The government's bold micro-economic reform agenda has passed through the waterfront, telecommunications, the airlines and the Commonwealth Bank. 
The next logical step is the restructuring of the ALP itself - privatisation's greatest challenge. 
Michael Salvars has the inside story.

A shaft of sunlight pierced the curling cigar smoke as the man from McKinsey's cleared his throat and began his report.

"Without doubt, gentlemen, the cutting edge for Australian business in the 90s will be the political futures market. As the current deregulatory environment widens, we expect opportunities for investment in political enterprises to expand - and the rewards for those corporations that get in on the ground floor will be substantial.

"In our view, the political sector presents an excellent mix of short and medium-term opportunities for market diversification and constructive tax management.

"First, major political parties bring with them nationally-known brand names and loyal customer support; this means almost unlimited prospects for targeted merchandising. Second, there will be unique opportunities for corporations to acquire a broader asset portfolio on highly advantageous terms. Many of these assets - parliaments, libraries, courthouses and such like - are not only desirably located but, according to our analysts, most show a pattern of historical undervaluation.

"Third, and most important, political equities will create outstanding opportunities for corporations to influence a more favourable business and labour environment over the next decade and beyond.

"To come down now to specific cases. Over the past six months, through our subsidiary Don Delphic and Associates, Political Consultants, we have carried out an in-depth corporate and financial analysis of all major Australian political parties. Using standard EGN reductions on a modified Glasner-Grope index, the party which emerges as the most attractive prospect for corporate diversification is clearly the ALP.

At the other end of the table, beverage baron Sir Doug Bloater twitched one florid jowl and leaned forward attentively. The man from McKinsey's continued.

"The ALP has an assured 30% market share, which increasingly comprises two-income professional families. In terms of retail outlets, it has a well-established network in all states and major population centres. Its financial structure does present some problems, with a high level of debt and over-reliance on poultry raffles for non-government sourced revenue; but this debt could provide excellent opportunities for negative gearing and other tax advantages.

"On the management side, the ALP's managers are seen as creative and flexible in interpreting their corporate charter, with a well-disciplined labour force and shareholders who are not overly demanding. Our estimate is that the party's
FOR SALE BY TENDER

'AUSTRAILIAN LABOR PARTY BRANCH (INTACT)
current management would be sympathetic to corporate approaches, but generous redundancy packages will be indicated. However, in the current environmental climate, we believe that greenmail can be positioned positively."

Bloater leaned back in his chair and grunted to a waiting aide, “Fix lunch with our boy in Canberra tomorrow”.

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Prime Minister Clarrie Chookie swept into his parliamentary suite. It had been another bad day. First, the release of the Walsh diaries; then the Americans’ refusal to invite Australian troops to join their ‘peace-keeping force’ in Tasmania; and now this latest madness from Treasurer Sid Creeping.

Catching sight of Creeping and party secretary Rod Pigge in his office ante-room, Chookie stopped briefly to adjust his scowl in the mirror, and waved them in.

“Jesus, Sid, you’ve gone too far this time. Privatising the party?” He drew himself up and his voice took on a new and statesman-like tone. “I have given my sacred word that while I am Prime Minister of this great party there will be no vandalism of our heritage. The tradition of Chifley and Curtin will be safe. The struggles of generations of Labor men and women...”

“Sounds familiar, Clarrie,” Creeping interjected drily. “Isn’t that what you said before we sold the Commonwealth Bank and the airlines? Of course, I could understand it if you thought this one was a bit too big for a bloke to take on in his twilight years.”

Chookie spluttered, “I knew it, you bastard. You’re setting me up. Well, let me tell you, my place in history is already...”

Pigge stepped between them. “Let’s just turn down the ego for a minute. More to the point, Sid, what’s the plan? How are you going to sell it to the media?”

Creeping grinned. “Piece of piss, mate. Fresh winds of change, new political map after Eastern Europe, bringing the party into the 21st century, that sort of thing.”

“Mmm,” said Pigge, “What about the ACTU: have you thought of them?”

“Of course,” said Creeping, “it’s stitched up already with Bill. We run it as an award restructuring issue, develop an industry package. Political parties are covered by the community services sector. We can buy off the party organisers with a favourable union amalgamation. Bill’s looking at the possibility of joining the Federal Political Workers Union with the Felt Hatters and Pastry Cooks and upgrading their award. Throw in a few tax cuts, that sort of thing. They’ll come along.”

Pigge persisted, “but how are you going to get the actual decision through?”

“Usual route,” said Creeping. “Foreshadowed announcement by PM, cabinet locked in to support PM, caucus locked in to support cabinet, conference delegates locked in to support government.”

Pigge was doubtful. “I don’t know. You can’t just decide to privatise the party. You have to create the climate, find a vehicle.”

“Well, okay,” said Creeping, “get Delphic to produce some research showing that ALP members want to be privatised. Or maybe you can slip it into your new preselection rules.”

“Very subtle, Sid,” put in Chookie wapsishly. Pigge scratched his chin. “Look, we’ve got to get a debate going, and develop some concrete proposals.”

“No problem,” said Creeping. “We can get some technical papers for cabinet done, and do the old two-option routine, hard and soft.”

“What means?”

“Full privatisation or part privatisation.”

Chookie’s eyes lit up. “And of course, Sid,” he said uncourtiously, “you’re the only one who’s truly capable of arguing the hard option.”

“Hang on a minute, Clarrie,” said Creeping, “that’s what you did to me on the consumption tax and Telecom. This time I want the soft option. Remember, this is the new, cuddly Creeping.”

“Well-er,” Chookie said evasively, “we can talk about that later of course.”

“And once we’ve got the cabinet decision,” said Creeping, “I’ll do a rave at caucus about the need for a more export oriented and competitive party; it shouldn’t be too hard.”

“So, how are we actually going to sell this to the party itself?” asked Pigge. Chookie and Creeping turned on him in disbelief. “Don’t be stupid, Rod,” they said in unison. “We’ve got the numbers.”

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In the Queensland outback town of Murrumbungle, the annual convention of the Industrial Fruitpackers Federation was about to come into session. Federation secretary Clem Mangles beamed down on the packed hall, noting with pleasure the attendance of the local media. A few other journalists he didn’t recognise - city fellers by the look of them - but he put this down to media interest in the new Russian banana markets that he would be announcing.

Guest speaker, Rod Pigge, somewhat fulsomely introduced, rose to his feet and delivered a rather rambling analysis of the relations between the federation and the Labor Party, which he described as long and fruitful. Chan-
ges in the fruitpacking industry, he said, were mirrored by changes in the larger society. Outworn shibboleths, discredited icons, were equally useless to apple-growers and politicians. We all need vigorous debate. In cryptic and obscure terms, but with a kind of messianic authority, he began to speak of the distinction between ownership and control in politics, in corporations and the dried fruit industry; of the need to free capital and plant seeds, to make political parties and fruitgrowers more accountable to distant markets and wider ownership. The parable seemed lost on the grizzled grape-growers dozing at the back of the dusty hall, and on the provincial scribes, but not their city cousins.

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The cabinet debate was long and fierce. Each protagonist was armed with a pile of technical papers. Option A, Creeping's option, was for full deregulation. The ALP would be sold on the stock exchange but there would be some cross-ownership restrictions. No person or corporation could own shares in more than three parties, or holdings collectively representing 70% of all votes cast. Ownership by non-Australian nationals would be outlawed, unless they could show they were really Australians at heart. These restrictions would be reviewed after two years.

Option B was argued by Communications Minister Ron Rambo. A maximum of 40% equity in the ALP would be sold to the highest bidder, but only bona fide political parties or their nominees would be allowed to bid. As part of a package to stimulate competition, the ALP would merge with the Tasmanian Greens and the Call to Australia Party; and the successful outside bidder would acquire the Victorian and ACT branches of the ALP as well as access to ALP branch membership records in other states, but only in safe seats. There would be detailed restrictions on the use by other parties of traditional ALP slogans.

After a debate lasting seven hours, Option B had won the day.

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Some had left the caucus room cheering, some weeping - and one, much later, on all fours, nursing a severe hangover. But as they gathered in bars and offices throughout Canberra that night, and though no one remembered just what he had said, everyone agreed that it had been a spellbinding performance by the Treasurer. From the moment he swept into caucus in purple opera cloak and a Collingwood beanie, Creeping had mesmerised them.

He had begun soberly enough. A political party was like a business. To be successful it needed fresh ideas, competition, exposure to the cold winds of change. Sure, the ALP had had a fine history but, over the years, it had run down its political capital and its stock of ideas. It was now poorly equipped to face the challenges of the Australian electorate in the next 50 years. Its policies were worn out, they weren't competitive, they weren't selling in the modern political marketplace. The indicators were bad. The ALP had hit the political J-curve. It registered poorly on the Gini index of voter redistribution. Campaign management relied too heavily on debt. There was not enough voter niche-marketing, no proper investment in high-tech, flexible policy formulation techniques. We were headed for a very hard landing.

Now his voice dropped and took on a more sinister tone. The problem was worse than any of us had imagined, he said. He reached into his satin waistcoat and slowly, like a hypnotist swinging a watch, waved before them a large, bulky report clearly marked "Australian Electoral Commission, Top Secret". Internal investigations on the ALP showed that it was on the point of collapse. Withdrawal of public funding was imminent because the party's required ratio of voters to assets had dramatically declined. Secret analyses by Don Delphic and the Treasury showed that a massive run on the party was imminent and a national withdrawal of votes only weeks away. All these experts were unanimous: only one action could save the party now, a massive injection of new private equity. The party had to be stripped down and old, shopworn ideologies thrown out, especially the archaic delusion that the ALP should be owned by its members. This view was not just sentimental but dangerous: it would condemn the party to the role of political yam gatherers for the next century.

Now again the mood changed as the Treasurer gently led his stunned colleagues into the warmer climates and greener pastures of political deregulation. They would become "the clever party", with multi-skilled policy formulation reaping high voter returns which would be reinvested in a continuing cycle of political productivity growth each year. Stroke by masterful stroke, he sketched in the big picture. It was a glowing vision of a new breed of executive political entrepreneurs linked to high-tech Multipoll VDUs, capable of registering the minutest fluctuation in voter support and instantly adjusting policy changes. All that was needed was the courage to come forward and declare themselves for progress.

At this point the spell was almost broken as a couple of the Treasurer's NSW colleagues leapt clumsily forward, with arms raised and strangled cries of "Hosanna!" and "I have committed sins of pre-selection"; but they were contemptuously waved back to their seats by the Treasurer. A few half-hearted objections from Left members were turned aside with good-humoured ripostes, such as "Cockroach", "Germ" and "Meathead", and the rest of the Left, grinning sheepishly at their discomfited comrades, were soon brought to heel. The vote to privatise the party was carried unopposed.

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Party secretary Rod Pigge frowned at the agenda paper. "The Left won't cop this," he muttered laconically. "I mean, we're calling a special conference on whether to privatise the ALP, right? And you want them to confine the debate to two options, both of which mean privatising the ALP. They're slow learners, but not brain-damaged."
Senator Gary Grubb chuckled. “So we’ll give them a third option, a Left option, a real one.” Pigge raised an eyebrow. “Seriously?” “Sure,” said Grubb, “just needs a bit of negotiation. I’ll get back to you tomorrow.”

A week later the national executive met. The decision was unanimous. For the purposes of simplifying the issue, conference would debate three options:

- Option A, the so-called Creeping option of full deregulation;
- Option B, the Rambo option for 40% outside equity with safeguards;
- and a third Option, C, that “the ALP will be restructured as a bolshevik revolutionary party, committed to a program of immediate nationalisation of all Australian land and business enterprises”.

At a hastily convened press conference of the national Left, Convenor Percy Cheerful hailed this concession as a major victory for the Left and indeed for socialism in our time.

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Political commentators agreed that the special conference was a strangely subdued affair. The choice of venue - the Queanbeyan Remand Centre, for security reasons - perhaps contributed. Most of the headlines inclined towards the “End of an Era” and “Whimper not a Bang” variety, though some optimistic souls were able to salvage the line “Labor’s quiet revolution”.

In truth, most of the work had been done beforehand. The factional negotiating machine had swung smoothly into action months before. Dissent had been easily contained, with only a few hiccups, and heaven knows these were predictable enough.

The Centre Left, after weeks of agonised negotiation with the Right and Left, had eventually subdivided into seven new options. Their position was brilliantly retrieved by secretary Pigge with a “miracle resolution” of 37 paragraphs, and dozens of new and comforting safeguards to preserve the ‘true essence of the ALP’. There would be strict control to prevent any “hostile” use of ALP ideas by opposition parties: these would be policed by a new Political Ethics Marketing Board; and new legislation would prevent the sale of ALP sacred sites at Barcaldine and Ballarat.

In the Left there was despair. Again they had divided ritually between the Ministerial Support Group and the Moderate Tendency. After an all-day caucus, and harsh disciplinary threats, all 38 delegates assembled dejectedly in the stretch tumult taking them to the Conference Centre in dogged support of Option C.

Early in the proceedings, there was a ripple as five Labor premiers rose simultaneously to make a joint statement. Unless Option B was supported, they urged, the South Australian government would fall next month and almost certainly three other Labor states the following year. This contribution was warmly applauded by the Prime Minister, though with somewhat feigned spontaneity; on the previous night he had had the opportunity to point out to each premier the delicate relationship between federal-state grants and the success of Option B.

Observers agreed that the Prime Minister himself put in a fairly lacklustre performance on the day, while the Treasurer’s contribution could only be described as “sulky”. Clarrie Chooke fulminated and postured for 15 minutes, comparing Australia with Albania, Uganda and Iraq where socialist parties behaved appallingly, not being privately owned. Treasurer Creeping divided his time between half-hearted banter with his old rival, Steve Teaser, the ageing Leftish pop-star, and an ill-tempered attack on the ALP. Labor had now become the Toffs’ Party, he said: the “real” battlers voted Liberal. We had to rid ourselves of our obsession with “cloth-cap socialism” and other anachronisms like welfare benefits, government spending, trade unions, equality, social justice and the rest of those “tatty icons”.

The one real moment of excitement came later in the day. An attempt was made to firebomb the conference doors by a group calling themselves ‘The Party Members Collective’; they were repelled by security guards.

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Phil McCann reports: Brewing giant Bloater Industries today announced the sale of its subsidiary, Liberal Holdings, the corporation which controls 40% of ALP Ltd. This move is seen as a concession to pressures from the group’s bankers, following extraordinary losses in Bloater’s property holdings and the conviction of its former chairman for stock market fraud.

The new owners, International Polling Group, the Japanese-American political and fruitpacking conglomerate, lost no time in spelling out a vigorous program of rationalisation for ALP. This is likely to involve eventual sale and leaseback of 87 state ALP outlets and multiple staff redundancies. However, as a foreign corporation which already has extensive political holdings in Australasia, Interpoll needs the government to lift its current 40% limit to the required 55% before the takeover can be approved. In representations to the Treasurer, Interpoll pointed out that their proposed ALP rescue package will greatly increase political competition in Australia, with a chain of new political outlets promised covering every conceivable variety of take-away political opinion. Treasurer Creeping is believed to be sympathetic.

Earlier today, Interpoll launched a nation-wide marketing campaign for its discount supermarket products. True Believer men’s toiletries are to be discontinued, and the new Candle on the Mountain range has been developed after extensive market tests proved it more ‘user friendly’ and environmentally attractive than the former Light on the Hill brand.

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