

Australian state government unveils huge asset sales

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The Queensland state government this month announced a massive \$37 billion privatisation plan in a desperate bid to appease the global financial markets and regain the state's AAA credit rating in the face of a collapse of the two-decade mining export boom in Australia that has kept much of the state's economy afloat.

Premier Campbell Newman is acutely aware of the continuing deep public opposition to asset sales. The previous state Labor government was swept from office in 2012 in an historic landslide after it imposed privatisations worth \$14 billion, destroying thousands of public sector jobs. The current government is already so unpopular that media polls indicate Newman could lose his own parliamentary seat in next year's election.

For that reason, the Liberal National Party (LNP) government is trying to dress up the new sell-offs, which amount to almost 12 percent of the state's remaining public assets, as 99-year leases. That camouflage was dented when the *Australian Financial Review* reported that the government had already sold off more than \$10 billion in assets, defying an election pledge not to do so.

According to the business newspaper, most of the "\$10 billion privatisation bonanza" came from the sale of tollways by the Queensland Investment Corporation to Transurban for \$7.1 billion. Other major sales included Brisbane city office buildings and schools.

Although the latest privatisation round was announced in May's state budget, the government is now trying to erect a smokescreen. Its "Strong Choices" website, which was set up ostensibly to plan a "people's budget," states: "The government now proposes to offer the assets previously intended for sales or private investment for lease only."

Industrial water pipelines (SunWater), power

generation facilities (CS Energy of Stanwell), electricity distribution and transmission businesses (Energex, Powerlink), and the ports of Gladstone and Townsville are among the key facilities to be offered on 50-year leases, with options for another 49 years.

State Treasurer Tim Nicholls declared that asset leasing was the "only remaining" choice to overcome the \$80 billion state budget deficit. He also pointed to the sharp drop in mining and mining investment, saying the privatisation was "vitaly important" to dampen the fall in employment.

Of the money to be raised, \$25 billion will supposedly go to repay government debts, \$8.6 billion to a "future investment program" to finance infrastructure programs over an indefinite timespan and \$3.4 billion to a vague "cost of living fund."

Like Western Australia, another mining state, Queensland's government revenue has depended heavily on iron ore and coal royalties, which are now plummeting due to falling world prices. The drop in mining-related income is also the intensifying budget crisis confronting the federal Liberal-National government of Prime Minister Tony Abbott.

In Queensland, as nationally, the bipartisan response within the parliamentary establishment is to make the working class pay for the slump, via the dismantling of welfare entitlements and the gutting of social spending, as well as by privatisations. The Abbott government, like the previous Labor government, has tied some funding of state spending to asset sales.

With a state election due next March, Queensland Labor leader Annastacia Palaszczuk criticised the asset leasing plan, saying "electricity bills will increase." Labor accuses the government of breaching its 2012 election commitment not to sell off assets, but Newman's predecessor, Anna Bligh did exactly that in

2009.

Bligh announced Labor's privatisations just three months after winning an election during which she did not mention the issue, pledging instead to create thousands of jobs. That was one of the main reasons that Labor was reduced to a rump of seven MPs in the 89-seat parliament in 2012. (Labor now has nine MPs following two by-election victories this year).

Likewise, the Queensland Council of Unions (QCU) and some of its affiliates, such as the Electrical Trades Union (ETU) and the Queensland Nurses Union, have criticised the privatisation program, but only in order to try to corral their members behind the return of another pro-business Labor government.

QCU spokeswoman Ros McLennan summed up this perspective in June. "The government won't listen and the only thing that will make them listen is the ballot box," she said.

These same unions were instrumental in stifling opposition among workers to the Bligh government's sell off of QR National, the state-owned rail freight business, and other assets, including the Port of Brisbane, the Abbott Point coal terminal and Forestry Plantations Queensland.

After staging limited protests and petition signing, the trade unions eventually brokered settlements that enabled the Labor government to proceed. The unions are no more opposed to privatisations now than they were then. Far from having any disagreement with the dictates of the financial markets and the corporate elite, they have long functioned as their labour enforcers.

The pseudo-left groups, Socialist Alliance and Socialist Alternative, have portrayed the latest privatisation drive as the product of an ideological obsession by the Newman government. They are peddling the illusions that the trade unions will oppose the sell-offs and will pressure the LNP government, or a new Labor government, to reverse the decision.

The Socialist Alliance's *Green Left Weekly* has called for "mass rallies, statewide days of action, petitioning and lobbying" to put pressure on the Newman government. Socialist Alternative's *Red Flag* has urged the ETU to "mount a serious industrial campaign to force the government's hand," or failing that, to pressure a new Labor government to "deliver."

The current round of privatisations, like the last one, is not driven by ideology, but by the deepening

breakdown of global capitalism. As has been demonstrated time and again, Labor, like the LNP, is completely committed to imposing the burden of the economic crisis onto working people. Previous protests called by the trade unions, with the assistance of the pseudo-lefts, have been to let off steam while allowing austerity measures to proceed. Now the pseudo-lefts are lining up to perform the same service for the trade union bureaucracy again.

The only way to mount a genuine struggle to defend jobs, conditions and essential services is through the independent mobilisation of the working class based on a political fight for a socialist perspective against the capitalist agenda of the LNP, Labor and the trade unions, and their pseudo-left supporters.



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