# Australian PM announces "anti-corruption" takeover of New South Wales Labor branch

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Prime Minister Kevin Rudd announced yesterday that he was instructing federal Labor's National Executive to take over the running of the party's New South Wales (NSW) branch. The measure is aimed at propping up the Labor Party and refashioning it as a more pliable political instrument for implementing the agenda demanded by the financial and corporate elite.

Rudd was returned to office last week after Julia Gillard was ousted for leading Labor to an electoral wipe-out later this year, which threatened the party with disintegration. In a revealing display of his priorities, he has taken less than a week to pledge to root out corruption within the NSW Labor Party and implement a series of "reform" measures. These include the immediate expulsion of anyone found to be corrupt, a ban on property developers standing as Labor candidates in local, state, or federal elections, the creation of "independent judicial oversight" to resolve inner-party disputes, and ensuring that 50 percent of the state branch's administrative committee comprises "rank and file members."

Rudd's immediate priority is to revive Labor's electoral standing in NSW. Under Gillard, the party had been expected to register some of the worst voting results ever in the state, with the predicted loss of numbers of seats in former Labor Party strongholds.

The slump in support was partly due to the record of the state Labor Party. Between 1995 and 2011, Labor held power and implemented a series of right-wing, pro-business policies, including the privatisation of state assets. The government was also notorious for its incestuous relationships with wealthy property investors and speculators.

After Bob Carr, now foreign minister, departed from office having served as NSW premier for a decade, Labor and trade union factional power brokers installed and then ousted a succession of leaders, Morris Iemma, Nathan Rees, and Kristina Keneally, with inner-party coups coming to be dubbed the "NSW disease."

At the same time, several of Labor's key factional chiefs allegedly engaged in criminal corruption, using their positions to enrich themselves and their families.

Last year, the NSW Independent Commission Against Corruption (ICAC) began public hearings into allegations involving Eddie Obeid, a millionaire businessman who controlled the numbers inside Labor's state parliamentary caucus for almost two decades. The ICAC, which is soon due to issue its findings, heard allegations that Obeid engaged in various illegal activities. These included accusations that he had accumulated $175 million by investing in property after receiving secret information about planned coal mining exploration licences, provided to him by former NSW mining minister Ian Macdonald. Obeid wielded enormous power within the state government, effectively selecting premiers and their cabinets. Macdonald enjoyed his protection, as well as that allegedly provided by federal "left" Senator Doug Cameron.

The sordid state of affairs in the NSW organisation is a symptom of the Labor Party's terminal crisis. Under the 1983–1996 Hawke-Keating Labor governments, it abandoned its program of national economic regulation and limited social concessions to the working class. Responding to the emergence of globalised production methods, the Labor Party, like its social democratic counterparts around the world, lurched to the right and, with the trade unions, advanced itself as the most ruthless enforcer of the new agenda of "free market" economic deregulation, state asset privatisations, and "user pays" public services. As a result, Labor lost its social base in the working class, and has staggered on

as a hollowed-out bureaucratic outfit, controlled by rival cliques of parliamentary careerists, business operators, and trade union functionaries.

Eddie Obeid was no aberrant "bad apple", as the Labor leadership maintains. Rather, he embodied the relations underlying the nexus between the party, the trade unions, and corporate Australia.

Both Rudd and Deputy Prime Minister Anthony Albanese, himself a long standing "left" factional powerbroker in NSW, fronted the media yesterday to insist on the need to radically change the "culture" within the NSW Labor Party. Neither, however, attempted any explanation of how the culture of corruption had emerged in the first place.

Rudd and Albanese waxed lyrical about the need to "modernise" and "democratise" the Labor Party by "empowering" the "rank and file." Rudd spoke about the concerns of the "tens of thousands of genuine hard working Labor Party members right across NSW and right across Australia … good, salt of the earth people", while Albanese raised "the people who staff the polling booths, the people who put things in letter boxes, the people who go out there and advocate at their local pub or their local footy team or the local P&C for the cause of Labor."

In reality, such people only exist in the imagination of the Labor leadership. The party long ago lost its mass working class membership and today has no functioning branch structure. In the 1930s, when Australia's population was around 7 million, Labor could boast 150,000 members. In November 2011, with a population in excess of 22 million, fewer than 12,000 people cast a ballot for the party's national presidency, a large proportion of whom were elderly retirees.

The real purpose of Rudd's "reform" agenda is not to "empower" a fictional "rank and file." Rather, the prime minister is attempting to meet the longstanding demand of key sections of the ruling establishment that the Labor Party restructure its organisation to give the parliamentary leadership a free hand in making sharp policy shifts, as dictated from corporate and financial boardrooms.

The demands of the ruling elite include a diminished role for the unions within the Labor Party. Despite functioning as the ruthless political enforcers of pro-market restructuring onto the working class over the past three decades, the unions are now regarded by

sections of business as an unnecessary overhead.

The demise of the China-fuelled mining boom has raised before the Australian bourgeoisie the spectre of an impending recession, adding to the urgency of its push to refashion the Labor Party and render it more amenable to the speedy implementation of a new offensive against the social position of the working class.

For Rudd, personal interest coincides with the demands of the corporate elite. Unlike Gillard, who was installed as prime minister in the June 2010 Labor coup by factional powerbrokers, and was always dependent on their patronage, Rudd has no factional support base. In moving to reduce the influence of the factions, he is attempting to shore up his own precarious hold on the Labor leadership. This also provides him with a platform to make a bogus populist appeal to the widespread hatred within the working class towards the Labor Party machine. Rudd is cynically campaigning, as one commentator has noted, as the "anti-Labor Labor candidate" in the forthcoming federal election.

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