

# Australian Labor Party suffers record loss in NSW state by-election

**Our reporters****21 June 2010**

In a devastating result for the Australian Labor Party, the New South Wales state Labor government lost a by-election in the working class electorate of Penrith last Saturday to the Liberals, suffering the worst swing in its history. In the largest anti-government shift ever recorded in NSW, Labor suffered a negative swing of more than 25 percentage points, delivering a primary vote of just 24.4 percent—just half the vote it received at the last state election in 2007.

The Liberals took the seat with 50.9 percent of the vote, doubling Labor's tally and outpolling the ALP's first preferences for the first time ever. Similar swings in next year's state election would see Labor wiped out, with Premier Kristina Keneally losing her seat.

The result is part of an accelerating anti-Labor trend at both state and federal levels. Since Prime Minister Kevin Rudd took office in the 2007 federal elections, Labor governments have suffered a series of electoral disasters in the states and territories. Last August the Northern Territory government scraped back into office with a fragile one-seat majority, after swings against Labor MPs as high as 18 percent. The following month, the Western Australian government was defeated after a negative swing of 6.1 percent. In March, the South Australian government barely retained power with a slender parliamentary majority following a 7.3 percent swing, while, on the same day, the Tasmanian government suffered an anti-Labor primary vote loss of 12.4 percent, winning only 37 percent of the vote. It was only able to remain in office through a coalition deal with the Greens.

In NSW itself, three recent by-elections in the electorates of Ryde, Cabramatta and Lakemba, saw Labor record negative swings of up to 23 percent. At the same time, the federal Labor government is recording a major slump in voter approval. Under conditions where his party faces the prospect of becoming the first one-term Labor government since the 1930s, there is growing speculation that Rudd could face a leadership challenge in the weeks and months leading up to this year's federal election.

At some polling stations in Penrith's core working class neighbourhoods, such as Jamisontown and Kingswood, the anti-Labor swing was up to 30 percent. In four booths, Labor came third, behind the Liberals and the Greens. Such was the

hostility to the party, that during the afternoon, its how-to-vote campaigners at three large booths ditched their yellow ALP t-shirts for orange "Your Rights At Work" tops, in a failed bid to find some way of making a popular appeal.

Rather than a triumph for the Liberals, however, the vote was largely negative—*against* the Labor government, not *for* the state opposition. Thousands of ordinary people voted Liberal for the first time in their lives in an effort to punish both the NSW and federal Labor governments. WSWS interviews with voters (see below) revealed a sullen resentment over chronically under-funded hospitals and schools, poor and over-crowded trains, clogged roads, rising prices and home mortgage debts, as well as over Rudd's record of broken promises on industrial relations, health care, the environment and job security. Many spoke of making ends meet with increasing difficulty, of being either unemployed or in casualised jobs, and of living in what they described as "Third World" conditions.

The vote revealed growing disenchantment with both major parties and the entire official political set-up. Significantly, one quarter of voters supported other parties or independents, and, of them, six out of ten refused to indicate a preference for either Labor or Liberal (unlike in other states, allocation of preferences is not compulsory in NSW). The Greens, who campaigned as opponents of "property developer greed," picked up 12.6 percent of the vote, doubling their 2007 state election result of 5.5 percent. An unnamed anti-immigrant group, which sought to divert disaffection with Labor into the reactionary demand for a halt to all immigration, as well as to refugee arrivals, polled 2.2 percent.

In an attempt at damage control, Rudd rejected claims that the Penrith rout was a judgment on his government. "It is our long experience in the political process that the Australian people vote differently on state and federal political matters," he told the media.

Keneally blamed the result on voter anger with the former Labor member for Penrith, Karyn Paluzzano, whose resignation triggered the by-election. Paluzzano quit the parliament after admitting misspending her parliamentary allowances for electoral purposes, and then lying to the state's Independent Commission Against Corruption about it.

In reality, Paluzzano's conduct is emblematic of a party that

is nothing more than a machine for careerists and ex-trade union hacks, all of whom owe their jobs to faction bosses, who in turn serve various business interests. The ALP is widely regarded as the party of property developers, who account for the bulk of donations to the ALP—more than \$14 million since 2001. Keneally herself only won the premiership through the patronage of faction chiefs with links to developers.

While property development has boomed, it has largely been at the expense of urban infrastructure in far-flung suburbs like Penrith, 55 kilometres west of Sydney's CBD. House prices have soared, with a typical three-bedroom house in Penrith now costing about \$380,000, well above the \$350,000 mortgage that banks will approve for an average household.

The NSW government has presided over the running down of schools, hospitals and public transport, while at the same time financing corporate tax breaks, including for developers and hoteliers who operate poker machines. A payroll tax cut from 5.75 percent to 5.45 percent is set to save business almost \$3 billion over five years. Backed by Rudd, Labor is also pushing ahead with plans to privatise key elements of the electricity industry, despite overwhelming public opposition. Premier Keneally herself has established an aggressive record of defending job cuts and Rudd's pro-market health and education agendas. In March, when Boeing Australia announced it would shut its Milperra plant in Sydney, axing 350 jobs, Keneally told the media that it was a "commercial decision" by Boeing and that her government could do nothing to reverse it.

Voters interviewed by the WSWS at polling booths voiced outrage at Labor's record, both state and federal. Many people made comments to the effect that there was "no difference" between Labor and Liberal, that all politicians broke their promises and that they all took their orders from big business. Others expressed surprise at how rapidly Rudd had proven to be a false hope of change after the Howard government.

A nurse in a nursing home said she voted Liberal, just to get rid of Labor. "Labor has let us down over a long period of time—just look at Penrith. "There's nothing here—it's like living in a Third World country. Our roads have potholes everywhere, there are no footpaths, and the list goes on and on. The rich get richer and the poor get poorer. In the nursing homes, the owners take the money, but don't put it back in to look after the elderly. It's a vicious circle."

Glen Chapman, a part-time storeman, studying IT at TAFE, ended up voting Liberal after supporting Rudd three years ago. He commented: "Rudd's popularity was up around 70 percent last year; now he's gone to the pack. It looked like a change at the start, but nothing was planned right. Now it's a catastrophe. Business people have taken advantage of programs like home insulation and school building, wasting our money. The ETS [emissions trading scheme] was one of his main things; now he's gone back on that and shelved it for four years."

Chapman cited health care as one of his main concerns, along with interest rates, job security and petrol prices. "See the

hospital system and the waiting times, it's ridiculous. If you go to emergency you have a four-hour waiting time as a minimum. It's all a bunch of lies with the parties these days. None of them keep their word."

An Integral Energy worker, who also voted Liberal, had no confidence in any party. "There is an economic crisis at the moment and everyone is suffering, like people with mortgages and pensioners, and the government definitely needs to change. The way the economy is, people are working harder for less income. With my job, there's no overtime money, or anything like that. Money's generally a lot tighter for everybody."

Katherine, who works in safety equipment, and Greg, a printer, voted Greens, having previously voted Labor. Greg hoped that the Greens might prove better than Labor, but expressed deeper disappointment. "We've just lost interest. We could just as well vote for Mickey Mouse. We have lost a lot of confidence in the system; it's as simple as that."

"Why have a government at all when they're selling off everything? Why not put it all in private enterprise, so they can just look after themselves? That's what's happening. It's all going into the hands of the financial elite."

Asked about the fact that the Greens had entered a coalition government with Labor in the state of Tasmania, Greg and Katherine voiced misgivings. "It's true that they are in government in Tasmania and nothing is different there," Greg said.

Ashlei Sayle, 23, who works in employment services, was hostile to the role of Rudd's wife, Therese Rein, a millionaire business owner in that industry. "I'll never vote Labor again. All of a sudden, as soon as Labor came in, we lost jobs in our area and the whole contract changed. It's just getting more and more difficult for us to compete with private employment services and we've still got to try and get people a job and treat them like human beings."

Jessica, 20, said: "I went for the Greens because look at what's going on! Most of the people I know are mums and we can't get any work because employers won't hire single mums. Child care is so expensive—\$100 a week—so it's very hard for all of us. There used to be jobs available in Penrith but since Kevin Rudd came in everything has just changed."



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