

Australia: Labor clings to office in Queensland

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Saturday's general election in the Australian state of Queensland saw the Labor government hold onto office despite a 4.3 percentage point fall in its vote to 42.6 percent—a swing that, if repeated nationally, would be enough to oust Prime Minister Kevin Rudd's federal Labor government.

The corporate media celebrated Labor's win, with the *Australian Financial Review* declaring it a "boost for Rudd". In reality, the Queensland poll, like every recent election in Australia, produced a win by default, with discontented voters lacking any enthusiasm for the alternatives presented within the narrow framework of the two-party system.

Despite deep disaffection with Labor, which has been in office in Queensland for 11 years, and for 18 of the past 20 years, the opposition Liberal National Party (LNP) picked up only 3.5 points to 41.4 percent—less than half the gain it needed to overcome Labor's overwhelming majority in parliament.

Labor is expected to have 53 MPs in the 89-seat parliament, with the LNP 32. Four conservative Independents retained their seats. Labor's losses were as high as 10 percentage points in some seats, but the swing was uneven. In major working class electorates in the capital Brisbane, Labor's vote fell in a range from 1.1 percentage points in Woodridge, to 4.1 in Lytton, 4.4 in Inala and 5.1 in Ipswich.

The discontent over rising unemployment, increasing levels of financial stress, shocking public hospitals, deteriorating public transport, electricity failures and water shortages found no outlet. The Greens, touted by the mass media as the "third party," backed Labor's return and tried to retain their single seat in parliament by swapping preferences with Labor. While they polled more than 15 percent in six Brisbane electorates, roughly as they did in

2006, their statewide vote stagnated at around 8 percent.

Premier Anna Bligh called the election six months early in a bid to scrape back into office before the full impact of the global recession hit Queensland. The state has boomed over the past two decades, largely due to mining exports and tourism. Bligh said the early poll was necessary for economic and political stability. She sought her own "mandate" to rule, having been installed as Labor leader 18 months ago to replace Peter Beattie, who had been premier since 1998.

Big business and its media outlets generally backed Labor as better able to impose the burden of the economic meltdown. In its election eve editorial, the *Australian Financial Review* warned: "The victor will face a tough task financing infrastructure and growth while trimming wasteful spending and managing debt." It therefore urged voters to "seriously consider re-electing Labor".

Rupert Murdoch's *Australian* struck a similar note, saying that while "voters are clearly angry with Labor," the LNP lacked economic credibility. Both newspapers expressed concern that LNP leader Laurence Springborg, a farmer and former National Party leader, claimed during the campaign that Labor had "hyped up" the global recession.

Labor benefited from the fact the LNP was a thinly disguised takeover of the state Liberal Party by the rural-based National Party. The LNP was formed last year following the two conservative parties' disastrous showing in the 2006 state election, when Labor won its third landslide victory in a row by exploiting hostility toward the federal Howard government.

Nevertheless, Bligh's early-election manoeuvre almost backfired. During the campaign, media opinion polls indicated that Labor could lose. They also showed that nearly two-thirds of respondents thought that neither major

party deserved to win, while more than a third of voters remained undecided on election eve.

Bligh made the centrepiece of Labor's campaign a vow to create 100,000 jobs, but it soon emerged that only 12,000 of these jobs had not been previously promised. In any case, the axing of 3,000 mining jobs across Queensland since the start of 2009 demonstrates that any job creation claims will soon be swamped by the deepening slump.

Officially, statewide unemployment rose 0.1 percentage points to 4.5 percent in February, which was below the national jump from 4.8 percent to 5.2 percent. The rapid fall in imports by China and Japan, the two largest mining markets, since late 2008 means that much worse lies ahead, with economists predicting a jobless rate of 7 percent by next year in Queensland.

Plummeting royalty and property tax revenues will also hit the state's finances. By its own admission, the government's net financial liabilities will rise to \$74 billion by 2011-12, or 150 percent of revenue. As a result, the Standard and Poor's credit rating agency lowered the state's ranking from AAA to AA+.

The LNP denounced Labor for losing the AAA rating, and vowed to slash spending by \$1 billion a year, which would mean eliminating some 12,000 public sector jobs. But two days before the election, the LNP admitted that even its cuts would not stop the net liabilities hitting \$74 billion within three years.

Thus, regardless of whether Labor or the LNP won the election, the government would have to make deep inroads into public spending.

The Queensland election was the fourth state or territory poll to produce a major swing away from Labor since it took office federally in November 2007. Labor governments narrowly survived in the Northern Territory and the Australian Capital Territory, while losing office in Western Australia, where the anti-Labor swing was about the same as in Queensland—4.3 percentage points.

Second preference votes from the Greens helped re-elect Labor MPs in several key seats, as the sole Greens MP, Ronan Lee, emphasised. Lee himself looks likely to lose the seat of Indooroopilly, in one of Brisbane's wealthier suburbs, which he won as a Labor candidate in 2006 before defecting to the Greens last year.

The right-wing One Nation party, which in 1998 won nearly a quarter of the vote in Queensland, lost its only remaining MP. Former One Nation leader Pauline Hanson, who won a federal seat in 1996 by stirring up anti-Aboriginal and anti-immigrant prejudice, ran as an Independent. She failed to win the rural seat of Beaudesert, picking up 22 percent of the vote.

An *Australian* commentator Sean Parnell described the Queensland outcome as "good all round", because Labor would provide "certainty in difficult times," while the LNP would be a stronger opposition than before. The column reflected the newspaper's wider concern to step up the pressure on Labor governments, both state and federal, to deliver its pro-business agenda.

An editorial in Murdoch's Brisbane tabloid, the *Courier-Mail*, insisted that Bligh had to "start exercising the sort of authority and certainty that has eluded her" by "putting good policy before popularity—and sticking with it".

Bligh quickly showed that she had understood the message. A day after the election, she announced that she would reshuffle her frontbench to produce a "reinvigorated" cabinet. She pledged "to stare the global financial crisis in the face and to bring Queensland out of it stronger, not weaker". Inevitably it will be working people who will be compelled to bear the burden.

As soon as the election was out of the way, Prime Minister Rudd delivered a similar message, explaining in a television interview that it was "virtually impossible" for Australia to avoid recession. The government faced a "really tough" job framing the 2009-10 budget because of "collapsing" tax revenues, he warned.



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