

By-election result reveals ongoing volatility in rural Australia

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25 May 2000

Results of a recent by-election in the state of Victoria, provide further evidence of the increasingly volatile state of affairs in rural and regional Australia. The country seat of Benalla, held for 57 years by the National Party and formerly regarded as one of the safest conservative electorates in the state, fell to the Labor Party on May 13 for the first time ever.

The by-election was called due to the retirement of sitting member Pat McNamara, the former National Party leader and deputy Premier in the Liberal-National coalition government, which held office from 1992 to 1999. In September 1999 the coalition was defeated by Labor, with a state-wide anti-government swing of 4.5 percent, and up to 12 percent in rural and regional areas. While McNamara expressed a desire to resign immediately, he delayed his departure due to concerns that his seat might fall. These proved to be fully justified. The swing against him in 1999 was 7.8 percent. In this by-election the Nationals suffered a further 8.1 percent loss.

The result has sent tremors through the Liberal and National parties nationally. The National party has been accepted for decades as the traditional party of rural Australia. The federal Howard coalition government will be obliged to hold elections sometime next year, in the face of what is becoming a growing electoral backlash.

Eleven federal seats in Victoria alone, including five rural electorates that were once considered entirely safe, are all now classified as marginal. These range from Indi, which takes in the state seat of Benalla, held with a margin of 10 percent, to the coastal seat of Flinders, currently held with a margin of 3.8 percent by Workplace Relations minister, Peter Reith. The Federal government has to lose only seven seats to be ousted from office.

Victorian Liberal leader Dr. Napthine responded to the Benalla poll with the comment: "Clearly, people have lost confidence in the Liberal and National parties to represent them effectively." His National Party counterpart, Peter Ryan caustically remarked that the Nationals' "association with the Liberal Party is indeed one aspect up for evaluation." The National Party has to lose just one more seat to lose its status as the third party behind Labor and the Liberals.

Victorian Labor Party premier Steve Bracks crowed that the victory signified that Labor was now "the party of country and regional Victoria." But a closer examination of the figures reveals that this was far more a vote against the Nationals, than a vote for Labor.

Labor candidate Denise Allen won only 270 more first preference votes than Bill Sykes, the National candidate. On the eve of the poll, 15 percent of voters were still undecided and nearly all of the swing against the Nationals went to two independents, Geoff Rowe and Bill Hill, who polled 7.02 and 6.65 percent respectively.

Benalla, an electorate of some 34,000 voters and covering 17,000 square kilometres, lies 150 kilometres northeast of the state capital, Melbourne. Its major industries are agriculture, timber and tourism. Unemployment is marginally lower than the state average, but its median weekly household income is \$133 less than the rest of Victoria.

The major issues in the election campaign centred on the lack of facilities and infrastructure. Bright, one of the area's main towns, has had no ambulance for the past four years and the district has one doctor for every 1,584 people, as compared to one doctor for every 980 in Melbourne.

The Nationals had to contend with widespread voter

disgust. McNamara had been closely associated with the policies of the Kennett government, which had devastating consequences for rural communities. His replacement, Sykes, relied heavily on a lack of any previous ties to the party to win endorsement as the Nationals' candidate.

An ex-footballer and veterinary surgeon, Sykes only joined the Nationals on the eve of the pre-selection poll. Throughout the campaign he carefully distanced himself from both the party and the previous Kennett government. His business card described him as "an independent thinker" and he introduced himself as "no-baggage Bill", with "no associations with previous government or anyone."

Sentiment against the Nationals ran so high that the locals held a demonstration against Sykes—a candidate, not the sitting member—to complain about the state of sewage services in one town and the disrepair of a bridge in another.

The two independents both campaigned for better services in the area. Rowe declared that "rural people are at real risk of becoming an underclass." Hill attacked the Nationals for "losing the plot in rural Victoria" and referred to the fact that they had combined with the Liberals in the upper house of parliament to vote down a Labor party bill providing \$170 million in rural infrastructure.

Labor is well aware of the electoral significance of growing rural dissatisfaction and is seeking to ride the tiger. Last September, Bracks formed government with the support of three rural Independents. Then in December the deeply unpopular former Liberal premier, Jeff Kennett resigned. The ensuing by-election in his blue-ribbon Liberal seat saw another shock win for Labor. This latest victory means the Bracks government is just one seat short of a majority in the state parliament.

In its first state budget, the Bracks' government announced a spending package of \$1 billion for rural infrastructure development, as well as a number of minor initiatives specifically targeted to the Benalla area including a grant of \$400,000 for an ambulance in Bright and \$1.4 million to redevelop the hospital in Myrtleford.

Following the by-election, Kim Beazley, leader of the federal Labor party, announced the formation of Country Labor. "We're obviously going to fight harder

in bush seats than we've fought for some time because people now regard the National Party as right on the nose," he said.

Although Bracks has plumbed hostility to the coalition government as hard as he can, Labor's own vote has begun to decline. Notwithstanding the new premier's claims to care for rural people, Bracks has assiduously courted big business. At a recent summit between government, unions and corporations, he reaffirmed Labor's commitment to "a substantial operating surplus in every budget it brings down."

That will require, he added "a secure budget base, with budgetary discipline to which the government will adhere in the future." In other words, funding to alleviate rural hardship will rapidly dry up.



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