

# Australia: NSW Labor government presses ahead with electricity privatisation

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The Labor government in New South Wales (NSW) pushed ahead late last week with plans to privatise the state's electricity industry in open defiance of a decision of a Labor Party conference on May 3 against the sell off. Not only did the conference vote 702 to 107 against the government's plan but inserted a clause into the party's program specifically barring power privatisation.

Again demonstrating his contempt for the conference, which is the party's supreme policy-making body, NSW Premier Morris Iemma called a special caucus meeting on May 15 to fast-track the process. He presented three bills enabling the privatisation that are to be brought before state parliament next month.

The first bill formalises the arrangements for the sale and the transfer of current employees to the new private entities. The second establishes an "infrastructure fund" for the proceeds of the privatisation. The third sets price controls for the new owners—up until 2013.

According to briefing notes, the first bill also authorises an outright sale of power generators, rather than a leasing arrangement as originally proposed as a sop to the trade unions. Iemma convened the caucus meeting on the eve of a trade trip to China, amid media speculation he will use the opportunity to sound out prospective buyers.

Since the state conference, Labor heavyweights have been busy bullying into line anyone contemplating any opposition to the planned sale. Upper house Labor MP Linda Votze was hauled into a closed-door meeting with Treasurer Michael Costa and party power broker Eddie Obeid after indicating she might support a private members bill to force a parliamentary debate on the issue. At present, no legislation is required to allow the actual privatisation to go ahead. Parliament will only debate the enabling bills.

While Iemma later denied Votze had been stood over, the claim is hardly credible. Costa is notorious for his crude behavior towards anyone who voices criticism of the power sell-off. At the state conference, the enraged treasurer shook his fists at delegates opposed to the plan and screamed: "You blokes can get f—ed."

A similar atmosphere no doubt pervaded the May 15 caucus meeting. Afterwards Iemma issued an extraordinary threat to MPs not to cross the floor or to break caucus discipline, insisting that caucus rules demanded they follow the parliamentary party's line.

After saying he had been on the losing side of many caucus debates, Iemma declared: "Every single time I walked out of that caucus room, I walked into the chamber and I put my hand up with my Labor mates." Iemma's comments amount to a thinly veiled threat of disciplinary action against any Labor MP who does not vote for the bills.

Iemma is confident he can ram through the privatisation plan, issue threats and threaten caucus discipline because not one of the 71 caucus members—including so-called "lefts"—took a stand against Iemma when he openly repudiated the state conference decision. Far from moving for disciplinary action against Iemma and Costa at a caucus meeting on May 6, Labor parliamentarians meekly accepted the rejection of conference policy.

Conscious of the opposition not only among rank-and-file members but the broader public to the privatisation plans, various Labor and union officials have voiced their indignation at Iemma's comments.

A United Services Union (USU) statement declared: "We express our disgust at the behaviour of the Premier and Treasurer in that they acted strongly, defiantly and publicly against ALP policy, showing disloyalty and unworthy conduct."

NSW ALP assistant secretary Luke Foley commented: “What is Iemma suggesting? That the Labor Party will expel MPs who vote in accordance with the Labor Party policy? The party will actually honour, not discipline, those MPs who vote in accordance with the policy of the party. It’s a bit rich for Morris to deliver a homily on solidarity when he himself is repudiating 117 years of it.”

Serious charges indeed! Yet both statements beg the obvious question. If Iemma and Costa are defiantly “repudiating” policy, why haven’t those in the Labor Party or unions, who profess to be leading a campaign against privatisation, moved for their immediate expulsion?

Their failure to do so is not simply a matter of political cowardice. Any serious campaign for the expulsion of Iemma and Costa would become the focus of opposition by working people not just to power privatisation but the entire pro-market agenda of both the state government and the federal government of Prime Minister Kevin Rudd.

Sections of the corporate and media establishment have put Rudd on notice that power privatisation in NSW is a crucial test of his ability to deliver the next stage of economic reform and restructuring. That was the price for their support for Labor at last year’s federal election.

No section of the Labor and union leadership has any fundamental opposition to the pro-market agenda that has been implemented by Labor governments at the state and federal level for more than two decades.

The real purpose of the anti-privatisation campaign of limited protests, rallies and public meetings has been to let off steam, while using the public hostility as a bargaining chip in negotiations with Iemma. The priority of union leaders has been to secure their role as the bargaining agents for the workforce of the new privatised electricity entities.

On the eve of the May 15 caucus meeting, Unions NSW secretary John Robertson told the media that he believed “a solution, agreeable to all sides, can still be negotiated.... This party has demonstrated it has a capacity to have the most robust of debates and still move forward and win elections.”

Such a “solution” is aimed at safeguarding the interests of the union bureaucracy while allowing the privatisation to proceed. The last consideration is the

jobs and conditions of electricity workers or the higher prices that ordinary consumers will have to pay.

The failure of any section of the Labor Party to demand that the Iemma government adhere to party policy demonstrates its moribund character. It is a bureaucratic apparatus divorced from what remains of the rank-and-file membership. Far from representing in any sense the interests of working people, the party is a vehicle for implementing the demands of the business elite.

Any genuine struggle against privatisation will only take place outside the labour bureaucracies on the basis of a program that challenges the current priorities which place the profits before the basic needs of the majority. To secure what should be an elementary right—access to affordable and environmentally sustainable electricity and other utilities essential for modern life—requires a fundamental reorganisation of society along socialist lines.



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