

Australian Labor Party wins safe Liberal seat in Victorian by-election

Sue Phillips, Laura Mitchell
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One week ago, the new Labor government in the Australian state of Victoria secured a further parliamentary seat—the blue ribbon Liberal Party electorate of Burwood. The results of last Saturday's by-election shocked politicians and media pundits, with the Liberal-National coalition losing yet another safe seat.

The by-election was called when former Premier Jeff Kennett quit politics after the unanticipated defeat of his government at the September 18 state election and subsequent by-election in Frankston East. Kennett had held Burwood for 23 years. On Saturday night the Liberal vote there collapsed with a 10.5 percent swing against the party.

The Burwood electorate is a traditionally conservative area, which has been held by the Liberal party since the seat was first established in 1955. It is home to some of the wealthiest sections of the middle class. Some 74.4 percent of the electorate are homeowners, with over 50 percent managerial and professional layers. The median weekly household income is \$756—\$111 above the state average—while unemployment is way below average at 4.5 percent.

Labor Premier Steve Bracks immediately claimed that the voters of Burwood had shown “faith in Labor”. In fact the party only picked up a handful of new votes—an extra 215 primary votes—since the state election. Labor candidate Bob Stensholt relied on preferences to win office.

Voters who deserted the Liberal Party turned in the first place to former Liberal Party member Stephen Mayne who ran as an independent on an anti-corruption platform, attacking both Liberal and Labor. The Greens also benefited from disaffected Liberals, with the former directing their second preferences to the ALP. More than 4,700 residents failed to vote at all, risking a

fine of up to \$50.

The overall result shows that “safe” parliamentary seats are rapidly becoming a thing of the past. During the statewide poll in September, formerly secure Liberal and National Party seats in rural and regional areas fell to Labor. Without winning these rural seats Labor could not have formed government as the swing in metropolitan seats was only 2.5 percent compared to 7.5 percent in the country.

Four months ago Burwood was held comfortably by Jeff Kennett who was regarded as Australia's most powerful and influential politician. Yet in the aftermath of its defeat the Liberal party is in turmoil. The ousting and resignation of key Liberal MPs has been followed by factional brawls that dominated the Liberals' campaign in Burwood.

The Liberals' coalition partner—the National party—greeted the Burwood results with extreme nervousness. National Party leader Pat McNamara, who holds the rural seat of Benalla, announced his retirement as leader of the party earlier this week, but is postponing his resignation from politics. Although McNamara holds Benalla with a 7 percent lead, both he and the Nationals are fearful of losing it in yet another by-election defeat.

While the Bracks government has increased its standing in the lower house, boosting its number of seats to 43 against the Liberal-National's 42, the Burwood by-election has revealed enormous shifts in the political landscape.

Labor's campaign revealed the party's cultivation of a new constituency. In the lead-up to the poll, former ALP advisor Cameron O'Reilly urged Victorian Labor to adopt “cross over politics” and establish a base of support among more affluent sections of the middle class. Labor's candidate Bob Stensholt personifies this

process. Campaign material stressed Stensholt's business experience, "for several years he ran Corporate Affairs in AusAID, managing a budget around \$1.5 billion" with experience "in 'bottom line' management".

Labor also appealed to the most selfish sentiments among sections of the electorate, who fear declining property values as a result of the growth of medium-density and lower-priced housing. "As with many locations in Burwood his own area is threatened with having its amenities changed by the possible re-development of older houses into blocks of flats." The Labor Party material intimated such low-cost housing would bring crime in its wake.

The Victorian Labor government's true constituency was revealed just one week before the Burwood vote by news of a \$1,000-a-head business dinner. Held at the plush Grand Hyatt, the ALP fundraiser was attended by 800 business leaders including Crown Casino boss and media tycoon James Packer, building developers Bruno Grollo, Multiplex and John Holland and transport magnate Lindsay Fox. When the fund-raiser made front-page news the ALP went into damage control attempting to keep secret the dinner guest-list. Journalists protested after being barred from covering the event unless they forked out the \$1,000 entry fee.

During the state election campaign Bracks attempted to appeal to popular anger against the former Kennett government's relations with big business. Labor claimed opposition to the Kennett government's support for private hospital operators and its favoritism toward Intergraph, the company responsible for the state's ambulance services. Bracks also pledged an investigation into the tendering process for the Crown Casino. The aspiring Premier spoke in defence of the rights of injured workers against the insurance companies and developers who had raked in millions as a result of the Kennett government's reforms to workers compensation. Yet executives from the very same corporations were present at the ALP dinner cementing their relations with the new government.

Bracks and the Victorian Labor government are attempting to perform an impossible balancing act. The "left" rhetoric aimed at maintaining a level of support within the working class is rapidly dropping away. The latest by-election result reveals growing political instability and a deepening crisis of both major parties.



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