

# No power in New Zealand's largest city

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An extensive and lengthy power blackout has hit Auckland, the largest city in New Zealand, often hailed as a “model” of economic deregulation. For five days, electricity has been virtually cut off to the city's central business district.

The business center was thrown into chaos when a sub-contractor accidentally severed the last of four major power cables supplying the area on February 20. Three other cables had failed over the previous month. Only a limited stand-by cable now provides power to the city's two main hospitals and other emergency services.

Officials admit that the blackout may last for up to three weeks. Pandemonium has been created in central Auckland, where over 50,000 people work in hundreds of shops and offices. Emergency services have urged people to stay out of the central business district, but a number of businesses have insisted on remaining open, some with limited power supplies from portable generators. Overheated diesel generators have caused at least four fires.

Some 6,000 residents have been advised to move out until power is restored. Neither the government nor the electricity company, Mercury Energy, have offered them assistance. People with nowhere else to go have been forced to use emergency shelters set up by the Auckland City Council in school halls.

Local officials have warned of major health risks in the event of a breakdown of water and sewerage supplies. Extra garbage services have been scheduled to cope with the rotting food thrown away by restaurants, shops and residents whose refrigeration systems no longer operate.

While residents and workers have received little help, police patrols have been greatly boosted to protect banks and businesses left without alarms or security systems. City authorities have not declared a civil emergency, but the national government of Prime

Minister Jenny Shipley has put army troops on alert.

Auckland University and the city's polytechnic, due to reopen this week after the summer holiday, have told 24,000 students and staff to stay away. Port of Auckland authorities have turned away incoming ships and sent thousands of refrigerated containers with perishable exports such as butter and meat to other ports.

Mercury Energy chairman Jim Macaulay has attempted to mystify the electricity collapse. “It's the most incredible, freakish bad luck you could ever imagine,” he said.

Bad luck may have played a role in triggering this calamity, but its more basic causes lie in far-reaching processes within the private profit system. Like every other industry, electricity supply is being globalised and privatised. In a bid to improve competitiveness and attract investment, successive New Zealand governments have sold off the country's electricity generation facilities to private corporations, together with most other state-owned enterprises and services.

This carve-up has been accompanied by massive job shedding, as well as cuts in maintenance, working conditions and safety standards. In recent years, Mercury Energy has retrenched over half its technical staff, including most of the junction fitters needed to properly maintain power cables. Two of the cables supplying central Auckland were more than 40 years old and the other two were 20 years old.

Electricity supply in New Zealand is now in the hands of competing private companies each seeking to slash costs, maximise short-term profits and drive their rivals out of business. Mercury Energy has mounted a protracted and bitter takeover bid for the neighbouring supplier—Power New Zealand. On the one hand, the company has not replaced cables. On the other, it has spent NZ\$300 million on the takeover.

The Shipley government, a coalition of the

conservative National Party and the right-wing populist New Zealand First, announced a public inquiry into the Auckland power failure on February 23. The terms of the inquiry, however, are yet to be revealed and are likely to be very narrow, so as to protect the government's position. Under Shipley's predecessor as prime minister, Jim Bolger, this government transformed publicly-owned electricity boards into private distribution companies such as Mercury Power.

The Labour Party opposition has had virtually nothing to say. The Labour governments of the 1980s initiated the privatisation of state-owned enterprises. As a first step, the Labourites converted the Electricity Department into a profit-making corporation, Electricorp, in 1986.

Throughout most of this decade, politicians and media pundits have hailed the glories of "the market," portraying the system based on private profit-making as the ultimate in social organisation and efficiency. Auckland's power failure, following that in eastern Canada last month, must be cause for reflection.

In the midst of astonishing technological and scientific advances, the capitalist market is proving incapable of guaranteeing the supply of even the most basic requirements of civilisation, such as electricity. Together with thousands of skilled jobs, long-term planning and maintenance have been sacrificed to the narrow and insatiable requirements of corporate profit.



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