

New Zealand government launches asset sales

Tom Peters
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The conservative National Party government announced on March 4 that it will begin selling shares next month in state-owned Mighty River Power (MRP). The government intends to raise up to \$NZ7 billion by selling 49 percent of three power companies and the coal producer Solid Energy. It also plans to reduce its stake in Air New Zealand.

This is the biggest asset sales program since the 1980s when the Labour government privatised major companies, including Bank of New Zealand, Telecom and NZ Rail. To overcome widespread public hostility to privatisation, National has launched a multi-million dollar advertising campaign ahead of the MRP share float. It has also designed preferential rules for New Zealand buyers on the spurious grounds that this will attract “mum and dad” investors. In reality, sooner or later, shares will end up in the hands of big business. The asset sales are part of a push to resurrect the profits of finance companies and other sections of big business at the expense of ordinary working people.

The announcement was made after the Supreme Court rejected an appeal by the Maori Council, representing indigenous tribal business interests, to delay the asset sales. The tribes had demanded that the government first address their claim to own the fresh water and geothermal resources used by the power companies. On February 27 the court ruled that the partial sale of MRP would “not impair” the government's ability to address the claims.

The main opposition parties, Labour and the Greens, have postured as opponents of privatisation. On March 12 they submitted a “Keep Our Assets” petition, with more than 390,000 signatures, to trigger a non-binding referendum on the sales. But the parties have ruled out making a pledge to re-nationalise the assets if they win the 2014 election. Labour leader David Shearer told Radio Live on March 4 that he was “not sure that the economic argument [for buying back the companies]

stacks up”.

Labour fully agrees with the thrust of National's economic restructuring program. It supports cuts to hospital care, school closures and the increase in the regressive Goods and Services Tax. Labour and the Greens have also called for an increase in the retirement age.

The opposition's only real objection to asset sales is that companies could end up in the hands of foreign rather than local investors. Green co-leader Russel Norman complained to TVNZ: “There's nothing in [Prime Minister] John Key's asset sales plan that would stop shares from going offshore.” Labour and the Greens attacked the government's move to list MRP on the Australian as well as the NZ stock exchange.

For its part, the Maori-nationalist Mana Party has promoted the Maori Council's legal bid for indigenous corporations to profit from the asset sales, while falsely claiming the Council tried to stop the privatisations. Mana chairman Matt McCarten, who leads the Unite union, wrote in the *New Zealand Herald* on March 3 that the Council “gave stopping the sale a good shot”. Mana leader Hone Harawira declared that “the protection of Maori interests in water is an integral part of the process of keeping state assets in the people's hands.”

The pseudo-left groups that work within Mana—the International Socialist Organisation (ISO), Fightback (formerly the Workers Party) and Socialist Aotearoa—have all made similar statements. Last October, an article by the ISO claimed that “Maoridom's elite weighed in on the side of the working class” by supporting the Council's court action. A follow-up article in December described the Iwi Leadership Forum (ILF)—tribal leaders who work closely with the government—as “allies” of the “workers' movement”.

In reality, the Maori Council and the ILF represent a privileged layer of Maori entrepreneurs and political leaders, cultivated by successive governments to serve as a buffer against the Maori working class. Since the 1980s, millions of dollars have been poured into tribal businesses, supposedly to redress the crimes of colonialism. Tribal corporate entities now collectively control \$37 billion worth of assets.

Maori workers have gained nothing from this process and remain among the most oppressed sections of the working class.

Polls indicate that almost 90 percent of Maori oppose privatisation, which will push up power prices. But the Maori Council supports the sell-off, provided that the wealthy layer it represents profit from the process.

In a submission to the government last September, the Maori Council declared its willingness to resolve the water ownership dispute “with minimal delay to the share sales.” It urged the government to adopt a recommendation by the Waitangi Tribunal to give tribes shares and special management rights in the power companies, adding that this “allows for early sales while ... providing commercial redress.”

While the government rejected the proposal, it is likely to buy off the tribes in another form. Deputy Prime Minister Bill English told the court that the government might offer “decision-making roles in relation to care, protection, use, access and allocation, and/or charges or rentals for use” of water resources.

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Since it was first elected in 2008 National has maintained an alliance with tribal leaders and the right-wing Maori Party. Through the Whanau Ora scheme—supported by the Maori Party and Mana—the government privatised welfare services to benefit Maori trusts. Several tribes also intend to profit from the government’s plan to introduce private charter schools in oppressed areas.

Maori Council lawyer Donna Hall described the court ruling allowing asset sales to proceed as a partial victory. She told the *Herald* the government had made “extensive promises and undertakings ... to address the various Maori water claims.” Litigation will continue in the Waitangi Tribunal to decide what form the compensation should take.

Protest rallies organised by Mana and its supporters,

ostensibly to oppose asset sales, have been used to promote the Maori elite’s reactionary nationalist politics. At a February 14 rally in Wellington the main speaker was Peter Love, a trustee for the Wellington Tenth Trust, which controls \$55 million worth of commercial and residential property owned by local tribes.

Love denounced the Key government for allowing Chinese investment in land and businesses. He referred to an article in the right-wing *Investigate* magazine, which alleged that Chinese government agents posing as investors were “trying to politically infiltrate” New Zealand.

Maori Council co-chairman Maanu Paul also spoke at the rally, declaring that the Council wanted to “ensure that state-owned assets stay in this country”. He promoted the anti-immigrant NZ First Party leader Winston Peters as the only politician with the courage to stop asset sales. Last October Paul told the *Listener* that the Council was seeking water ownership for tribes in order to stop the resource falling into “Chinese hands”.

While the ISO criticised Love’s racist comments, the pseudo-left groups are increasingly open in their support for right-wing Maori nationalists like the Maori Council. Like the Mana Party, to which they have flocked, these organisations do not oppose private property but seek a redistribution of wealth in favour of the layers of the privileged upper middle class on which they rest.



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