

# Australian Labor Party in crisis after election debacle

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Labor's defeat in last Saturday's federal election has thrown the party into a crisis, characterised by bitter recriminations over the unexpected loss and open factional conflicts in the contest for a new leader.

The election was a debacle for the Labor Party, which failed to make any substantial gains under conditions of widespread hostility to the Liberal-National Coalition government of Prime Minister Scott Morrison.

Labor's vote fell dramatically in regional and working class electorates across the country, including throughout Queensland and in the capital cities. Its support, however, increased in some of the wealthiest inner-city electorates of Sydney and Melbourne.

Analysis by BCG Gamma, cited by the *Australian Financial Review*, found that swings toward Labor were more likely in electorates that had a median weekly household income of \$1,800 or more. The Coalition won greater support than Labor in seats where a smaller proportion of voters held a full-time job or were studying.

Julian King, principal of BCG Gamma, commented that while generational and other factors had an impact, income and education levels had "more predictive power" in determining the result. In other words, the vote was a repudiation by workers, young people and the poorer sections of the middle-class, of Labor's claims to represent "fairness."

Within Labor ranks there has been incomprehension that the party could have lost what was regarded as an unlosable election. An anonymous trade union official told the *Australian Financial Review* the result was "actually more problematic for the union movement" than Labor's defeats in 1996 and 2013. "This one I'm still struggling to understand," he said. "What I don't understand is where to for unions and for Labor."

The remarks underscore the disconnect and distance between the privileged Labor and union bureaucrats and the working class that has had to bear the brunt of Labor's pro-business policies for decades. In the wake of the defeat, Labor has already signalled a further shift to the right.

Senior Labor figures have declared that the result demonstrated that Labor had to rein in its already limited populist appeals. Labor-aligned pundits have blamed the working class for the return to office of the Morrison government, while desperately seeking to absolve the party and themselves of any responsibility.

The anti-working class line has been most crudely summed up by the trade unions, which invested a collective \$10 million on seeking to re-elect yet another big business Labor government.

Hours after polling closed, the Queensland and Northern Territory division of the Electrical Trades Union issued a Facebook post stating: "Shit result Australia you have voted for more hate more division and an erosion of workers' rights. Good luck."

Victorian Trades Hall secretary Luke Halkiari blithely stated that "there was a bunch of stuff" in Labor's policies "for working people." He added: "Whether they heard it among the clutter of policy announcements I'm not sure."

Others have sought to lay the blame exclusively on the unpopularity of Labor leader Bill Shorten, and negative attack ads put out by the Coalition and various right-wing populists.

In reality, after decades of Labor governments imposing the dictates of the financial elite, broad sections of the working class did not believe its phony promises over healthcare, jobs and wages.

Labor's health spending commitments, for instance, were minimal, and were spread out over six years, meaning that hardly any of the limited and inadequate funding would have reached a hospital in the next term of government.

The party said it would subsidise a small increase in the poverty-level wages of childcare workers, but assured the corporate elite that the rise would be "quarantined," so that the pay of other workers would not improve, amid declining real wages.

Labor flagged deep cuts to social spending by pledging a budget surplus over four years that would be \$17 million larger than the Coalition, and presented itself as a party of

“unity” that could govern in the interests of big business.

The result is a turning point in a decades-long rupture between Labor and the working class.

Throughout the election, Labor and the unions invoked the legacy of the governments of Bob Hawke and Paul Keating. Hawke, who died last week, was lionised by the entire political and media establishment.

Hawke and Keating, however, in office from 1983 to 1996, oversaw the deregulation of the economy, the destruction of hundreds of thousands of manufacturing jobs and the smashing up of workers’ organisations, including shop stewards’ committees. This resulted in a collapse in the active support for Labor and the unions among broad sections of workers.

More recently, Labor and the unions capitalised on widespread hostility to the Howard Coalition government’s draconian “Workchoices” industrial legislation in the 2007 election. Labor and the unions pledged that they would guarantee “your rights at work.”

The ensuing Labor governments of Kevin Rudd and Julia Gillard proceeded to ban virtually all industrial action, slash healthcare, education and welfare, intensify the persecution of refugees and align Australia with the US plans for conflict with China, threatening a catastrophic war.

As a result of this record, Labor is no longer able to make any credible appeal to workers and youth.

Despite claims throughout the election campaign that Labor had overcome its previous divisions and established unprecedented unity, bitter factional warfare has erupted over the contest for a new leader.

The two declared candidates, Anthony Albanese and Chris Bowen, have both signalled that Labor’s defeat will see it ditch its limited populist promises, stating their support for greater economic “productivity,” i.e., austerity measures and a stepped-up attack on workers’ jobs and conditions.

Bowen has stated he will seek a blank canvas on policy development and tone down what he described as Shorten’s “class war” rhetoric. He would not spend so much time talking about “the top end of town,” Bowen said.

Albanese similarly stated: “We need to articulate how Labor vision will drive jobs, economic growth and prosperity.”

In an unusual move, Shorten, who stood down as leader on Saturday night, is reportedly campaigning against Albanese’s election. At the same time, some members of the New South Wales Labor “Right” faction are supporting Albanese against their factional colleague Bowen.

The divisions could reprise the controversy that erupted when Keating declared two weeks before the election campaign that the intelligence chiefs were “nutters” who had gone “berko” in a McCarthyite campaign against

supposed “Chinese interference” in Australian politics.

Keating’s comments reflected the fears of a section of the political and media establishment over the implications of Australia’s unconditional alignment with the US confrontation with China, which could damage their lucrative trade and business interests.

Keating’s remarks were immediately repudiated by Shorten, who played a central role in the installation of Julia Gillard as prime minister in a 2010 backroom coup aimed at ensuring Australia’s complete integration into the US military build-up against China.

Albanese, however, tacitly endorsed Keating’s remarks, stating that they reflected “broader concerns.” NSW Right figures, who are apparently backing Albanese, also have previously voiced anxiety over the full-throated anti-China campaign.

The intrigues demonstrate that various factions within Labor are desperately seeking to reposition the party, to advance the interests of Australian imperialism abroad and the corporate and financial elite at home.

While millions sought to register their hostility in the election to all the official parties, the result is a far-right Coalition government, pledged to attacks on refugees and immigrants, tax cuts for big business and a deeper assault on social spending, and a Labor opposition shifting further to the right.

This underscores the urgency of building an independent socialist movement of the working class against war, budget cuts, authoritarianism, and their source, the capitalist profit system.



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