

NSW election: Lies and deception on privatisation

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According to the Labor Party and the trade unions, a Labor victory in the New South Wales state election on March 28 will stop the sell-off of the electricity network and other public assets. A look across the state border to Queensland tells a different story.

Within weeks of being elected on January 31, Queensland Premier Anastacia Palaszczuk is already dumping her election pledge that Labor would not privatise state assets if it gained office.

In a cynical sleight of hand last week, Palaszczuk told the media that she had only committed to “not selling our strategic assets” that “deliver dividends” to the state budget. Her government was open to selling other assets. “If there is a public benefit for Queenslanders, I am prepared to examine that,” she said.

Many workers have experienced such political double talk from Labor and the unions before. The sale of Queensland’s “state-owned companies” may have been put on the back burner for now, but Labor is moving to sell off a raft of “non-strategic” assets. This includes public housing, which Palaszczuk admits is already under consideration.

Palaszczuk’s government is only continuing where the previous Liberal National government left off. In 2013, it announced plans to close scores of state public schools to sell off sites and ovals. In the same year, it sold \$561.9 million worth of government-owned properties in Brisbane.

Of course, dishonesty does not stop at the state border. Deceit and hypocrisy by both Labor and Liberal is running rife in the NSW election, especially over electricity privatisation.

At the so-called “leadership” debate in Sydney’s western suburbs last week, Labor leader Luke Foley and Liberal Premier Mike Baird attempted to outbid each other in deception.

Foley, who claims that Labor is firmly opposed to selling off state electricity assets, criticised Baird over his plan to privatise 49 percent of the NSW power distribution network (poles and wires) through a long-term leasing arrangement to raise \$20 billion. But Foley, like Palaszczuk, has not ruled out privatising other assets, which will necessarily mean the loss of thousands of jobs.

Foley is clearly hoping workers have short memories on Labor’s privatisation record at both state and federal levels. After similar promises during the 2007 NSW election, the Labor government went ahead and privatised the state’s electricity retail assets.

In fact, Labor only backed off its original plan to sell-off the state’s entire electricity network—a key plank in its pro-market agenda—on the eve of the 2011 state election in the face of widespread popular hostility that culminated in its landslide electoral defeat.

Labor’s partial privatisation—carried out with the backing of the trade unions—created the conditions for the incoming Liberal government to push ahead with the sale of the state’s power generators—without any opposition by Labor.

The entire privatisation agenda was set in train by the Hawke and Keating Labor federal governments, which sold off the Commonwealth Bank in 1991. Two years later, Labor privatised Qantas.

Facing deep public opposition, Labor did not sell the communications carrier Telstra, where I worked for many years, but it corporatised the business, laying the groundwork for its privatisation by the Howard Liberal government in 2006.

Both the corporatisation and privatisation of Telstra resulted in the massive destruction of permanent jobs. Thousands of workers were either forced out of the communication sector or driven into working for

contract companies on much worse wages and conditions.

The consequences were disastrous for workers and customers. In the area in which I worked—maintenance—we went from being a service-provider to being “customer-based.” It no longer mattered if people went without a phone for days. It all added to the pressure to quit the job. My maintenance crew went from nine down to three—we just patched up services as best I could. It was the same in other areas.

The trade unions were directly responsible for blocking any struggle to defend jobs and maintain services. When corporatisation was first announced, there was widespread opposition and the unions had to call mass meetings. But they diverted the anger into pushing for voluntary redundancy packages—the means used by the corporation to destroy tens of thousands of jobs.

Regardless of whether the “poles and wires” are privatised in NSW, many more jobs will be eliminated in the electricity network. In the guise of reducing prices, Foley has committed a Labor government to meeting the demands issued last November by the Australian Energy Regulator for revenue cuts to the electricity sector. NSW Networks head Vince Graham has said the cuts would mean the loss of 4,600 jobs.

During the “leadership” debate, Baird insisted that the long-term leasing of the “poles and wires” did not constitute privatisation. While Foley scoffed at this position, the previous Queensland Labor government made a similar claim when it handed the Port of Brisbane to private investors in 2010 under a 99-year leasing arrangement.

In another fraud, Baird said his government would make companies bidding for a lease sign a guarantee that prices would be cheaper in five years. He promised he would appoint former Australian Competition and Consumer Commission (ACCC) chief Allan Fels as NSW electricity price commissioner to supposedly enforce the guarantee.

The truth is that under Fels’ stewardship, the ACCC was attuned to the requirements of big business. His appointment is a signal to investors that there will be no real restrictions on their drive to maximise profits if they buy up electricity assets.

Even if a price “guarantee” could be enforced, and that is entirely doubtful, thousands of ordinary working

people would still be left paying exorbitant electricity prices. According to the Deloitte economics and financial advisory group, NSW electricity prices have doubled since 2007–08—that is, during the partial privatisation period—to an average of \$2,073 per year for households.

The record demonstrates that the working class cannot defend its interests by replacing one capitalist government with another. Along with governments in every country, the entire official political establishment in Australia—Labor, Liberal and the Greens—is committed to making working people pay for the financial and economic crisis that erupted in 2008.

The Socialist Equality Party is standing in the NSW election as part of an international campaign to build a new political leadership in the working class to advance an international socialist program in opposition to austerity, militarism and war. The SEP fights for a workers’ government that will reorganise society from top to bottom on the basis of providing for need, not private profit.

I urge workers and young people to study the SEP’s election statement, assist our campaign in every way possible and apply to join the Socialist Equality Party.

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