

Australia's political coup leaders and their big business connections

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The leaders of the political coup that last month removed Labor Prime Minister Kevin Rudd and installed his former deputy, Julia Gillard, were not just “faceless numbers men”, as sections of the media have insisted. Nor can the role of Rudd’s dispatchers—including Bill Shorten, Mark Arbib, David Feeney, Paul Howes and Gary Gray—be explained by the fact that, in the main, they are representatives of Labor’s so-called Centre Unity faction, the main right-wing grouping. Rather, the critical point is the direct connection of these Labor “heavies” to big business, especially the mining industry. Their personal histories reveal a seamless movement between the Labor machine, including the unions, and the boardrooms of Australia’s largest companies.

In toppling Rudd so swiftly—the coup was executed within the space of just 15 hours—Labor’s faction bosses were simply taking action on behalf of the mining chiefs and other corporate executives, and their opposition to Rudd’s proposed 40 percent resource super-profits tax (RSPT). That the faction bosses felt no need to argue their case within the ranks of the party or the trade unions simply underscores the fact that the working class is not a factor in the machinations of the Labor bureaucracy.

As events unfolded on the night of June 23, television viewers were informed that Labor MP and parliamentary secretary Bill Shorten, former head of the Australian Workers Union (AWU), had been sighted in a Canberra restaurant with a mobile phone in each hand, making calls and ticking off names from a list of Labor parliamentarians. But who exactly is Shorten and on whose behalf was he making those calls?

Shorten was elected to parliament by residents of the working class electorate of Maribyrnong, in Melbourne’s western suburbs. With the media’s help, he has carefully crafted an image as a working class hero. In fact, his impeccable connections, both personal and professional, are altogether those of the ruling class. Shorten, who attended Melbourne’s expensive and exclusive Xavier College, was married to the daughter of Liberal Party politician and leading businessman Julian Beale. Julian’s father, Sir Howard Beale, was a Liberal Party minister in the Menzies government, and, upon his retirement from politics, was appointed Australian Ambassador to the United States.

His marriage gave Shorten a direct link to billionaire Richard Pratt, a close friend of Julian Beale and at one time Australia’s richest man. In May 2006, Shorten borrowed Pratt’s private jet to fly to Beaconsfield in Tasmania, wasting not a second of the media spotlight when a Beaconsfield coal miner was killed and another

two remained trapped kilometres underground. Shorten, who had had no experience with either mining or rescues, and had apparently never been to Beaconsfield, saw an opportunity to become the public face of the mine collapse during two weeks of blanket media coverage of the event. He is now married to the daughter of Governor-General Quentin Bryce, Australia’s head of state.

While national secretary of the AWU, a union with members in the mines, Shorten was embraced as friend and confidant of leading executives of the country’s largest mining and steel companies. The reason for these friendships was not hard to fathom. Shorten proved himself willing to act in the interests of these companies by ensuring a compliant workforce and industrial peace. For instance, he was praised by steel bosses for his assistance in pushing through a merger of steel giants Smorgon and Onesteel, despite the loss of hundreds of jobs, amid AWU crocodile tears, once the deal went through. Smorgon Steel managing director, Ray Horsburgh, said after the merger: “I’d class Bill Shorten and other union officials as mates—we’ve worked closely together to resolve problems. I would say that in the 10 years that we’ve been a listed company we’ve lost only a few days due to industrial action with our core employees.”

Horsburgh also praised Shorten for opposing attempts by electrical contractors at Smorgon’s steel plants to reduce their working week to 35 hours. “Bill Shorten actually encouraged us to fight against it because he didn’t want to see it happen.” As is natural for those who scale the heights of the Australian union movement, Shorten was also on the board of directors for Victorian Super Trustees, thereby directing billions of dollars of workers’ entitlements into the stock market. This role has brought him into direct contact with leading players in the financial sector.

Shorten’s activities as AWU head, and the connections he was able to develop while in that job, shed light on the role played in the coup by his AWU replacement, Paul Howes. Reports are that Howes spent the afternoon before Rudd’s downfall directing key Labor caucus leaders to abandon the prime minister. A turning point in the former prime minister’s demise came when Howes was interviewed on the Australian Broadcasting Corporation’s flagship evening current affairs program and announced that the AWU, one of Australia’s largest unions, had, without any sort of ballot of its members, abandoned Rudd “for the good of the country.”

This was genuine double-dealing. Howes had spent the previous

six weeks publicly selling the merits of Rudd's mining tax to his members and to the media. On May 9, in a syndicated opinion piece, Howes told readers that mining had "made a lot of people very wealthy. Very wealthy indeed. Members of the Australian Workers' Union have been proud participants in this tradition", but "I've parted company with the big mining giants on the super profits resource tax." Howes's opposition to the tax, however, proved to be no obstacle to his participation in ousting Rudd. Moreover, since June 24, when Gillard became prime minister and announced a cave-in to the mining companies' demands, there has been complete silence from the AWU on the mining tax issue.

Links between Gillard's union backers and mining industry bosses are just the tip of the iceberg. As journalist Nicki Savva reports, the director of public affairs at BHP Billiton (Australia's largest company and one of the world's largest mining firms) is Geoff Walsh, a former ALP national secretary and former advisor to Labor prime ministers Bob Hawke and Paul Keating. Tim Gartrell, who succeeded Walsh as ALP national secretary, now works for Andrew "Twiggy" Forrest, the billionaire head of mining company Fortescue Metals and one of the RSPT's chief detractors.

BHP's senior media relations executive, Amanda Buckley, is a former advisor to a previous Labor leader, Kim Beazley. Colin Parkes, a former press secretary to Bob Hawke, is now a senior media consultant to BHP, while Mark O'Neill, another former advisor to Paul Keating, is head of 'government relations' at Rio Tinto (Australia's second largest mining company and the world's third largest iron ore producer). Finally, and perhaps most tellingly, the head of Kevin Rudd's 2007 election campaign, Neil Lawrence, organised the Minerals Council's anti-RSPT media blitzkrieg. It was that campaign that prepared the ground for Rudd's removal. The behind-the-scenes role of these various Labor insiders was, no doubt, critical.

Gary Gray, a former national secretary of the ALP and one of the party's most influential backroom deal-makers, also played a leading role. Gray's connections to the resources sector could not be more direct: his former paymasters were among the most vocal opponents of the mining tax. From 2000, after leaving Labor head office, Gray became a special consultant to Woodside Petroleum, Australia's largest national gas producer, and eventually that company's corporate affairs director. Gray's brief was originally to use his government connections to repel a takeover bid by Shell, but he was later key to Woodside's natural gas agreement with China's state-owned PetroChina, a deal projected to produce revenues of \$35 billion to \$45 billion over a 15 year period. Gray returned to a Labor job in 2007, this time a safe Western Australian seat in federal parliament. He continued his role as mining lobbyist, but this time from inside the legislature. Two weeks before Rudd was removed, Gray began preparing the ground for the Gillard coup by publicly breaking ranks with Rudd—the first senior Labor figure to do so—and indicating the tax had to go. Despite Gray's deep mining connections, a quiescent media made no enquiries about his riding orders.

Not every one of Labor's coup leaders has overt mining ties. Mark Arbib, David Feeney and Don Farrell are all Labor and union apparatchiks, from New South Wales, Victoria and South

Australia, respectively, whose only recorded contribution to politics has been their sordid role in arranging support or opposition for this or that factional 'pick'. However, these back-room heavies have been of critical importance in the implementation of the miners' demands.

Arbib's personal history is a case in point. Kevin Rudd came to power in 2007 on the back of Arbib's patronage and rewarded the new senator with a government ministry. Before his move into federal parliament, Arbib, a NSW ALP state secretary, blocked the rise to power of NSW premiership hopeful Carl Scully and installed instead right-wing stooge, Morris Iemma. In doing so, Arbib acted in accord with the demands of the state's powerful real estate and development lobby. He has now reprised his unsavoury role as NSW big business go-between, although with far more chilling implications, at the national level. Arbib's record speaks volumes for what Labor's factional gangs are really about. They are associations defined by neither loyalty nor 'tribalism' (the corporate media's meaningless tag-line for the factions) much less ideology. On the contrary, they have become conduits for whichever arm of the ruling elite demands their services.

The role and character of Arbib, Shorten, Gray and the others underscore the fact that the official political establishment is incapable of reform. The current political crisis, which will intensify as governments around the world turn from fiscal stimulus to implementing savage austerity measures, is not a question of deteriorating personnel or a lack of "vision", as the media would have it. Maintaining even a semblance of parliamentary niceties has become completely incompatible with the demands of the financial and corporate elite for a major assault on the social position of the working class. The political coup against Rudd, orchestrated behind the backs of the population, is a warning of preparations being made, also behind closed doors, for far more repressive and authoritarian forms of rule.



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