

Australia: Labor strikes deal with Liberals to push through NSW power privatisation

Noel Holt
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New South Wales Premier Morris Iemma announced this week that his government had finalised a deal with the Liberal-National Coalition to allow the \$15 billion privatisation of the state's electricity generating industry.

The deal ends weeks of speculation that the enabling bills for the sale were facing rejection because a number of Labor MPs had threatened to cross the floor of parliament.

The Coalition had previously endorsed the privatisation proposals in principle but had called for an auditor-general's review of the structure and timing of the sale, including the impact of the global financial crisis on the quality of the bids expected from major companies.

A bill allowing the auditor-general's inquiry to proceed will now go to parliament before it rises for a winter recess on June 26, and a report is due to be finalised by September, together with a report on the impact of privatisation on rural consumers.

Iemma and Treasurer Michael Costa triumphantly declared that the government's privatisation timetable remained on track, with the assets expected to be on the market by the end of the year. Costa asserted that Liberal-National backing for the privatisation had been inevitable all along, because of the Coalition's support for private enterprise. "This was always the way it was going to proceed," he crowed.



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