

## THE FOG ON THE HILL: HOW NSW LABOR LOST ITS WAY

By Frank Sartor

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## LOOKING FOR THE LIGHT ON THE HILL: MODERN LABOR'S CHALLENGES

By Troy Bramston

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**M**y old federal parliamentary colleague Barry Cohen recently wrote, 'There will always be a party that devotes itself to looking after the dispossessed and the downtrodden. The question is, will it be the Australian Labor Party?' Recent huge losses for the ALP at state elections in NSW and Queensland, narrow losses in Western Australia and Victoria, imminent losses in Tasmania and South Australia, and a potential landslide loss federally give substance to his question. Is Cohen right to be so pessimistic, or is the current Labor predicament cyclical?

This is the context for two serious analyses of the ALP's future. According to Frank Sartor, former lord mayor of Sydney and NSW minister, 'The crisis in NSW Labor is so deep and has such significant ramifications that we need a massive dose of unadulterated, no-holds-barred honesty.' Troy Bramston, former speechwriter to Kevin Rudd and Labor ministers, writes, 'Make no mistake: Labor is in real trouble. Today, the Labor Party has almost entirely divorced itself from what it once was.'

Sartor is the experienced and practical politician and NSW focused. Bramston is the young idealist and reflects on the national scene. Both attempt to account for the ALP's current electoral, organisational and philosophical dilemmas. Both make worthy contributions. They fear the causes of the party's decline, both as a community and electoral presence, are deep-seated and possibly fatal. In broad terms, they both blame leadership failings, an outdated ideology (or values), and an insular party structure.

### Is it only Labor?

Neither author, given their focus on Labor's woes, understandably poses a deeper question. How much 'party' does a successful mainstream political party need? Clearly, there are basic

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minimums: people to hand out how-to-vote cards at election time and select candidates. Then there is a core of apparatchiks to advise on fundraising, administer rules, select candidates, and formulate policies. But the latter can be paid, and are largely (if indirectly) paid for from the public purse. Arguably, Labor's 1984 public funding laws started the displacement of branch members. Candidate selection and policy formulation are important party roles, but how many members are needed to perform the duty? Much policy comes from lobby groups—businesses, NGOs and trade unions—and contributions from these sources are almost always widely reported and often occur by way of submissions to parliamentary and government inquiries. Party members rarely have had much say.

Questions about the role of, and need for, party members exercise the minds of all party managers. Indeed, Labor and other major parties may be returning to an older incarnation of political parties, a collection of 'professionals' (albeit unpaid) whose job was to assemble policies to win sufficient votes to get elected. Large majoritarian parties arose out of organised labour and capital. With the labour/capital divide less determinative of voting allegiances, with electronic media the most powerful form of communication rather than the soapbox, with public funds substituting for mass memberships, and with the decline of party preferment in public service jobs, the major parties have hollowed out.

Neither should the machinations of the party be confused with the endurance of the party label. The endurance of the party label depends on the electoral advantage gained by politicians in organising collectively around the label. Despite electoral disasters, there is evidence that party labels endure. After all, the Liberal Party of Great Britain disappeared in the 1930s to return as the Liberal Democrat Party in coalition with the Conservative Party at the 2010 election, and the Progressive Conservative Party of Canada was all but wiped out in the 1988 election but returned as the Conservative Party in the early 2000s. Another reason they endure is that even when the party label changes, for example, the

Country Party in Australia becoming the National Party, the support base may remain.

### Leadership

Part of the Labor crisis is therefore not unique to Labor. A test of 'the party is in trouble' thesis is to suggest an alternative scenario. For example, had Kevin Rudd stood firm against the advice of Julia Gillard and Wayne Swan to abandon the emissions trading scheme, Labor and Rudd would have likely survived with a majority at the 2010 election. Indeed, the debate would then have been about the demise of the Liberal Party (like the National Party) and the subsequent tearing down of Malcolm Turnbull.

Because he came to power with little idea of what he wanted to achieve, Rudd folded on carbon pricing, and too readily accepted Wayne Swan's ill-conceived resources super profits tax. Bramston writes:

Rudd walked onto the stage, and was met with thunderous applause and exuberant cheers. But the initial energetic soon turned to one of disappointment. Rudd's speech was strangely flat. He did not seize the moment to claim a great victory. Instead, he spoke in predictable clichés and platitudes, with little originality or memorable phraseology ... the true believers had had their wind knocked out of them. Unfortunately, it would be a sign of things to come.

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There is no better illustration that Rudd had no clue how or for what purpose to govern than his gathering of the 'great and good' at Parliament House, Canberra, for the 2020 Vision conference. As it turned out, neither did the great and the

good have a clue. The gathering was, in effect, a Labor cheer squad and confirmed the status of the party as ‘boutique.’ The difficult task of governing without a robust program was made even more difficult when the major element of the program—the climate change response—was cast out at the first hint of electoral trouble. The electorate can sense weakness.

Which brings us to Sartor’s critique of NSW Labor: the ‘superficiality of many of the key players’ in the NSW government and party officials. Special mention was reserved for Mark Arbib, party secretary in 2004, and later federal minister recently resigned, who was regarded as the ‘twenty-third Minister’ in the NSW government. Sartor describes him as ‘a significant factor in the government shifting from considered policy responses to pure cosmetic politics, the politics of appearance.’

Labor is still clinging to its socialist objective, which lies buried in all its glory in the ALP national constitution as its second objective.

In another insightful but damaging remark, Sartor says:

Party officials armed with polls and focus group results, harangue premiers, prime ministers, ministers and their staff, not to provide them with relevant information pertinent to their work, but often to insist on shifts in policy and direction as we have seen with the Rudd and Gillard governments.

Sartor recalls a particularly bruising attempt to raise a portfolio issue in 2010 with his state Labor treasurer and former state secretary Eric Roozendaal, who responded, ‘I don’t give a f— about good government. It’s all about the deals.’ Bullying behaviour is not unknown in politics, and party officials can be shallow, but leaders nevertheless have sufficient incentive to govern, not just survive.

It does not help the analysis by being lulled into a romantic idea of leadership. Bramston suggests

that Labor suffers from ‘leadership anxiety’ (a new pathology?) for which he offers as a remedy seven elements (unfortunately, number four of the announced eight was not listed in the book) of a distinctive Labor leadership culture. For example:

- Labor is always best when it is *bold*, with big ideas and big ambitions ...
- Labor have been *courageous* by pursuing popular and unpopular causes ...
- Leadership is about being *persistent* ... etc. [emphasis added]

Of course, these are no more than platitudes for the party members. All apply to most parties at some time or other. We recall the immortal lines of Sir Humphrey (*Yes, Minister*) about a minister’s courageous decision! Bramston’s romance is not assisted by his blind spot. ‘John Howard is a leader with several notable achievements to, such as gun-law reform, but he was also a leader who utilised dirty tricks, wedge politics, and deceit, and was personally rejected by the Australian people when he lost his seat in 2007.’ Demonising the opposition is not analysis.

### Ideology (values)

The fact is Labor had a chance to lead but blew it. Labor’s long-term prospects may depend on its underlying values. Bramston argues that Labor must better define and communicate its ‘enduring values.’ He suggests replacing the abolition of the socialist objective with his formulation of Labor’s objective—economic justice, social justice, environmental sustainability, internationalism, equality of opportunity, nation-building, and democratic liberalism. Each, of course, is shot through with holes, but nevertheless a party needs its sacred cows to attract the hopeful, and to which politicians, in the light of realpolitik can attach real policy. The wonder though, especially after the fall of the Berlin Wall in 1989, is that Labor is still clinging to its socialist objective, which lies buried in all its glory in the ALP national constitution as its second objective.

The Australian Labor Party is a democratic socialist party and has the objective of the democratic socialisation

of industry, production, distribution and exchange, to the extent necessary to eliminate exploitation and other anti-social features in these fields. (p. 231)

There is romance and there is populism. Sartor's is a strangely populist stance when it comes to values. Sartor disliked the Treasury: 'The process of government has convinced me that for some years the influence that NSW Treasury has had on policy has been excessive.' But Sartor's preference to spend without apparent due regard to costs and benefits is not reassuring. He argues, for example, that money from taxes on mining should have been hypothecated. 'Imagine \$7 billion being spent annually for ten years on public transport in our capital cities?' Is it too much to ask a minister justify such expenditure?

Contrast those thoughts with these:

The biggest encumbrances on the NSW Labor government's ability to govern were the quadrennial enterprise bargaining negotiations, during which the unions insisted on pay rises that were simply not sustainable.

Sartor presents evidence that NSW public sector wage rises were running well ahead of both private sector and Commonwealth public sector. 'Is NSW Labor now little more than a party for NSW public sector workers?' This acute observation has direct links to Labor values and policy. Labor has confused its role on behalf of the 'downtrodden' with size of government, and Sartor understands this confusion.

With the ever expanding size of the public sector, governments are reaching their limits in terms of the direct services they can deliver competently. There is nothing in the ... Labor party's platform that dictates that services must be delivered by direct rather than indirect means.

Hawke and Keating understood this, but the next generation of Rudd and Gillard forgot.

### Party changes

The one true problem that distinguishes Labor from other parties is the union link. Right now, Labor needs all the friends it can muster so it is unlikely to sever the link, but there are suggestions to lessen the bonds, particularly over candidate selection.

Both authors note the trial in NSW of a primary style pre-selection for the Sydney mayoralty. Primaries have the potential to weaken the hold of trade unions over the party and to draw candidates from beyond trade unions and members' staff. It is an experiment that the National Party has already conducted with some success. Indeed, it has been tried and has apparently succeeded in Europe among leftist parties. The Labor campaigner, Bruce Hawker, cites the recent success of the French Socialist Party's François Hollande, the only socialist president of France since François Mitterrand, and only the second one since direct election started 1958. Hawker attributes Hollande's success to the introduction of a party primary for the election of the presidential candidate. Of course, the performance of Sarkozy and the problems in the economy had a great deal to do with it, but nevertheless the primary may also have had a role. According to Hawker, nearly three million people voted in the presidential primary, and more than five million people watched the televised debate between the candidates for the Socialist Party's nomination.

Barry Cohen is probably correct in arguing that there will always be a party to look after the interests of the downtrodden, but it may well be that many parties undertake the work of gathering the votes of this constituency, especially as those numbers are great in a welfare state. Labor Australia will take a long break from power. Whether it returns will depend on its constituency remaining intact and its new leaders being a tad more competent than the current crop.