

Australia: NSW Labor premier prorogues parliament to block power sale inquiry

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In an extraordinary step last Wednesday, New South Wales Premier Kristina Keneally announced that the state's governor, Marie Bashir, had, on Keneally's request, prorogued the NSW parliament, effective immediately. As a result, the state parliament has formally shut down three months before the Labor government faces almost certain defeat in the state election scheduled for March 26.

The decision to invoke the power of the governor, the official representative of the British monarchy, to dissolve parliament sets a highly anti-democratic precedent. Keneally and her Labor government will now be able to run the state by executive authority, without any semblance of parliamentary scrutiny, at least until March 4. On that date the writs for the election are due to be issued, sending the government into "caretaker mode".

Keneally's immediate objective was to legally block an upper house committee inquiry into the \$5.3 billion sale of part of the state's electricity network. The parliamentary shut-down signals that even on its deathbed, the Labor government remains determined to do the bidding of the financial markets and ride roughshod over any opposition to its socially destructive pro-business policies.

The privatisation package devised by state Treasurer Eric Roozendaal was announced just before midnight on December 14. Roozendaal then flew to New York to brief credit ratings agency Moody's Investors Service and secure NSW's AAA credit rating on the basis of the electricity sale.

The details of the sell off were so contentious that 8 of the 13 directors of state-owned generating corporations, Delta Electricity and Eraring Energy, had resigned in protest over what they believed was a gross undervaluation of the electricity generated by the two

companies. On the evening of December 14, Roozendaal replaced the directors with members of the team that had been responsible for putting the package together.

The privatisation delivers, in a modified form, the sell-off that was attempted by two previous leaders of the Labor government, Premier Bob Carr in 1997 and Premier Morris Iemma in 2008. Both efforts foundered in the face of deep public opposition, but the government pushed on regardless. Under the current deal, Origin Energy will pay \$3.25 billion for electricity retailers Country Energy and Integral Energy, and the trading rights to the output of Eraring. China's TRUenergy has agreed to pay \$2.1 billion for the EnergyAustralia retail business, plus some Delta trading rights.

Just before Keneally shut down parliament, Roozendaal personally tried to stop the upper-house inquiry into the sale. He phoned the inquiry chairman, Christian Democrat MP Fred Nile, from the US and urged him not to proceed, claiming the inquiry could damage the sale process. Keneally has since issued thinly veiled legal threats against the inquiry and its witnesses, who may include the sacked directors, and released legal advice obtained from the Crown Solicitor that the inquiry would have no legal standing to conduct business and "cannot afford parliamentary privilege to people who appear before them"—thus potentially exposing witnesses to legal action for defamation or breaches of confidence.

Inquiry chairman Nile, however, said the hearings would proceed. He said he had received contrary advice from upper house clerk Lynn Lovelock that the "committee had the authority to meet and conduct the inquiry".

In an attempt to hose down widespread criticism,

Keneally argued that one of her predecessors, Liberal Premier John Fahey, had prorogued parliament on December 7, 1994, ahead of the March 1995 state election. By citing this precedent, however, Keneally inadvertently confirmed her own motives, because Fahey's move was also designed to forestall committee inquiries before an election that saw the defeat of his government.

While the Fahey government was narrowly defeated, the crisis-ridden and deeply unpopular Keneally government is lurching toward a rout in March 2011. Media polls indicate that it could lose as many as 30 of the 50 seats it holds in the 93-seat lower house, thus reducing the Labor Party to a parliamentary rump. Last week, a Newspoll survey estimated Labor's support at just 24 percent, the lowest ever recorded.

The prospect of an anti-government landslide and the accompanying loss of privileges and business opportunities has produced an avalanche of resignations by state Labor MPs, with 22 confirming they will not recontest seats in the March election. Among them are the prominent right-wing powerbrokers, Joe Tripodi and Eddie Obeid, who installed Keneally as premier a year ago in a desperate bid to put a new face on the government.

Since taking office in 1995, the NSW Labor government, like its counterparts in other states, has functioned as a direct instrument of the banks and big business. Working in conjunction with federal governments, both Labor and Liberal, it has handed lucrative contracts and approvals to real estate developers, mining and utility companies, and toll road operators while running down public schools, hospitals, transport, housing and other basic facilities.

The historic demise of the Labor Party in Australia's most populous state is part of a wider process, demonstrated in Labor's defeats in state elections in Victoria and Western Australia, near defeats in South Australia and Tasmania, and the August federal election, which reduced the Gillard government to precarious minority rule. More fundamentally, these shifts are indicative of the ever-widening chasm between the interests and concerns of the vast majority of ordinary working people, who feel deeply alienated from the entire official political set-up, and the state and federal governments, both Labor and Liberal, that have implemented the socially devastating policies

demanding by the corporate elite.



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