

## New South Wales election

# Australian Labor Party suffers devastating election defeat

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The Australian Labor Party (ALP) suffered a historic defeat in the March 26 state election in New South Wales (NSW), where it had held office since 1995. Across the state, the most populous in the country, Labor received only 25.5 percent of the vote—its lowest result since 1904. The 120-year old party has lost at least 30 seats, and is likely to hold just 20 of the 93 in the lower house of the NSW parliament.

The 16.5 percent swing against the ALP is the largest ever in the state of New South Wales, and the biggest since the 20 percent swing against the Scullin federal Labor government in 1931. In the regional, primarily working class seat of Bathurst, in the state's west, the swing topped 36 percent, and shifts of more than 20 percent occurred in numerous electorates that were once considered "safe" Labor territory. Among the seats that went to the coalition were outer Sydney working class electorates such as Londonderry, Riverstone, Parramatta, Granville, Smithfield, Mulgoa, Camden, Campbelltown and Menai, which have rarely, and in some cases never, been out of Labor's control.

The ALP has been virtually wiped out in regional and rural NSW. It retained only two seats in the Hunter Valley, north of Sydney, and just two in the former industrial region of Illawarra, centred on the steel city of Wollongong. Both areas were once considered Labor's "heartland".

On the Central Coast, in the Blue Mountains and in the rural west, north and south of the state Labor now has no seats at all. In some of the "safest" Liberal Party electorates, in Sydney's affluent north shore, it polled less than 10 percent of the vote and was reduced to third party status behind the Greens.

On Saturday night, Labor spokesman Luke Foley, a member of the state's upper house, labelled the result a "bloodbath". Within hours of the polling booths closing, outgoing Premier Kristina Keneally conceded defeat to the conservative Liberal and National Party coalition, headed by Barry O'Farrell, and resigned as NSW Labor Party leader.

The O'Farrell Liberal-National government will hold at least 67 seats in the state parliament's lower house, an increase of 30. The

new conservative coalition will also likely have working control of the upper house, through a de-facto alliance with two members from each of the right-wing Christian Democratic Party and Shooters and Fishers Party.

The electoral debacle is a milestone in the protracted decay of the ALP and in the collapse of its support within the working class. It follows the party's inability to win a majority in last year's federal election—the first time for a first-term federal government since the Great Depression—and the defeat of the Victorian Labor government in the country's second most populous state last November.

The shift in working class allegiances away from Labor has been underway for three decades. In the early 1980s, the ALP repudiated the nostrums of social reform and transformed itself openly into an agency for the banks and corporations. At both the federal and state levels, it has been preoccupied with making Australian capitalism "internationally competitive" by cutting company and income tax, privatising state-owned assets, encouraging private for-profit operators in the health and education systems, pushing down real wages and attacking working conditions.

In NSW, Labor's 16 years in office have been marked by ever-more blatant corruption, cronyism and nepotism, and increasingly cosy relations with major investment banks, property developers and speculators. For hundreds of thousands of Labor voters, the last straw was its decision to privatise electricity provision, after the 2007 election, and hand it over to major energy companies, despite opposition from close to 80 percent of the population. In the dying days of her government, Keneally prorogued parliament in order to try and prevent an examination of the generous conditions provided to the new owners in the sell-off.

Formerly loyal Labor voters went to the ballot boxes on Saturday driven by a visceral hatred of the party they now regard as nothing more than a servant of the financial and corporate elite. They voted against the sharp deterioration of public hospitals, public transport and other social services, and the increasingly sordid activities of one Labor politician after another.

Many voted, as well, against the policies of the federal Labor government headed by Prime Minister Julia Gillard, particularly its plans to impose a carbon tax, which will dramatically increase the cost of living for ordinary people while doing virtually nothing to reduce carbon emissions.

The Greens Party paid heavily for its backing of the Gillard government and the carbon tax. While its state-wide vote increased marginally, by around 1 percent, to 10.7 percent, in virtually every working class electorate the Greens polled significantly less than 10 percent. Having repeatedly claimed they were on the verge of winning their first seats in the NSW lower house—the two inner-city electorates of Balmain and Marrickville—the Greens suffered a humiliating defeat when they managed to gain neither. Their sole electoral win was a likely increase in their upper house representation from 4 to 5.

In the aftermath of the poll, the Labor Party is seeking to deny that the NSW result has any national or long-term implications. At the same time, its spokesmen have been compelled to note the extent of mass alienation and disgust toward the party.

In her concession speech on Saturday night, Kristina Keneally sought to blame the debacle on the “disunity” and infighting within the state Labor branch since the 2007 election, which saw her two predecessors—Morris Iemma and Nathan Rees—removed by the right-wing machine that controls NSW Labor. She called for the “restoration and renewal of the party”.

In a similar vein, in an opinion column in today’s *Australian* newspaper, Foley blamed the defeat on the “indulgence and debauchery” of the past four years. At the same time, he admitted that 130 ALP branches had closed in NSW since it took office in 1995 and that many of those that still existed were “on life-support”. The party’s membership had collapsed to the point that Labor was able to staff the least number of polling booths since 1938. Like Keneally, Foley called for Labor to “find the way back” to its traditional base.

The reality, however, is that the ALP cannot regain its lost support. The objective foundations of its past reformist program—the ability to regulate the national economy through currency controls and tariff protection—were shattered more than a quarter of a century ago, with the globalisation of production and increasing domination of vast transnational enterprises over economic life.

Since the 2007-2008 global financial crisis, finance capital has demanded of every capitalist government that they unleash a new stage in the worldwide assault on the social position of the working class, in order to protect company profits and pay for the massive bail-outs that were made to the banks and speculators.

The Gillard Labor government, like its “social democratic” counterparts around the world, is willingly complying, by drawing

up a budget that will slash social welfare and health and education spending, while cutting corporate and income taxes.

The NSW conservative parties conducted a so-called “small target” campaign, promising to spend billions on “delivering” improvements to transport, health, education and services. In his victory speech, O’Farrell absurdly claimed that Liberal gains in working class areas proved the conservative parties now represented every section of society. Like the Gillard government, and the Baillieu government in Victoria, it will not take long for O’Farrell’s Liberal-National coalition to tear up its promises and implement the cost-cutting dictates of the banks and major corporations. The new premier has already announced his first priority—an audit of the state’s finances to determine where “cost-savings” and “efficiencies” can be found.

Throughout the election campaign, the Socialist Equality Party explained that the coming period would see an eruption of class struggle against ever-more draconian efforts to make the working class pay for the global failure of the capitalist market. These will inevitably take the form of a direct confrontation between ordinary working people and the entire parliamentary establishment—both Labor and Liberal, state and federal.

Workers and young people must prepare for the struggles ahead by making a conscious political break with the nationalist and pro-capitalist perspective of Laborism and taking up the only progressive alternative: a socialist and internationalist program. Anger and hostility to the official set up is not sufficient. It has resulted only in the replacement of a right-wing Labor government with a right-wing Liberal-National Party government that will continue to serve the interests of the financial elite.

At the very centre of the SEP’s campaign was the fight for the revolutionary perspective and leadership necessary for the working class to advance its own independent interests. The SEP’s four candidates received a small but highly significant vote. With about 70 percent counted, Richard Phillips polled 608 votes, or 1.9 percent in Bankstown; James Cogan received 457 votes or 1.3 percent in Marrickville; Carolyn Kennett won 351 votes or 1.1 percent in Auburn, and in Newcastle, Noel Holt recorded 137 votes, or 0.4 percent.

We urge all those who voted for our candidates, and the many more who read and agreed with our election program, to take the most important step and join the SEP, and fight to build it as the new mass revolutionary party of the working class.



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