South Australian Labor conference gives green light for austerity measures

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Buoyed by their victory at the South Australian Labor Party conference on November 27, Premier Mike Rann and Treasurer Kevin Foley have contemptuously declared that they intend to proceed with their plans to axe nearly 4,000 public sector jobs, slash services, abolish job security and scrap long service entitlements and holiday leave loadings.

In what was widely regarded as the key test, a conference motion by Australian Workers Union (AWU) state secretary Wayne Hanson vaguely calling for "generational change" in the Labor leadership was defeated by 118 votes to 61. Premier Rann told the media shortly after the vote that he would "not be bullied by anyone," adding: "I will not be a puppet of vested interests, and this was a decisive defeat". Foley likewise stated: "Mike Rann and Kevin Foley will not be bullied, intimidated or pushed around by unions."

The comments were not directed at the unions, which have done everything they can to contain the widespread anger over the cuts—including by promoting the illusion that the Labor conference would defeat the plans. The purpose was to confirm to the media and financial establishment that the Rann government would ride roughshod over the opposition of working people to the austerity program.

Rann and Foley arrived at the conference venue, the Adelaide Convention Centre, under police guard. They were ushered in amid jeers and heckling from protesters. Throughout the meeting, Rann was under the protection of seven armed police officers and two plain-clothes security men. The police protection of Rann and Foley is an indication of the methods that the Labor government is prepared to use against any resistance to its plans.

About a 1,000 people, including public servants, teachers, nurses and forestry workers, rallied outside the conference to denounce the cuts. Three days later, the South Australian Public Service Association (PSA) web site declared the protest a great success. The union claimed that the conference had passed an unreported resolution that directed the government to "take immediate steps to rescind this anti-worker legislation" and "report to the next meeting of ALP State Council on action taken to affect this resolution".

When questioned by the WSWS, however, PSA industrial officer Peter Christopher conceded that the actual resolution adopted by the conference was longer than had been reported. The sections missing from the PSA web site report confined the resolution to opposing the unilateral removal of leave entitlements, outside of enterprise bargaining, and the government's breach of an election undertaking not to use "forced redundancies". In other words, the conference did not oppose the destruction of jobs and conditions, only the means of implementing the cuts without negotiation with the unions.

In any case, as the comments by Rann and Foley made clear, they have no intention of being bound by any resolution. Yet, the PSA and other unions are continuing to claim that the government can be pressured to back away from its attacks on jobs, basic rights and services. The main thrust of the "generational change" resolution moved by the AWU's Hanson was to appeal to the Labor leaders not to defend jobs and conditions, but to save the party from defeat at the next state election, due in 2014.

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A day after the conference, a meeting took place between Labor Party state president Peter Malinauskas, who is also the shop assistants' union state secretary, and the leaders of the so-called right and left factions. After the meeting, Malinauskas said the factional leaders were "on the same page". They intended to give Labor the best chance for re-election, he said, claiming that Labor had performed "extremely well" for eight years due to sound factional relations.

For the past eight years, Labor has ruled "extremely well" for business. First elected in 2002, the Rann government has been in the vanguard of the pro-market agenda pursued by all the Australian Labor governments, state and federal. Rann has been among the most explicitly pro-business premiers, appointing corporate chief executives, alongside senior clergymen, to cabinet advisory boards. Over the past two years alone, the government slashed injured workers' compensation payments by 20 percent after 13 weeks in 2008, eliminated 1,600 public sector jobs in 2009 and imposed Prime Minister Julia Gillard's NAPLAN testing regime on school teachers earlier this year.

Nonetheless, the unions all backed the government's re-election in March this year and have done everything in their power to contain rising opposition to the government. The unions are fully aware that the offensive by Rann and Foley is backed by Gillard's federal government, which is preparing a new wave of pro-business "economic reform". In her speech at last month's Australian Industry Group annual dinner, Gillard pledged to pursue a "reform agenda" with "discipline and rigour".

The South Australian measures are regarded by Gillard's government and the corporate elite as a test case for similar measures in other states and by the federal government itself. The *Australian* newspaper's December 3 editorial referred disparagingly to "last weekend's ugly state ALP conference" and declared: "For the good of the state, it is essential that South Australia's elected government resists the NSW 'disease' that allowed a public sector union-dominated party machine to block the sale of public assets and even dictate who should be premier."

The Rann government announced its savage austerity measures, which seek to reduce spending by $2 billion over four years, in order to satisfy the demands of the international money markets. In return for the cuts, two global credit ratings agencies, Standard & Poor's and Moody's, agreed to maintain the state's AAA rating.

The editorial was a blunt message, if one were needed, to the unions to prevent any mass opposition, like that in New South Wales in 2008, which led to the resignation of Premier Morris Iemma over his government's plan to privatise the state's electricity network. Despite Iemma's departure, the NSW government has proceeded with a modified "Plan B" version of the privatisation scheme.

When the South Australian budget measures were first announced in September, the *Australian* demanded they become the starting point for even deeper cuts across the country by state governments, which are responsible for most frontline education, health and social services. The newspaper reported that the states' total public debts would rise by 52 percent, to $243.2 billion, by 2014. The *Australian* declared that state governments must stop their "debt binge".

There is no doubt that, as is already taking place across Europe, public spending, jobs and services will be slashed severely by both state and federal governments in the coming period as the fallout from the global financial crisis deepens, and governments seek to make the working class pay for the bailouts of the banks and major corporations. Working people can only repel this pro-market assault and defend their interests through a clear political break from the trade unions and Labor Party and a unified struggle, in Australia and internationally, on the basis of a socialist perspective.

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