

Final two Australian state Labor governments face defeat

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Labor governments in two more Australian states—South Australia and Tasmania—are expected to be defeated at elections tomorrow, following Labor’s landslide losses in last year’s federal election and earlier state elections in Queensland and New South Wales.

Labor’s thoroughly anti-working class program—featuring public sector job cuts, collaboration in mass layoffs by major companies, and deteriorating hospitals, schools and other social services—has fuelled deep popular hostility.

But there is little support or enthusiasm for the Liberal-National Coalition, led nationally by Prime Minister Tony Abbott, whose six-month-old government has already begun slashing social spending and enforcing massive job cuts, both public and private.

Despite media polls pointing to plunging support for Labor, high levels of disaffection and “undecided voters” could produce “hung” parliaments, with no party holding a majority.

The fall of the two remaining state Labor governments, possibly placing the Liberal-National Coalition in office in all states and territories, except the Australian Capital Territory based on Canberra, will mark a new stage in the protracted collapse of Labor’s former base of electoral support among working people.

In South Australia, Labor has been in power since 2002, initially led by Premier Mike Rann, whose government was in the forefront of pro-market restructuring—bringing big business leaders into cabinet sub-committees, slashing workers’ compensation entitlements and enforcing the destruction of manufacturing jobs.

Following the global crash of 2008, Rann spearheaded the cuts implemented by all Australian

governments—eliminating nearly 6,000 public sector jobs (in a state with a population of just 1.7 million) within three years. Labor just scraped back into office in 2010, after obtaining a minority of the state-wide vote.

By 2011, Rann was a squeezed lemon as far as the corporate elite was concerned—unable to reliably enforce deeper cuts. Labor’s party machine dramatically knifed Rann and replaced him with Jay Weatherill, a long-time union and parliamentary careerist. While claiming to present a new broom, Weatherill continued on from where Rann left off, slashing a further 5,450 public sector jobs in the next two years, including 200 nursing positions.

Weatherill’s hopes for a business-led economic revival, however, were dashed by the continuing global slump and corporate restructuring. Mining giant BHP-Billiton mothballed plans for the expansion of its major Olympic Dam copper, uranium, silver and gold project. The international credit ratings agencies scrapped the state’s AAA status. General Motors announced the closure of its car assembly plant at Elizabeth, in Adelaide’s northern suburbs, by 2017.

As GM’s looming shutdown reverberates throughout related industries, South Australian workers face sharply rising unemployment. Already, the state’s official jobless rate stands at 6.7 percent, well above the national average of 6 percent. These figures are vastly understated, and hardly indicate the real levels of social and financial distress. Even on the official figures, youth unemployment in Adelaide’s northern suburbs has reached 19.7 percent.

While crying crocodile tears over the fate of retrenched workers, Weatherill and Liberal leader Steven Marshall are vying to win the support of big business and the financial markets. Both are pledging to

return to a budget surplus by 2015–16, yet this year’s deficit is expected to blow out to \$576 million. Debra Roane, a vice-president with global ratings agency Moody’s, declared: “Narrowing significantly the level of deficit is what we’re looking for.”

Tasmania, where Labor has been in office for 16 years, is the only state where unemployment is worse than in South Australia. The official rate is 7.4 percent, but among young workers it exceeds 20 percent, particularly in northern Tasmania. Australia’s smallest state, with a population of about half a million, has also been devastated by corporate job destruction, including the elimination of 200 jobs by mining equipment manufacturer Caterpillar last year.

Like Weatherill, the current premier, Lara Giddings, was installed by the Labor Party in 2011, in a desperate attempt to avoid electoral oblivion. Her predecessor, David Bartlett, clung to office following the 2010 election by forming a coalition with the Greens. Bartlett himself was anointed in 2008 to try to overcome the political stench left by the two previous Labor premiers, former trade union bureaucrats Jim Bacon and Paul Lennon.

Giddings is primarily campaigning on the basis of accusing the Liberals, led by Will Hodgman, of making “extravagant” spending promises. Last month, Giddings announced a deteriorating state budget, with the current year’s deficit blowing out by 65 percent to \$266.9 million.

On taking office in 2010, the Labor-Greens coalition government imposed sweeping spending cuts, the greatest per capita of any state, and featuring hundreds of job losses, school closures and public health cutbacks. These ruthless measures were enthusiastically endorsed by the Greens, underscoring the right-wing and upper-middle class character of this party, which boasts of being the most “fiscally responsible” party. Greens leader Nick McKim as education minister enforced a school closure program that provoked intense public outrage, before it was cynically postponed until after the election.

At the beginning of this year, in a last-ditch bid for political survival, Labor tore up its coalition with the Greens, forming a temporary minority government until the election.

After serving in Labor’s cabinet for almost three years, McKim is now campaigning to supplant Labor as

Tasmania’s official opposition party to the anticipated Liberal government. His slogan has become “replace the bastards,” summing up the Greens’ aspirations to become the government in their own right in the future.

Mining magnate Clive Palmer is trying to capitalise on the widespread political alienation, pouring an estimated \$1 million into saturation advertising this week for his Palmer United Party (PUP). He is evidently seeking to secure a PUP seat in the state parliament, in order to hold the so-called balance of power.

Stripped of its populist veneer—with Palmer promising an end to austerity—his program entails a radical free-market restructuring of the economy in the interests of the mining companies and the ruling elite as a whole. (See: “Australian mining magnate’s party gains parliamentary presence”)

In both states, Labor-led governments have been able to proceed only because their measures have been policed by the trade unions. They have shut down every protest and struck agreements with the government and major companies to enforce their job cuts.

In editorials today, both the *Australian* and the *Australian Financial Review* backed the return of Liberal governments, while demanding that the two states go far further than promised by the Liberals in order to “reopen for business” via radical corporate deregulation, intensified spending cuts and ending “the age of entitlement” to welfare programs. As soon as tomorrow’s elections are out of the way, this is the agenda that will be unveiled.

The author also recommends:

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