

Australia: New state Labor leader installed to push business agenda

Terry Cook, Mike Head
14 January 2015

In another sign of the intensifying economic downturn and political turmoil in Australia, a new Labor Party leader was bureaucratically installed in the country's most populous state, New South Wales over the Christmas break, less than three months before a state election scheduled for March 28.

During his first media conference as leader, Luke Foley made clear his readiness to deliver the requirements of the corporate elite, by declaring that he “did not bring an ideological approach to privatisation.” With global mining commodity prices plunging and federal and state government tax revenues plummeting as a result, wholesale selloffs of public assets have become a central demand of the financial markets and big business.

Foley became the second figure parachuted into the state leadership of the two traditional ruling parties within eight months. His backroom installation followed last April's equally abrupt replacement of state Liberal Party leader and premier Barry O'Farrell by former treasurer Mike Baird, who has since spearheaded a national drive to hand over assets to private investment houses.

The sudden leadership changes have taken place amid a deepening crisis of the federal Liberal-National Party government of Prime Minister Tony Abbott, which has been unable to overcome widespread public opposition to many of the austerity measures in last May's budget, such as upfront charges to see doctors, higher tertiary education fees and the stripping of welfare benefits off younger jobless workers.

May's budget also featured cuts of \$80 billion over four years to health and education funding for the states and territories, putting the state governments on the front line of imposing the burden on working class households.

As well as reflecting the mounting pressure of the corporate and media establishment for a far more aggressive drive to implement its dictates, the installation of Foley, like that of Baird, is a cynical attempt to paint new faces on the major parties. Especially in New South Wales, both Labor and Liberal-National have become reviled and discredited by revelations of deep-rooted corruption, usually involving property developers. This is on top of decades of pro-business measures that have enriched a tiny wealthy elite at the expense of the jobs, living conditions and basic services of millions of working people.

Foley, a member of the Labor Party's so-called Left faction, was anointed as state party leader by the prevailing right-wing party machine in a thoroughly anti-democratic fashion, which culminated last week when he was declared the party's candidate for a supposedly “safe” Labor seat in the inner western Sydney suburb of Auburn. Conveniently, the incumbent MP and a previous challenger for her party pre-selection for the state suddenly withdrew from the contest, making a mockery of Foley's claim that he would ensure a democratic vote by the local party membership.

In exactly the same fashion, Foley had been elected unopposed as party leader by Labor's parliamentary caucus on January 5, with two previously declared candidates being prevailed upon to stand aside. Because Foley is a member of the state's parliamentary upper house, he needs to be slotted into a lower house seat to function as party leader, so the electorate of Auburn has been cleared for him.

Foley was catapulted into the leadership after the just-as-contrived resignation of former leader John Robertson last month. That followed after the orchestrated “release” of a routine letter Robertson

signed in 2011, passing on a request to government officials on behalf of a local constituent, Haron Monis, who later emerged as the hostage-taker in the December 15-16 Sydney police siege.

Despite such representations by MPs for their constituents being a traditional practice, the issue was sensationalised and splashed across the media. Robertson quit immediately in the most abject manner. The false and fabricated elevation by the Abbott government and the corporate media of the Sydney cafe siege, which involved a deranged individual, into a national terrorist emergency became a vehicle for Robertson's ouster as part of a sharp shift to the right within the political establishment.

Robertson, who became leader following the former state Labor government's landslide election defeat in 2011, driven by widespread hostility in the working class to its corrupt and pro-business record, had been under media attack for months for his supposed resistance to the privatisation push.

In reality, Robertson was no opponent of privatisation. As head of the state's trade union federation, Unions NSW, he helped the previous state Labor government partially sell-off the state's electricity network in the face of intense working class opposition, particularly among power industry workers. However, for electoral purpose, he feigned "opposition" to the Baird government's drive to flog off more than \$20 billion of public assets, including the 49 percent sell-off of the electricity distribution network through lease arrangements.

Such posturing could no longer be tolerated by the financial elite. Robertson was removed in like manner as O'Farrell, who was perceived as dragging his feet, also for fear of the electoral backlash, on austerity measures and privatisation, despite having overseen extensive public sector job losses and cuts to social spending. Like Robertson, O'Farrell resigned obediently, supposedly for misleading the NSW corruption commission about receiving a single bottle of wine from a property developer.

Once installed as Labor leader, Foley rushed to assure big business that there is no line he will not cross. He told his media conference that, for now, he remained opposed to the Baird government's privatisation of the electricity "poles and wires," but his stand was not "ideological." As further assurance, he pointed out that

he fully endorsed the government's sale of the ports in Sydney, Newcastle and Wollongong.

Moreover, Foley said he would take on the infrastructure portfolio. This is in line with the concerted corporate and media push, taken up by the Abbott government, for state governments to sell off public facilities in an "asset-recycling" plan to finance infrastructure projects to meet the needs of big business and offset the sharp reduction in federal funding to the states.

The Abbott government itself is pushing ahead with privatisations, including of Medibank Private health insurance and the Royal Australian Mint, along with further social spending cuts, in a bid to appease the financial markets and reduce government debt, which is forecast to increase 29 percent to \$315.8 billion by 2017-18.

The Labor Party has no real difference with this drive. In fact, it was the federal Labor governments of Hawke and Keating that started the wholesale privatisation process in the 1980s and 1990s with the sales of Qantas and the Commonwealth Bank. In New South Wales, the Carr Labor government pioneered the use of "public-private partnerships" for basic facilities such as freeways.

Foley said he will release his infrastructure policy later this month. But his media conference comments indicate that he will seek to match the Baird government in devising means to try to impose the ever-escalating demands of the financial markets amid a deepening global economic breakdown.



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact