

Australia: Unions try to head off public anger over Queensland privatisation plan

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The trade unions in the Australian state of Queensland are doing everything they can to contain widespread opposition to the state Labor government's plan to privatise a swathe of public assets to meet the demands of the financial markets.

Last June—less than three months after an election campaign in which the plan was not mentioned—Premier Anna Bligh announced the government's intention to sell off Queensland Rail's (QR) freight and coal haulage business, Queensland Motorways, the Port of Brisbane, Forestry Plantations Queensland and the Abbott Point coal terminal. The Labor Party's annual state conference quickly endorsed the plan.

The state's downgrading by the global credit ratings agencies triggered the announcement. Citing the impact of the global financial crisis, Standard & Poor's cut Queensland's rating from AAA to AA+ last February, and Moody's followed suit last March, reducing its rating to Aa1. The government declared that the sell-off, valued at between \$15 billion and \$30 billion over three to five years, was essential to restore the triple-A rating.

Bligh's move—which directly threatens up to 10,000 jobs, as well as job security, wages and entitlements, especially in regional areas where QR is a key employer—provoked widespread and sustained public anger. Opinion polls indicate that four out of five Queenslanders oppose the sell-off, and over 90 percent of people in regional areas reject the proposed sale of rail assets. By one poll, only 22 percent of the electorate plan to vote Labor at the next election.

Last December, when rail workers learnt that their maintenance workshops would be included in the public float of QR's coal and freight business, they immediately walked out. The stoppages, however, were confined to one day and unions have not called any further strike action.

This month, the Queensland Council of Unions (QCU)

called limited protest rallies in a futile attempt to pressure the government into abandoning the sell-off. About 4,000 people joined a march through Brisbane and there were smaller rallies in regional centres, including Townsville, Mackay, Rockhampton, Cairns and Gladstone.

In Brisbane, union officials presented a petition signed by 14,000 people asking Bligh to stop the plan. Insisting that her government would not back down, the premier contemptuously remarked she was “very pleased” to accept the petition, because “this is a democracy and people are entitled to have their voice heard.”

Bligh's dismissive response demonstrates her confidence that the unions will continue to suppress industrial action and divert all opposition into impotent appeals. Indeed, one of the speakers at the Brisbane rally, Electrical Trade Union (ETU) spokesman Peter Simpson, told the media that the ETU and other unions were prepared to take strike action but “that's probably the last resort—a massive industrial campaign—that's not what anyone wants.”

The Bligh government's plan is a sharp manifestation of what governments internationally must do to satisfy market and investor dictates to reduce government debt. This austerity agenda, to force working people to shoulder the cost of the global crisis, has provoked protests and strikes in Greece, across Europe and internationally.

When Moody's reduced the state's credit rating it warned that the economic crisis would see a “significant reduction in coal royalties” and “produce a series of very large recurring deficits”. It criticised the government's “lack of a medium-term strategy to restore budgetary balance”.

Bligh said “some very tough decisions” were required to “respond to the biggest economic challenge in decades”. ANZ bank market strategist Tony Morriss told the media: “This (privatisation) is obviously an effort to keep debt

levels under control, so it's viewed that investors in Queensland debt will view this positively."

The sell-off is in line with the pro-market agenda of the federal Rudd government. Commenting on recent Queensland opinion polls, Deputy Prime Minister Julia Gillard declared: "Polls come, polls go. The important thing for a national government, the important thing for the Queensland government, is to do what they believe is right in the interests of the people they serve. I'm sure Premier Bligh is acting in the interests of this state."

In an unsuccessful bid to counter public opposition, the Queensland government launched a \$1.9 million television and mail-out campaign last October to sell the "benefits" of privatisation. Bligh has also declared that the asset sale is needed to allow the government to invest in vital infrastructure such as an underground metro rail system in Brisbane. The government has even offered QR workers a chance to buy shares in the new privatised entity, claiming that QR would then have the funds to "secure" their jobs.

But working people have had more than two decades of experience with privatisations. In every case, from Qantas, the Commonwealth Bank and Telstra to the sell-off of the railways in Victoria and New Zealand, the results have been the decimation of jobs and services, as the new owners slashed costs to maximise profits.

Large banks are already vying for the profits to be had in Queensland. The QR float is expected to generate up to \$70 million in consultancy fees alone. The merchant banks lining up to handle the float include Bank of America Merrill Lynch, one of the leading advisers to the government on its privatisation program, and Royal Bank of Scotland, which was also involved in the overall asset sales scoping studies. Others believed to be interested are UBS, Macquarie Capital, Goldman Sachs JBWere, Deutsche Bank, Credit Suisse, JPMorgan, Citigroup and Morgan Stanley.

The state's coal haulage market, of which QR currently controls 80 percent, is predicted to grow by 70 percent if international demand, especially from China, continues to increase. The business interests at stake were further highlighted this month when federal resources minister Martin Ferguson backed a bid by a coal company consortium, led by BHP Billiton, Rio Tinto, Xstrata and Vale, to buy QR's coal tracks. Ferguson expressed concerns that a privatised QR would not invest enough capital to expand the coal rail network.

The Labor governments can only push ahead with their plans because the unions have contained opposition to limited protests, designed to let off steam, and promoted the illusion that the Labor Party can be forced to reverse course. The unions are petitioning for a special state Labor Party conference to again "debate" the privatisation plan.

Among the unions' primary concerns is to forestall an electoral backlash against Labor, especially in the lead-up to the federal election due this year. The ETU's Simpson told the media in February that this "damaging" issue was "like a boil that needs lancing," and "if it doesn't get lanced soon it's just going to erupt into the federal sphere. We don't want that."

The QCU's "Queensland not for sale" campaign is similar to that run by the unions in New South Wales in 2008 when that state's Labor government moved to privatise the power industry. Once the power sell-off was ultimately rejected by a state Labor conference, the unions brokered a deal to ensure that the privatisation went ahead in a modified form, which allows the sale of the state's electricity retailers and potential power station sites.

Bligh has declared she will overrule any conference vote to block the privatisation plan. Speaking to the media after Labor's state president Andrew Dettmer, who is also state secretary of the Australian Manufacturing Workers Union signed a petition for a special conference, Bligh stated: "It is the leader of the parliamentary caucus that runs the government; it is not the president of the party ... that rings you and tells you what to do".

A genuine struggle against privatisation can take place only in direct opposition to the pro-business program of the Labor governments and their union partners. Workers in QR and other threatened workplaces should elect rank and file committees to conduct this fight. That requires a socialist perspective for a workers' government that will place all public services and utilities under democratic control and reorganise society completely to provide for social need, not private profit.



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