing for the renewed backing of business as the best vehicle for deepening the social assault should the Liberals falter.



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