

Australia: Queensland Labor backflips on support for Adani mine

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Last Friday, less than a week after calling a sudden early state election, Queensland's Labor Party Premier Annastacia Palaszczuk performed an apparent about-face on one of her party's key policies. Labor had pledged support for a giant coal mine project in central Queensland, falsely claiming it would create 10,000 jobs and offset mass unemployment and under-employment in the state.

At a November 3 media conference, Palaszczuk declared she would now personally veto a proposed federal government loan of almost \$1 billion to Adani, an Indian-based conglomerate, to build a railway line from its planned mine to the coast. Doubts remain, however, about the legality of the veto.

Previously, Adani had made clear that its project would not proceed without a massive subsidy from the federal Turnbull government's Northern Australia Infrastructure Fund (NAIF). Both Palaszczuk's state Labor government and the federal Liberal-National Coalition government had vehemently backed the mine and vowed support for the NAIF loan.

In November 2016, for example, Labor's state treasurer Curtis Pitt declared in state parliament: "Since we came to office, we have been working very closely with the Commonwealth government to facilitate ... the NAIF in North Queensland... It is through the NAIF facility, which the state wholeheartedly supports, that Adani can get the infrastructure support that it needs."

Labor's backing for the Adani project underscores its pro-business character and that of its trade union partners. The party's imposition of the dictates of such corporate giants has increasingly opened the door for the reactionary nationalist One Nation party to prey upon the resulting social devastation and discontent.

With media polls showing near-record low support for Labor and the Liberal National Party (LNP), the

November 25 election is looming as another milestone in the disintegration of the two-party political setup that has prevailed in Australia since World War II. One Nation is currently polling 18 percent, according to a Galaxy poll conducted on November 1–2, potentially enough to determine whether, and on what terms, Labor or the LNP form the next state government. Labor sits on just 35 percent, while the LNP has sunk to 32 percent.

In a bid to explain Labor's Adani backflip, Palaszczuk raised that her personal partner, Shaun Drabsch, a former Labor Party official, was the director of infrastructure at the financial consulting firm PricewaterhouseCoopers. As such, he had worked on Adani's initial loan application to NAIF between May and December 2016. Drabsch's role is typical of many former Labor apparatchiks and their integration into the financial elite. Palaszczuk, however, claimed not to have known of his direct involvement, before being alerted to a rumoured LNP plot to accuse her of a conflict of interest.

Various media reports, based on briefings by Labor officials, suggested that Labor's reversal was driven by internal party findings that the Adani mine had become an electoral liability. Widespread concerns have developed over Labor's relations with Adani and with the mine's likely impact on the environment, including the offshore Great Barrier Reef.

A more pressing factor in Palaszczuk's apparent backflip, however, were reports that surfaced a day earlier in the London-based *Financial Times* that Adani was seeking investment from a Chinese state-owned company and Chinese banks to finance the project, which has failed to gain backing from major Australian banks.

The *Guardian* reported on November 2: "Adani's

proposed Carmichael coalmine may end up being bankrolled by the Chinese-state-owned enterprise China Machinery Engineering Corporation (CMEC), according to public statements.” It belatedly cited a January press release in which CMEC announced its president, Zhang Chun, had met with an Adani delegation.

Such reports play into the anti-Chinese witch-hunt that has re-emerged in Australia over the past year. Both Beijing and Chinese companies are being accused of orchestrating operations to influence or “interfere” with the country’s politics, business and universities.

At the same time, Adani’s difficulties in securing financial backing for the mine illustrates the economic fragility of Australian capitalism, which depends heavily on overseas investment and Chinese export markets. Across Queensland, the implosion of the mining boom since 2012 has decimated regional towns and deepened the unemployment toll, which officially stands at around or near 20 percent in working-class suburbs to the south and west of Brisbane, the state capital.

Trying to explain her reversed stance, Palaszczuk declared yesterday: “The public, families, people across Queensland, do not want their taxpayers’ money going to a company, a big international company.”

This claim only reveals Labor’s hypocrisy. Desperate for the mine to proceed, Palaszczuk’s government has already struck a royalties rebate agreement, estimated to save Adani more than \$300 million over the first five years of mine production. The premier travelled to India earlier this year to seal the deal and promote the project alongside company chief, Gautam Adani. Then she opened Adani’s regional headquarters in the northern city of Townsville, where the company promised to hire about 500 employers “in coming months.” Nearly six months on, hardly any new jobs have appeared and estimates of the mine’s projected jobs have shrunk to less than 1,500.

Labor’s embrace of Adani, which is matched by that of the LNP, is just the latest episode in its long service to the financial aristocracy. There are bitter memories, harboured by workers throughout Queensland, of the Hawke and Keating federal Labor governments in the 1980s and 1990s, which worked hand-in-glove with the trade unions to enforce the restructuring of the economy in the interests of global capital. Two decades

of state Labor governments under Peter Beattie and Anna Bligh followed, during which essential services, like the railways and electricity networks, were privatised, destroying thousands of jobs, and leading to Bligh’s landslide defeat in 2012.

Now the trade unions are once again insisting that workers must vote Labor. Queensland Council of Unions general secretary Ros McLennan said the November 25 poll was “a chance for voters to endorse progress Queensland has made under a Labor government,” including by restoring “business confidence.” This was the only alternative to a LNP government, she insisted, “with an agenda to cut, sack and sell.” In reality, that has been Labor’s program for decades.

Senator Pauline Hanson’s xenophobic One Nation is capitalising on this record, hoping to emulate the rise of similar phenomena internationally—Donald Trump, France’s National Front, the neo-fascist Alternative for Germany and New Zealand First, which is now in a Labour-led coalition government.

One Nation seeks to channel the mass alienation and hostility to both major parties in a nationalist direction, to blame refugees, immigrants and welfare recipients for the growth of unemployment and poverty. Its policies feature vows to “restrict immigration,” “stop foreign ownership” of key assets, and ban new mosques.

The main focus of One Nation’s campaign is fixed on impoverished electorates across central Queensland and in selected outer-Brisbane suburbs. In last year’s federal election, it picked up votes as high as 20 percent in these areas, and Hanson headed for them again this week, promising a grab-bag of empty populist promises, such as dramatically lowering electricity prices, while committing to serve the interests of big business, including the Adani mine.



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