

# Deep social crisis ignored in South Australian election campaign

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For months, there has been alarmed speculation throughout the corporate media that the March 17 state election in South Australia (SA) could see a new “third party” form government, or at least hold the “balance of power” in a hung parliament.

After clinging to office for 16 years, despite only once winning a majority of votes, the state Labor government could be swept out, or forced to rely on the recently-formed “SA Best” party of former federal Senator Nick Xenophon to form a minority administration.

Such a result would be another milestone in the disintegration nationally of the two-party system, based on Labor and the Liberal-National Coalition, that has underpinned capitalist rule since World War II.

According to the latest Newspoll last weekend, Labor’s primary vote has plunged from 35.8 percent to 30 percent since the last election in 2014, while the Liberals sit on 29 percent, down sharply from 44.8 percent. The Greens, who have generally backed Labor, are languishing on around 6 percent.

Yet none of the media coverage, and none of the parties campaigning in the election, has even alluded to the main cause of the collapse of support for the main parties of the political establishment—the intensifying social crisis being suffered by working class households.

Decades of de-industrialisation, capped by last year’s closure of Australia’s last car assembly plant—General Motors Holden in the northern Adelaide suburb of Elizabeth—have created mass unemployment and underemployment in working class areas. Falling real wage levels and soaring living costs, especially for electricity, have produced worsening poverty and social stress.

The impact has been deepened by the Labor

government’s destruction of thousands of public sector jobs as it tries to satisfy the demands of the financial markets to eliminate the budget deficit. With trade unions suppressing all opposition, a further 750 jobs were slashed late last year in yet another austerity package.

Officially, statewide unemployment is 6 percent, but that counts only those not working more than an hour a week. Roy Morgan surveys estimate the joblessness at around 11 percent, with another 9 percent “underemployed.” In Elizabeth, even official figures show 31 percent out of work, and in Christie Downs, the location of a shut-down Mitsubishi plant, it is 23.8 percent. In the once industrial regional cities of Whyalla, Port Pirie and Port Augusta, the rate exceeds 10 percent.

In a state population of just over 1.7 million, more than 102,000 people needed help to get food last year, up by 21 percent from the 85,000 the year before, according to the charity Foodbank SA. Recent official reports revealed that more than 35,000 households owe an average of nearly \$900 in debt on their electricity bills, which have risen by 48 percent since 2007-08. According to the Australian Bureau of Statistics, average weekly earnings went backward in the state last year, by 0.3 percent to \$74,885.

This social devastation has been the great unmentionable in the election campaign, showing the immense gulf between the working people and the media and political establishment.

Led by Premier Mike Rann from 2002, then Jay Weatherill since 2011, the Labor government has presided over ruthless pro-market restructuring, especially since the 2008 financial meltdown, combined with the implosion of the mining boom that once provided jobs in regional and rural areas.

Over the past year, Weatherill has desperately tied his political fortunes, and the state's future, to two billionaires. Tesla boss Elon Musk is using the state to showcase large-scale battery storage projects, supposedly to help solve the supply and price crises produced by the privatisation of the national electricity network. Sanjeev Gupta, a commodities trader, has acquired the Whyalla steelworks, where the trade unions have helped slash jobs and wages.

The unions are throwing their support behind Labor, as they have at every election. Their pretext, in the words of SA Unions state secretary Joe Szakacs, is that the Liberals have “the same aggressively anti-worker agenda as that being prosecuted by the Turnbull government in Canberra.”

The truth is that the unions work closely with Labor and the employers to pursue an “aggressively anti-worker agenda.” They have stifled and shut down all resistance by workers to the job cuts and closures, including at the Elizabeth GM Holden plant, which employed 4,500 workers in 2003. And the unions would collaborate with a Liberal government to impose the same measures, as they have done in other states and at the federal level.

It is the suppression of working class opposition by Labor and the unions that has paved the way for two right-wing formations to seek to exploit the discontent—Xenophon's populist SA Best and Senator Cory Bernardi's Australian Conservatives, a socially conservative breakaway from the Liberals.

Xenophon quit the federal Senate late last year to form SA Best, advancing a parochial platform to “put South Australia first.” He is known for his media stunts and rank opportunism—frequently changing policies with the perceived political wind. Despite posturing as a “political outsider,” Xenophon advances a pro-capitalist program, largely indistinguishable from that of Labor and the Liberals. In particular, he supports cutting welfare programs, in order to push jobless workers and youth into low-paid work.

Above all, SA Best advocates economic nationalist policies, including procurement laws and tariffs targeting foreign businesses and workers. This is aimed at dividing workers along national lines, and diverting hostility to the Australian governments, the financial elite and unions into the scapegoating of overseas workers.

Xenophon's policies are anti-Chinese and militarist. He has railed against land sales to Chinese companies and zealously advocated assembling Australia's planned new fleet of 12 submarines in Adelaide. While claiming the \$50 billion project would generate local jobs, he opposed any reduction in the proposed number of subs, in order to prepare for war against China. “In wartime, simply sending subs to sea causes chaos for our enemies,” he wrote in an October 2015 column in the *Adelaide Advertiser*, a Murdoch tabloid.

Once touted by sections of the media as South Australia's possible next premier, Xenophon's support has reportedly waned. Like similar populist outfits, such as Pauline Hanson's One Nation, Xenophon's party has suffered splits and defections. Nevertheless, preferential vote-swapping deals could result in him being the “kingmaker” of the next government.

These “third parties,” far from providing any alternative to the agenda of austerity and war, serve the interests of the corporate elite, no less than the Labor and Liberal parties. They all promote reactionary nationalism, to divert and divide workers.

The political impasse confronting the working class, so acutely displayed in South Australia, can be resolved only by transforming the disgust toward the establishment parties into a conscious struggle for an internationalist and socialist program, based on social and human need, not the profit dictates of the billionaires.



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