Amid in-fighting over state electoral defeat:

Australian Labor Party installs new leader in NSW

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The remnants of the parliamentary Australian Labor Party (ALP) in New South Wales (NSW) gathered in Sydney on Thursday to elect John Robertson, former head of Unions NSW, as their new leader. The ALP recorded its worst ever election result in the recent state poll, with its vote collapsing to just 25.7 percent. The party's caucus has been slashed from 50 lower house members to just 20 and its upper house representation from 19 to 14.

Robertson, who was parachuted from the upper house into the working class electorate of Blacktown in Sydney's west, was the only candidate in the leadership ballot. The defeated premier, Kristina Keneally, resigned as Labor leader on election night last Saturday, and will most likely leave the NSW parliament to pursue either a business career or national political ambitions. Deputy Premier Carmel Tebbutt, who may also be considering other prospects, refused to nominate.

Two upper house Labor MPs who survived the electoral debacle have already announced they will abandon the ship-wrecked organisation. Factional powerbroker Eddie Obeid is resigning with a life pension of well over $100,000 per year and will move into his family's new $8.5 million Sydney Harbour-side mansion. Former Attorney-General John Hatzistergos will also leave, and former Treasurer Eric Roozendaal is expected to follow suit shortly.

Robertson has been elevated into the leadership with the apparent backing of most of the Labor Party's NSW apparatus and affiliated trade unions. For public consumption, the shaven-headed former union official is being portrayed as someone who can communicate with the hundreds of thousands of ordinary working people who have repudiated their past allegiance to the ALP. After decades of implementing free market policies and fostering nepotistic ties with the financial and corporate elite, Labor is widely viewed as a corrupt, sleazy, big business outfit with no concern for the interests and experiences of the working class.

Robertson's backers, such as former federal minister Graham Richardson, have claimed the 48-year old can win workers back to Labor because he "knows their language". As evidence, Richardson highlighted Robertson's role in 2008, when he opposed then premier, Morris Iemma, over his widely despised plans to privatise the NSW power industry.

In reality, Robertson and the unions had offered to support Iemma in a partial privatisation of the electricity retail network, but feared a rank-and-file rebellion if they accepted the premier's plan to sell the state-owned power stations as well. In May 2008, in an effort to shut down a developing movement against the Labor government, they used their votes at the NSW Labor Party conference to pass a motion banning the party from proceeding with the sell-off. Four months later, with Labor MPs threatening to vote with the opposition if privatisation legislation were tabled in parliament, Iemma abandoned his plans and resigned.

Iemma's replacement, Nathan Rees, lasted only 15 months before the party factions dispensed with him and installed Keneally. Just weeks before the election, Keneally's government—which by then included Robertson as minister for transport—pushed through the privatisation of electricity retail. The new premier then prorogued parliament to prevent any examination of the lucrative terms and conditions handed to the corporate buyers.

The days since the election have witnessed an outpouring of public recriminations in the ALP. No-one, however, has identified the main cause of the electoral debacle—the obvious hostility in the working class to Labor's pro-market

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policies. Instead, senior Labor figures have largely blamed Robertson and the sordid factional in-fighting that followed the conflict over the electricity sell-off.

Iemma declared on Tuesday that installing Robertson as Labor leader would be to "put the wrecker in charge of the wreckage he created". Former NSW treasurers Michael Egan and Michael Costa have denounced him in equally bitter terms.

Paul Keating, treasurer and then prime minister of the federal Labor government that implemented the far-reaching free market restructuring of the Australian economy from 1983 to 1996, has made the most vitriolic condemnation of the former union bureaucrat.

In an interview on the Australian Broadcasting Corporation's "7.30 Report" on Tuesday, Keating denounced Robertson as someone who had "connived in the destruction of the parliamentary leader" and the "principal cause why 24 or 25 members of parliament have lost their seats".

None of Robertson's critics has attempted to explain how imposing full privatisation of the power industry, in the face of mass public opposition, would have improved Labor's electoral fortunes. In fact, Keneally's partial sell-off, combined with her blatantly anti-democratic moves to hide the deal from public scrutiny, contributed to the scale of last Saturday's defeat.

Robertson's real crime, according to Keating, is that he led a retreat from the agenda demanded by the financial markets and big business. The former prime minister used the analogy of the cartoon "Road Runner" to bluntly insist that both Labor and the trade unions had to prepare themselves to trample over opposition in the working class. "If you run fast enough," he declared, "you burn up the road behind you".

On Thursday, the Murdoch-owned *Australian* hailed Keating's "Road Runner" comparison as timely advice for the federal Gillard government, which is drawing up savage cuts in its May budget and planning to legislate a tax on carbon emissions that will dramatically increase prices for energy, fuel and other essentials.

"Mr Keating", the *Australian* wrote, "understands success in politics is about knowing what you want to do and then pursuing it relentlessly. Julia Gillard has talked the talk on returning to the reformist culture of the Hawke/Keating era. She is yet to show she knows how to burn up the road and run the race to the end."

In other words, Gillard, like Keating in the 1980s and 1990s, must not retreat from attacks on working class living standards in the face of mass resistance. Her speech on Thursday night at the University of Western Sydney, in which she foreshadowed "pain" in the May budget, was a signal to the financial and corporate elite that she has received the message. (See: "Gillard sets out the road to pain ")

As they implement budget cuts, the federal Labor government and the new Liberal-National coalition in NSW will have nothing to fear from John Robertson. Far from opposing the transformation of Labor into the naked instrument of big business, Robertson personifies a parallel process: the transformation of the unions into thoroughly corporatist agencies. An official for Unions NSW since 1991, he was part of the bureaucracy that presided over the wholesale destruction of full-time jobs and the undermining of working conditions for hundreds of thousands of workers.

While union membership plummeted to historic lows, the unions and their personnel benefited from their relations with the government and industry, particularly the financial sector. In 1991, Unions NSW became part owner of a superannuation (pension) fund, Chifley Financial Services, which has built up over $420 million in assets. The fund delivers a return of several million dollars a year to help sustain the affluent middle class lifestyles of the union officialdom. While head of Unions NSW, Robertson also served as a director on seven different boards, including a superannuation fund, the state workers' compensation agency and sporting and cultural trusts.

As NSW Labor leader, Robertson will seek to channel the widespread political discontent that will inevitably develop towards the new state and federal governments back into the bankrupt perspective of re-electing state Labor. The main problem facing the 120 year-old Labor Party—and the Australian ruling elite itself—is that millions of workers will no longer be listening.

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