

Australia: NSW Labor MPs unanimously endorse premier's defiance of anti-privatisation vote

The Socialist Equality Party
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In an extraordinary parliamentary caucus meeting of the New South Wales Labor Party on May 6, the assembled MPs backed Premier Morris Iemma's decision to proceed with the privatisation of the state's electricity industry despite the repudiation of the plan by the party conference just three days earlier. On May 3, party delegates voted against privatisation by 702 votes to 107 and included a specific clause in the party platform barring power privatisation. Not a single Labor parliamentarian—including the so-called "lefts" within the 71-member caucus—moved to throw Iemma out of the party for his blatant defiance of its platform and his open contempt for what is supposed to be its highest decision-making body.

Iemma and his closest ally, Treasurer Michael Costa, emerged from the caucus room victorious, smiling broadly. The premier described the meeting as "very happy" because, "we're moving forward". His spokesman later said the gathering was about "re-establishing goodwill" after the party conference rather than going into the detail on privatisation. The *Sydney Morning Herald* reported that some Labor MPs left the room declaring it was the "best caucus they had ever been to". A source told the newspaper that "no angry words" were uttered in the course of the meeting.

These scenes have laid bare the Labor Party's essential political physiognomy. It can no longer be characterised as a political party in the conventional sense of the term. Rather, it is a bureaucratic apparatus whose sole *raison d'être* is the implementation of the sweeping "free market" reforms demanded by big business. Iemma has made clear that he has no problem with casting aside one of Labor's founding principles—that its MPs are bound by the party platform—if that is what is required to ensure the power sell-off.

But why no protest from any section of the party? Or from Unions NSW, which has seized upon Iemma's offer of further discussions and is making increasingly conciliatory noises about the government's sell-off proposal?

What is at stake goes well beyond the NSW electricity sale. Launching any genuine fight to expel Iemma and Costa from the Labor Party and to repudiate in full the electricity privatisation scheme would inevitably threaten to unleash a movement of working people, not just against the power sell-off but against the entire right-wing agenda being promoted by both the state Labor administration and the federal government of Prime Minister Kevin Rudd. Every section of the Labor and union apparatus is concerned, above all, to prevent opening any fissure through which the seething discontent of millions of ordinary working people with two and a half decades of pro-market "reforms", could begin to find independent expression.

According to one poll, 85 percent of people in NSW oppose the government's power plan. Previous privatisations of critical social infrastructure, in Australia and internationally, have produced one disaster after another, with higher prices, poorer service, and massive job losses invariably following. One talkback radio caller summed up why she was against the power privatisation plan in one word: "Enron", she said. At the same time, Iemma's scheme has acted as a lightning rod for broader social opposition over decaying social infrastructure—including roads, public transport, and water—and falling living standards produced by escalating costs of housing, fuel, groceries, and other essential items.

No section of the Labor Party or the trade union bureaucracy can make an appeal to these nascent anti-capitalist sentiments.

Unions NSW, and its secretary John Robertson, have two priorities. The first is to protect what little credibility they have left among sections of workers by organising various "community rallies" and public meetings against the sell-off. The second is to utilise these protests as leverage in their discussions with the Iemma government aimed at ensuring that their own material interests are protected and that they are guaranteed a role in a privatised power industry.

In an interview with the *Sydney Morning Herald*, explained that any withdrawal of the privatisation plan was impossible, because: “the government’s position would [then] be almost untenable. I would be subject to very severe criticism that would be correct”.

What a revealing statement! The “criticism” the NSW premier fears is that issued by his government’s real constituency—big business and its various media mouthpieces.

Every section of the press—ranging from the *Australian Financial Review* and the *Sydney Morning Herald*, to Murdoch’s *Australian* and the *Daily Telegraph*—has demanded that Iemma proceed. At stake is the standing, not just of the NSW Labor government but, most importantly, of the federal Rudd Labor government. The financial elite regards the privatisation furore as something of an early acid test for Rudd’s administration. The *Australian’s* editorial on Monday declared that the NSW Labor conference vote had to be disregarded. “Failure to do so,” it warned, would “be felt well past the borders of NSW and represent a poor omen for the prospects of Mr Rudd’s own reform agenda.”

Rudd won the backing of critical sections of the ruling elite during last November’s election campaign when he attacked Howard from the right and pledged to launch a new wave of pro-business economic reforms. A key promise was that with Labor in power at the federal level as well as in every state, Rudd would create a “seamless national economy”, with various state-based business regulations abolished and an Australia-wide market in key areas of potential corporate activity. The energy market is among these areas, and was specifically identified by the recent “2020 summit” as ripe for complete national integration. The Rudd government has also pledged to create vast new opportunities for business through Public Private Partnerships (PPPs) in social infrastructure.

There are increasing concerns, expressed particularly sharply in the Murdoch press, that Rudd is not doing enough to meet his promises. These concerns are all the more acute given that there is no viable alternative government. The Liberals are in disarray at both federal and state level. Federal opposition leader Brendan Nelson has a “preferred prime minister” rating of just 9 percent—the lowest rating any opposition leader has ever recorded. In New South Wales the Liberals have refused to take a position on the power sale, with leader Barry O’Farrell insisting he will not reveal his stance until the privatisation legislation is drafted. The media response has been scathing. On Tuesday, the *Sydney Morning Herald* editorial stated: “Labor may be in a mess on power industry privatisation, but the Liberals are worse off: they are nowhere at all.”

With so much at stake for the Rudd government in the

NSW power sell-off struggle, it is no surprise that Labor’s heavyweights have publicly intervened. Three former NSW Labor premiers—Neville Wran, Bob Carr and Barrie Unsworth—and two former leaders of the state’s union movement—Michael Easson and John MacBean—have issued an unprecedented public statement supporting privatisation and the overturn of the party’s platform, insisting it was “sensible and consistent with federal Labor policy regarding a national, competitive energy market”.

Former Labor Prime Minister Paul Keating declared that the power sale not only went to “the very kernel” of the Rudd government’s program, but would help complete the electricity privatisation process launched by his own government in 1995. “From the day the National Electricity Market, established by the Keating government, went into operation in 1995, there was no economic or commercial reason why any state would retain state ownership of power generating capacity,” he wrote in Tuesday’s *Sydney Morning Herald*.

Tuesday’s caucus meeting and its aftermath demonstrate, yet again, the utter futility of any attempt to defend even the most basic interests of the working class within the framework of the Labor Party and the unions. The movement against the power privatisation plan can only go forward to the extent that it makes a conscious political break with these bureaucracies and begins to advance an internationalist and socialist program.

Defence of the status quo in the NSW power industry is untenable. The state Labor government has already split up the NSW Electricity Commission into various generating, transmitting and retailing corporations, each essentially operating like a private, profit-making business. The industry has suffered significant job losses in the last decade. Workers and their families in these facilities have never had any real say in, let alone democratic control over, the vital decisions about the generation and delivery of electricity, or the distribution of the financial proceeds. The universal provision of secure, affordable, and environmentally sustainable energy is a complex social requirement that can only be rationally resolved through the broader reorganisation of economic and social life on the basis that human need and not private profit becomes the guiding principle.



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