

Australian state premier removed in backroom coup

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In another abrupt shift in Australian politics, the country's longest-surviving Labor Party leader, South Australian Premier Mike Rann, has been forced to stand aside as the result of a behind-the-scenes deal by party and trade union factional bosses.

Having returned from a trade mission to India, Rann last week bitterly announced that he would make way for education minister Jay Weatherill, but not until October 20. Determined to serve big business to the end, Rann insisted he needed to remain premier for another two months to finish "stitching together" a deal with mining giant BHP Billiton for a possible \$30 billion expansion of the state's Olympic Dam copper and uranium mine.

The removal of Rann, who first took office in 2002, is another step by the business and media establishment to install governments, state and federal, that can impose the deep social spending cuts and other austerity measures being demanded by the financial elite internationally.

Rann's ouster bears similarities to last year's backroom coup to install Prime Minister Julia Gillard at the behest of big business, the mining companies and Washington. In Rann's case, the corporate world regards him as a squeezed lemon, having lost public credibility and exhausted his ability to contain working class opposition.

Since 2002, Rann's Labor government has been in the forefront of pro-market restructuring—bringing business leaders into cabinet sub-committees, slashing workers' compensation entitlements, subsidising private universities, and enforcing the destruction of jobs throughout manufacturing industry.

Over the past two years, in the wake of the global crash of 2008, Rann has spearheaded the cuts being implemented by all Australian governments—eliminating nearly 6,000 public sector jobs (in a state with a population of just 1.7 million), unilaterally scrapping public service workers' conditions and decimating social

services.

That record, however, is no longer sufficient for the ruling class amid the deepening world economic crisis. South Australia has been hit hard by the slump now gripping most of the non-mining economy—retail turnover, for example, fell 0.8 percent in June, much worse than the national 0.1 percent decline. Official local area unemployment rates in the former industrial suburbs of Adelaide, the capital, have risen as high as 20 percent (in the northern satellite city of Elizabeth)—about four times the national average.

Having lost much of its industrial base—except for a GM assembly plant and defence-related facilities—over the past three decades, South Australia has lagged behind the rest of the country in economic and population growth. Mining now supplies three of the state's biggest exports—iron ore, copper and copper ores (along with wheat and wine). With 20 percent of exports going to China, any downturn there would have a devastating impact.

An *Australian* editorial on August 4 demanded that Rann resign quickly. The newspaper, which backed Gillard's installation last year, complained: "Compared to the precision of Kevin Rudd's political assassination last year, Mr Rann's clumsy and ham-fisted execution has all the hallmarks of the Keystone Kops." Rann had "served his state well, particularly over his first term-and-a-half" but "public confidence has been lost through poor management of major projects and there is a sense the state is slipping behind the rest of the mainland."

Directing its attention to Weatherill, the newspaper declared: "If a regenerated Labor leadership is to overturn the state's political and economic malaise, it needs to get cracking ... the state's main challenge is to reduce the size

of the public sector, attract investment and realise the much anticipated mining boom.”

The ousting of Rann also highlights the collapse of working class support for the Labor Party. Deep hostility has developed, particularly over the destruction of jobs and services in the past three state budgets—1,600 jobs went in 2009, nearly 3,700 in 2010, and 400 in 2011. Last November, Rann and his long-time deputy Kevin Foley needed a police guard as they entered Labor’s state conference amid jeers and heckling from about 1,000 people protesting outside the venue, including public servants, teachers, nurses and forestry workers. Rann responded contemptuously, telling the media he would not be “bullied” by “vested interests”.

Labor’s right-wing party machine has turned to Weatherill, a long-time union and parliamentary careerist from the party’s so-called Left faction, in an attempt to deliver the demands of business, while trying to avoid oblivion at the next state election, due in 2014. Labor barely scraped back into office in early 2010, after suffering a swing of more than 8 percentage points and obtaining only a minority of the state-wide vote. The most recent Murdoch Newspan, conducted from April to June, gave Rann a satisfaction rating of only 31 percent, less than half the 70 percent rating he received in 2004.

Labor has been able to proceed only because its measures have been policed by the trade unions, assisted by the pseudo-radical groups which insist that workers must not break politically from Labor and the unions. The Public Service Association (PSA) and Unions SA have shut down every protest, diverted their members into legal battles, and then struck agreements with the government to enforce its job cuts. Last month, the PSA announced its support for the “whole of government redeployment process” being employed to destroy jobs.

Before he departs, Rann hopes to seal a pact with BHP-Billiton to extend the Olympic Dam-Roxby Downs mine, about 550 kilometres northwest of Adelaide. It is the fourth largest copper deposit and the largest single deposit of uranium in the world, and also produces gold and silver.

BHP-Billiton has not finally committed to the project, however, because it is demanding further tax and royalty concessions, infrastructure assistance and continued immunity from environmental and other regulations. In 1982, the previous Bannon Labor government exempted the mine’s owners from environmental, planning, Aboriginal heritage and water resources legislation.

Weatherill has said almost nothing publicly about his economic and political agenda, except to make it plain that he will not reverse any budget cuts. “What is being proposed is a change in the leadership,” he told Australian Broadcasting Corporation radio. “It’s not proposed to be a change in the government.”

Weatherill, who was a union official and lawyer before being selected for a “safe” Labor seat in the Port Adelaide area in 2002, has a track record of implementing right-wing and anti-working class policies. A loyal member of the Rann cabinet, he has held various portfolios, including Families and Communities, Aboriginal Affairs, Housing, Environment and Education.

Since being appointed education minister in March 2010, Weatherill has worked closely with the Australian Education Union (AEU) to suppress the opposition of teachers to Gillard’s national “My School” and NAPLAN testing regime. In June this year, he finalised a deal with the AEU for far-reaching changes to teacher employment. Principals now have greater powers, and 100 lower-paid “early career” teachers are being hired to replace senior teachers, enticed to retire with \$50,000 payouts. “We are in the midst of a massive program of reform in our education system,” Weatherill proclaimed.

With these credentials, Weatherill is being installed to push through the savage cuts and pro-business restructuring being demanded by the corporate elite amid the renewed global economic turmoil.



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