

# Australia: Victorian Labor government thrown out of office

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The Victorian Labor government of Premier John Brumby has lost its parliamentary majority after the electorate on Saturday punished the Labor Party over the social disaster that now confronts working people in health and hospitals, schools, public transport, utility charges and other cost of living pressures. Labor's defeat, after 11 years in office, has shocked the media and political establishment; every major newspaper together with decisive sections of big business had hailed the Brumby government's right-wing, "free market" reform record and campaigned for its re-election.

Votes are still being counted, but Labor currently holds 43 lower house seats and the opposition Liberal-National coalition 44 in the 88-seat parliament. It appears almost certain that the Liberal Party will win the remaining unresolved electorate of Bentleigh, allowing the Ted Baillieu-led opposition to form government on the basis of the narrowest possible parliamentary majority. This would bring the number of seats lost by Labor and won by the Liberal-National coalition to a total of 13. The average "swing" was 6.2 percent. Two cabinet members, Maxine Morand and Tony Robinson, were among the Labor ministers who lost their seats.

The Greens won just 10.6 percent of the primary vote, 2.1 percent lower than they received in Victoria in the federal election last August. Moreover, they failed to win any lower house seats and may end up losing one of their three upper house seats. The result no doubt reflected, at least in part, disillusionment among young people and others with the sordid electoral manoeuvres conducted by the Greens with the major parties. At the federal level, the Greens signed an Alliance with the Labor government. During the Victorian campaign they expressed their eagerness to form a coalition government with either Labor or Liberal and engaged in backroom preference deal negotiations with both.

Most of the electorates that changed from Labor to Liberal were located in the south-eastern suburbs of Melbourne, which are among those most affected by the state's grossly inadequate social infrastructure and escalating costs of living, driven by mortgage interest rates and electricity and water bills. The inability of both the Brumby government and the media to anticipate the level of anxiety about these issues underscores the vast chasm that exists between the privileged lifestyles of the narrow corporate-media-parliamentary milieu and the daily pressures confronting the working class.

Labor retained its "safe" seats in Melbourne's industrial and formerly industrial areas in the north and west—but suffered large losses in several seats. In Brumby's own electorate of Broadmeadows, the party's vote declined by nearly 11 percent, and in Essendon, planning minister Justin Madden suffered a swing of more than 12 percent.

Brumby's speech on Saturday night reflected the degree of

disorientation within ruling circles over the election result. He declared, "we've been sent a loud and a clear message today from the people across our great state and I've heard that message, our government has heard that message"—but said nothing about what that "message" might be. The premier refused to concede defeat, declaring the most likely result would be a hung parliament and insisting that he was "more determined than ever that we deliver strong and stable government to the people of Victoria". Even then, however, it was clear that Labor could at best hope to win 44 seats, producing a tied parliament, and requiring a new election within weeks to ensure the next government could pass legislation and budgets.

The *Australian Financial Review's* editorial today expressed the general media perplexity. "Business was very comfortable with Labor," it complained. "This newspaper did not think they [the Liberals] had outlined a coherent plan to improve the state's economy and ease of doing business. These had been the strengths of the Brumby and Bracks Labor governments, which oversaw a golden era for Victoria as the leading non-resource economy over the past decade."

Big business and the banks have certainly experienced the last decade as a "golden era"—but reality for working people has been entirely different.

Social services and infrastructure have deteriorated while more people suffer the stress of constant financial insecurity and fears of losing their jobs or having their hours and wages cut. The Victorian Labor government has been at the forefront of the national drive to promote private healthcare and education. The crisis-ridden hospital system is run under the "casemix" funding regime, which aims at cutting costs at the expense of patient treatment. The ambulance service is on the verge of outright breakdown due to gross underfunding and mistreatment of the paramedic workforce. In education, the government has continued to close and amalgamate public schools in defiance of opposition from parents, teachers and students alike, while every year more public money is funnelled into private schools.

The privatised public transport system is a disaster—the government wasted more than a billion dollars on an electronic ticketing system and has failed to expand train and tram services in line with population growth, especially in Melbourne's rapidly expanding outer suburbs. The only significant infrastructure developments in the last decade have been Public Private Partnerships (PPPs). These have funnelled enormous amounts of public money to the banks and corporate investors, often for projects favoured by these private interests, but which serve no legitimate public purpose. The \$5 billion desalination plant in Wonthaggi, for example, is widely understood by ordinary people as a massive business boondoggle that will at least double or triple household water bills in the next few years.

The widespread disgust among voters for Brumby has been fuelled by the extraordinary gulf separating social reality from his government's daily "spin". Throughout the election campaign, Victorians were told that the state was developing a "world class" health system, that the government had hired record numbers of nurses and made unprecedented investments in schools, and that the state economy was booming after avoiding the global economic crisis. In every instance, these lies jarred with the daily experiences of millions of ordinary people. On unemployment, for example, Brumby declared his government ought to be re-elected to "keep the jobs coming". But he said and did nothing about the jobs crisis in industrial working class areas, such as his own electorate of Broadmeadows, where the official unemployment rate is nearly 16 percent. Nor did he address the widespread job insecurity fuelled by higher rates of poorly paid casualisation and part-time employment at the expense of permanent full-time positions.

The coalition opposition successfully harnessed the widespread opposition on economic and social issues by campaigning in the final week on a purely anti-Labor message. The words "Liberal Party" and "Ted Baillieu" rarely featured in any of their advertising.

Contrary to much media commentary, the election outcome does not mark a shift to the political right among the general population. While straitjacketed by the stultifying two-party parliamentary electoral system, working people used their vote to express their hostility towards the entire official establishment by punishing the incumbent Labor government.

Reflecting the unprecedented level of disaffection with the electoral setup, record numbers evaded election day altogether by casting their ballot in the week before the poll. About 550,000 voters cast a pre-poll vote, more than double the number at the last state election in 2006. A record number of voters—nearly 220,000—cast postal votes and voter turnout was also down, despite anyone falling to cast a ballot facing a fine under Australia's compulsory voting laws.

The Victorian election result follows a series of polls in Australia expressing mounting anger at Labor and its corporate agenda. In 2007 the federal Howard government was turfed out, but just three years later, last August, its Labor successor under Prime Minister Julia Gillard failed to secure a parliamentary majority, the first time a first-term government had suffered such a fate since 1931. Earlier this year, in March, two incumbent state Labor governments only just managed to stay in office. The South Australian government suffered an 8.4 percent swing, while the Tasmanian Labor government saw its vote decline by 12.4 percent swing, only retaining power after forming a coalition with the Greens. In a Victorian by-election in the working class suburb of Altona last February the Labor Party experienced a 12.3 percent swing.

The new Baillieu government is set to unleash savage austerity measures against the working class. Before and during the campaign, both Liberal and Labor issued behind closed doors assurances to the corporate world that cutbacks in public spending would be implemented. Throughout Australia, as internationally, cuts to health, education, and public sector jobs and wages are being dictated by global financial markets as their response to the latest stage of the international capitalist crisis.

The Liberal Party has pledged to cut business taxes, including \$790 million in stamp duty, while at the same time delivering budget surpluses of at least \$100 million annually. It has also committed to \$1.6 billion in spending cuts over four years in the public service. Baillieu has remained silent, however, on how such cuts will be implemented. During the

televised leaders' debate, on November 5, the Liberal leader refused to rule out emulating the former Kennett Liberal government's debt reduction strategy, which included closing schools and hospitals and sacking public sector workers. These measures are now back on the agenda.

The *Australian Financial Review* declared: "Mr Baillieu and his team now have an opportunity to grasp the nettle and push through tough reforms ... to improve the efficiency of health and school services, and business red tape."

The Victorian election outcome underscores the crisis of political perspective in the working class. Expressing anger and hostility at the polls, and ousting Labor for Liberal or vice versa, changes nothing except the personnel implementing the pro-market agenda embraced by both major parties, and backed by the Greens.

To break out of this impasse, the working class must turn to the building of a new mass revolutionary party, based on an internationalist and socialist perspective. The Socialist Equality Party was the only party in the Victorian election standing on such a program. Our candidate, Peter Byrne, received an important response in Broadmeadows, winning 578 votes or 2.35 percent of the total so far, with 71 percent of the vote counted. This is in spite of the fact that he appeared on the ballot without being identified as an SEP candidate, due to antidemocratic electoral registration laws. The vote reflects the long standing relationship of the SEP—and of Peter Byrne, who stood as the SEP's federal election candidate in the same area—with workers in Broadmeadows, which remains home to important sections of industry, including the car industry. Above all, it reflects the conscious turn on the part of a small, but significant, layer towards a revolutionary alternative to Labor and the other parties of the political establishment.

Click here for the coverage of the SEP Victorian election campaign.

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