

Labor leader pledges support for further privatisations

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New South Wales Labor Opposition leader Luke Foley dedicated a substantial part of his state budget reply speech last month to assure the financial elite that Labor, in or out of office, remained the privatisation party par excellence.

Foley told the state parliament: “I will champion an enterprising private sector and an essential public sector in this state. The responsibility of government is to ensure that services are delivered. The private and not-for-profit sectors should play a significant role in the delivery of our public services.”

Foley, a member of Labor’s so-called Left faction, went further this week, telling an audience of 200 party faithful that he would push for the party’s national conference later this month to drop its formal platform commitment to state ownership of infrastructure. “Labor does not exist to promote state ownership, but to ensure that the state advances the interests of all people,” he said. “In its current form, the socialist objective is both confused and confusing.”

The party’s misnamed “socialist objective” was adopted in 1921 in an attempt to head off widespread support in the working class for the October 1917 Russian Revolution. It described Labor as a “democratic socialist” party that pursued “the democratic socialisation of industry, production, distribution and exchange.”

Foley underscored Labor’s total commitment to satisfying the profit requirements of the financial markets, declaring: “We understand that competitive markets are best placed to deliver the economic growth that the people we represent rely on.”

Foley’s references to “an essential public sector” are a fraud, as was his March state election campaign “opposition” to the Baird Liberal government’s sale of the state’s multi-billion dollar electricity distribution

network.

During his budget reply, Foley reiterated his support for the privatisation of state-owned ports in Newcastle, Port Kembla and Sydney, declaring that he saw “no compelling need for the state to own ports in 2015.”

The port privatisations provided a bonanza for investors. The Port of Newcastle, the biggest coal-handling port in the world, with more than 4,000 ship movements a year, was sold by the Baird government for just \$1.7 billion. The new private owners hiked rates by 60 percent, charging users of the facilities \$75,000 per vessel.

As a further assurance, Foley called for the state’s entire public housing stock of 140,000 dwellings, worth an estimated \$34 billion, to be handed over to the “not-for-profit” sector, which currently operates some 29,000 homes.

The transfer, Foley insisted, should include the titles to these properties in order “to empower the associations with the leverage they need to fund the construction of new and additional affordable housing stock.” Such a proposal will no doubt will have the financial markets and big investors salivating.

Foley’s privatisation agenda deepens a process set in train by the Hawke and Keating Labor federal governments, which sold off the Commonwealth Bank in 1991 and then privatised the government airline Qantas two years later, at the cost of basic services and thousands of jobs.

The spur to further privatisations was provided by the 1995 Hilmer report, commissioned by the Keating government. It recommended that state governments corporatise and sell-off utility assets, claiming that market competition would provide lower prices and better services. Between 1995 and 1997, the Kennett Liberal government in Victoria duly privatised the

state's entire electricity assets.

In 2011, the NSW Labor government pushed through legislation allowing the sale of the electricity retail business and opening the way for the incoming Liberal government to sell the state's power generators.

In Queensland in 2009, the Bligh Labor government launched a \$14 billion privatisation program that included the sell-off of the lucrative freight carrier, Queensland Rail, before suffering a landslide electoral defeat at the 2012 state elections.

In 2012, the Gillard federal Labor government's "Energy White Paper" demanded more power privatisations. It called for state governments throughout Australia to fully privatise all remaining state-owned electricity assets, estimated to be worth more than \$100 billion.



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