



New Age Politics

Mark Latham argues that the NSW result marks the birth of a new gameplan for governments in Australia.

There is something special about a political party which dedicates itself to a cause even when defeat seems inevitable. In New South Wales between March and May there was no logical reason for Labor to campaign doggedly. Unemployment was pushing towards 10%, interventionism of various kinds in Victoria and Western Australia had been exposed as bankrupt, Laurie Connell was taking the witness stand in Perth, while NSW Premier Nick Greiner was bolting ahead in every poll and planning his early election.

Yet, by 25 May the ALP had won ten seats and come within two seats of forming a government. The NSW result says something about a new style of politics in Australia and the ALP's agenda in each of the states.

The strong surge to Labor confirmed how public support for all governments is soft and mobile. In all the research, according to every pollster, there has emerged a huge dealignment of the electorate. As many as 40% of Australian voters no longer perceive themselves as strongly supporting a political party. With dealignment has come scepticism about the political process, especially for politicians who serve themselves ahead of the public.

In this sense, politicians are being judged on their style and language as much as the net merit of their policies and achievements. In just three weeks of campaigning Greiner threw away three years of credibility forged the hard way from structural reform. For campaign professionals this should be a frightening experience—understanding how the electorate, almost overnight, can return a politician to year zero. The public mood is able to swing freely between punishment and begrudging respect.

Throughout May, having lost the advantage of hands-on government, Nick Greiner revealed the essential flaw of his personality. On television each night, voters were exposed to a man who—by nature and background—is simply unable to relate to other people. In the current climate,

politicians with aloofness and insensitivity woven into their character are better suited to jobs in merchant banking.

Another feature of the election result was the localisation of issues. As in the 1988 NSW elections, where Labor was decimated, party swings fluctuated widely across regions and suburbs—again demonstrating the importance of local politics and campaigns. The ALP's great achievement was the return of its electoral base in the heartland seats of the Hunter, Illawarra and Western Sydney.

Celebrating the centenary of the Balmain branch of the ALP on April 4, former Premier Neville Wran said, "passion is the word that should govern the Labor Party—passion to do things, to give all people a fair go". Throughout May, in many respects, the ALP regained that passion in NSW. Labor leader Bob Carr targeted issues of concern to working families. A campaign focused on government waste, regressive taxes and charges, declining educational opportunities and asset sales took hold in Labor's traditional seats.

Equity was at the heart of the ALP's message—the feeling that Greiner led an arrogant and uncaring government which had done nothing to assist the less privileged. The NSW campaign is proof of how the ALP is most effective among its constituency when it believes in causes and demonstrates passion.

By contrast, Greiner has tried to make a virtue of abandoning ideology and appealing to the middle class with a clinical style of management. There is evidence to show that this strategy was more successful than it appeared on election night. Preliminary figures suggest a polarisation of the electorate, with the ALP doing well in certain types of seats and the Liberal and National Parties scoring swings in others.

Essentially, Labor succeeded in winning back voters who in 1988, for the first time in their lives, had voted non-Labor. Nearly all the electorates won by the ALP were in areas which historically the party has dominated—Wollongong, Newcastle, Swansea, Cessnock, Port Jackson (covering Balmain), Penrith, Broken Hill and Bathurst. Conversely, the

The Old Rules of Australian Politics

1. Politics is about how we share the benefits of economic growth between competing groups.
2. People vote through a combination of their class position and the influence of their parents.
3. Election campaigns can only marginally change public opinion. People have aligned themselves to parties during the term of government.
4. Over time people forget and forgive the mistakes of politicians.
5. Politicians should never admit to bad policy or errors of judgment.
6. Parties win elections by building a coalition of support among key interest groups.
7. Oppositions should take every opportunity to oppose and criticise the government and its policies.
8. Politicians should avoid policies which could lead to controversy and upset important supporters.
9. All new taxes and tax increases will be unpopular.
10. Bashing other levels of government is a sure vote winner.

The New Rules of Australian Politics

1. Politics is about making the economic cake bigger and using scarce resources more efficiently.
2. Voting patterns are exceptionally fluid, especially since the rise of independents and localisation of issues.
3. The electorate's suspicion of politics means that election campaigns can produce substantial movements in public opinion.
4. Politicians who lose credibility can never fully regain it. Rejuvenated support is likely to be soft and temporary.
5. The public appreciates frank views and reasonable admissions of error from their politicians.
6. Policies designed only to please interest groups will be judged as superficial, upsetting broader interests in the community and often not even winning the support of their target audience.
7. Oppositions are expected to contribute to the substance of public debate. The quality rather than quantity of their statements is all important.
8. During economic decline politicians need to make the hard decisions necessary for national recovery, even if it means offending certain interests in the short term.
9. People will support new taxes when they can see a direct return—for instance, the NSW petrol levy is popular because it is returned to road funding (the formal term is fiscal equivalence).
10. Politicians should get their own government in order before worrying about politics elsewhere.

marginal seats where the Greiner government improved its vote came in areas where the political contest has been fluid. Winning back this middle ground is now the leading electoral task of Labor. In this, the party must push itself ahead of the changing trends in Australian politics.

Political science has always held that a nation's politics is derived from its economic position and cultural values. Growing economies can afford the luxury of sectional interest politics where interest groups jostle for a greater share of national resources. The problems of a contracting economy, however, change the nature of the political debate. Politicians and opinion leaders are more inclined to stress the need for consensus and co-operation, working together in the national interest.

Through the long boom of the 50s and 60s in Australia, economic management was barely an issue. It was simply a question of fine-tuning the economy to maintain high employment and low inflation. Through the 70s and 80s, as Australia's position in world markets weakened, the economy came to the centre of public life. Now, during recession, economic management is virtually the only issue—or, at least, the issue from which all others stem.

The advent of dealignment and localisation in Australian politics arises from the economic debate. The inability of

both major parties to deliver their promises for economic recovery has lowered public confidence in the political process. This frustration has turned the focus away from party politics and towards those local issues and candidates with which people have a stronger feeling of input and control.

The evidence of the last two federal elections confirms how Australia's economic problems have led to new electoral perceptions. In 1987 and 1990 voters in key seats supported the Hawke government's program of short-term pain to realise long-term national benefits. That is, there was an appreciation of how Australia must increase the size of the national cake before debating how to cut it.

Most Australian politicians are still struggling with these new priorities. Those educated in the politics of the long boom have been slow to adapt to the declining relevance of sectional interests. At all levels of the ALP it is still possible to find the romantic notion that government comes automatically from building a coalition of support among trade unionists, welfare recipients, ethnic minorities and environmentalists.

Nations facing economic decline cannot move fast enough to rejuvenate and restructure their economies. The longer politicians avoid reform, the greater the decline in produc-

tivity and competitive advantage. Delay and doubt only allows sectional interests, seeking to preserve their privileges, time to campaign against change. The most successful politicians and parties are those with the mobility to adapt to new economic circumstances and advocate new policies.

The flexibility of the ALP is shackled in two significant ways: the party's institutional ties to the trade union movement and its feudal system of factionalism. Any structure motivated by self-interest and which functions through authority and patronage is bound to be resistant to change.

These issues threaten the foundations of the ALP. The party was formed by the trade union movement at a time when Australia had arguably the highest standard of living in the world. The role of political Labor was to pass laws protecting the share of national resources available to workers. This was the defensive nature of labourism—a sectional movement obsessed with welfare payments and industrial laws.

The great achievement of the Hawke government has been to modernise the ALP's approach to economic management. The party's relevance has been maintained when logically Labor could have slipped into partisanship and sectionalism. The achievement itself—while not showing up in any reports or statistics—comes from keeping alive an old labour-based party in a nation with weak productivity and a Third World pattern of trade.

The evidence around the states, however, is not as encouraging. State branches of the ALP are more influenced by factionalism and union demands than the federal party. This has produced Labor governments less inclined towards public sector reform and policy innovation. In some cases, sloppy interventionism emerged as a substitute for structural change. The ALP needs to understand how, throughout the world, parties of the Left have failed whenever they limited their role to assisting people as workers instead of consumers.

Given the weaknesses of the Australian economy, no government can avoid the discipline of doing better with less. The challenge for the ALP at state level is to use public resources both more productively and in the interests of equity. This means a policy mix of public sector reform, industry competition and the redistribution of resources to areas of greatest need. The party cannot afford to lose sight of its twin goals of equity and efficiency.

The culture of state politics often restricts opportunities for reform. Events tend to be dominated by the daily news agenda. The work of opposition parties often focuses on exploiting the hard luck stories of people mistreated by large state bureaucracies. Policy analysis and structural changes to government are shuffled down the list of priorities.

In these ways parties fall captive to interest groups and opinion polls. In government they lack clear philosophical directions and continue to prop up sectional interests. For the ALP this process is doubly dangerous.

Ultimately, vested interests—whether organised through business, trade unions or on single issues—can only be satisfied through the creation of privileges in public policy. The wealthy and powerful benefit most. In any economy, privilege is funded at the expense of those people who cannot organise themselves politically. Poor and isolated families suffer most.

In every state there are sections of the public sector sheltered from reform. In NSW the Greiner government has done nothing to lift productivity or reform work practices in local government or police administration. Equally, the power of the doctors and lawyers has prevented the major parties from introducing cost recovery from private professions on their use of public-funded facilities.

In every state there are industries sheltered from competition. Domestic rivalry is the major stimulant by which firms improve and innovate. Yet Australian industries, in both the public and private sectors, have one of the highest ownership concentrations in the western world. At the state level the ALP has an opportunity to urge greater competition within intrastate airline, bus transport, liquor retailing and land conveyancing services. With competition, of course, come enhanced consumer outcomes.

Economic circumstances have made much harder the ALP's task of supplying capital services, such as schools and hospitals, to areas of greater need. It is much easier to fund new services from growth in government revenue than to take on the politics of redistribution.

Health services in NSW are an outstanding example of this process. Western Sydney has one-third fewer hospital beds per thousand of population than the state average and 30% less funding per capita than the rest of Sydney. That is, the region with Sydney's worst personal health record receives the smallest share of public health resources. Yet the state's politicians have failed to advocate the closure of inner-city hospitals and transfer of specialist services to Sydney's west. Fear of publicly confronting the medical profession has overwhelmed the interests of equity.

The redistribution of resources will continue to test Labor through the 90s. Any disappointment among Labor's constituency about structural changes to the economy and public sector reforms—an essential part of the party's broader appeal—needs to be balanced by a renewed commitment to equity causes. The party needs to find for its traditional supporters the sense of movement and passion which comes from campaigning on issues of fairness.

That, ultimately, is the real lesson from NSW—how heartland support, once lost, can then be regained. Pundits predicting the decline of Labor would not be so confident if they understood how big swings out can turn into big swings back.

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