

Australia Dossier by Michael J. Sharp

Australia for sale, cheap

The Labor government is practically giving the country away, selling off infrastructure to the highest bidder.

Australia's federal and state governments are in the midst of a privatization frenzy. Everything is up for sale: post offices, toll roads, electricity grids, tunnels, bridges, airports, water and sewage systems, the lot. The fire sale of Australia's national assets is being overseen, in part, by the same firm, N.M. Rothschild's, which designed the Thatcherite privatization program that helped turn Great Britain into a post-industrial rust bucket. Not surprisingly, British firms are buying up key chunks of Australia's infrastructure; Australia will soon be more of a rubbleheap than Britain itself.

Already in 1992, the government-affiliated Industries Commission cited a whopping \$82 billion infrastructure deficit. As a survey in the *Weekend Australian* of Feb. 1-2, 1992 noted, the country's rail network was very limited, while its road system bordered on disaster: "Many local roads are in an appalling state as are some main roads. . . ."

The rest of the country's infrastructure is not much better: "There is also a serious shortage of public housing, as well as a general shortage of power, water, sewerage and drainage to support the general supply of houses. . . . Solid waste disposal costs are soaring, many hospitals are obsolete and/or located in the wrong place, prisons are overcrowded, and the number of classrooms needing maintenance in our schools has soared."

In sum, according to the journal, the country's infrastructure was "the

worst in the postwar period."

The man who oversaw this collapse was Paul Keating, then the federal treasurer, now prime minister. Keating pushed the free trade and usury which destroyed Australia's farms and factories. Having caused the worst unemployment in Australia's history and destroyed the federal and state tax bases, Keating then maintained, according to the *Weekend Australian*, "that Australia had become a poor country that could not afford a huge increase in public sector spending on infrastructure."

Now, when it comes time to pay the piper, Keating is pushing the scams of privatization and the so-called "BOOT" schemes.

Privatization provides a one-time shot of liquidity to the government's books, while permanently stripping the country of valuable national assets.

At a "Partnership 2000" conference convened earlier this year to organize greater British investment into Australia's economy, Keating touted how much of Australia could be bought up cheaply, as the British firms looked over the pickings in electricity, gas, water, and aviation.

British investment in Australia has increased fivefold in the last decade to \$25 billion in 1993, with virtually nothing going into creating new jobs in any field. British Airways bought 25% of the previously government-owned Qantas airline, and will soon be buying up Australia's airports. While pushing "republicanism" to

split Australia from the queen, Keating is in fact putting the country under the most abject British slavery ever.

Naturally, prices charged by the newly privatized services will soar. Typical is the British consortium North West Water, chaired by former New South Wales Prime Minister Nick Greiner, which is eyeing the \$8 billion Melbourne Water. North West Water's profit margins are soaring in Britain, because there it raised water prices to the consumer by 70%!

The other scam, besides privatization per se, is the Build, Own, Operate and Transfer (BOOT) scheme. To "save costs," the government contracts out to a private firm to raise all the money and then build whatever infrastructure the government specifies. The private firm then gets to "own and operate" the asset, such as a toll road, a bridge, etc. for a specified period, such as 25 years, after which it transfers the asset over to the government. The government gets to look like it has no debt on its books, while the public gets its infrastructure. Or so the story goes.

But the whole thing is a fraud. Though the private corporation nominally raises all the money, in fact the government makes secret guarantees for the entire project, enabling the firm to get extremely cheap rates; moreover, the government is also responsible for the project if it collapses. Also, since toll roads, bridges, and other such large infrastructure projects rarely pay for themselves directly, the private corporation is additionally subsidized in some other way, such as being given another stretch of government-built road on which to charge tolls. Finally, after the private firm has used the assets as a cash cow for 25 years or so, the now-deteriorated, dilapidated infrastructure is dumped back into the lap of the government, and the taxpayer.