

Australian unions seek to accommodate on NSW power privatisation

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While the trade unions are still posturing as opponents of the New South Wales (NSW) Labor government's plan to sell off key sections of the state's electricity industry, there are unmistakable signs that they are desperately seeking an accommodation.

Above all, the unions want to prevent any conflict with the federal Labor government, which has unequivocally backed the plan as part of its pro-market economic "reform" agenda, and keep working people trapped within the framework of the Labor Party.

Last December, Premier Morris Iemma announced that his government would sell the state-owned retail corporations of Energy Australia, Integral Energy and Country Energy, and lease the generation corporations, Delta Electricity, Eraring Energy and Macquarie Generation.

While calling limited public protests and work stoppages, the unions have participated in a sham "consultation" process enshrined in the NSW and federal Labor Party platforms that is specifically designed to stifle opposition and ultimately rubberstamp the ongoing privatisation of public services.

Since the beginning of the year, union representatives have sat on the so-called Energy Consultation Reference Committee (ECRC) set up by the Iemma government to examine the privatisation plan against 12 criteria set out in the party's platform. The criteria are designed to fit Labor's pro-business program, which delivered the privatisation of Qantas and the Commonwealth Bank in the 1980s.

The criteria refer to social usefulness of the public asset, the purpose of the enterprise, the retention value measured against the sale value, whether the relevant market is competitive, the public sector's role as regulator, where the proceeds would be spent, the

impact on employment and training, and protection of the existing workforce.

When the ten-person ECRC—stacked with supporters of privatisation and headed by former NSW Premier Barrie Unsworth—delivered its recommendations last month, the outcome was a foregone conclusion. The majority declared that "the NSW Government's strategy to secure the State's future electricity supply meets the 12 criteria overall" and "the strategy should proceed in the best interests of the citizens of New South Wales".

Conscious of the widespread public opposition, however, the report proposed what amounted to crude bribes. These included a public share float of some of the assets to win over small investors, with power workers allocated parcels of shares worth around \$1,500 each.

The environmental and community representatives on the committee, the Total Environment Centre's Jeff Angel and Uniting Care's Reverend Harry Herbert, signed off on the report after the committee recommended that the government not compensate the private operators when a new emissions trading scheme starts in 2010, or exempt them from other environmental regulations.

To head off hostility to the inevitable increases in electricity prices for households, the report called for a no-disconnection policy for small domestic users who fail to pay their bills and an increase in concession rates to pensioners.

The recommendations were just window dressing. Failure to implement them will not result in the committee withdrawing its backing for the sell-off. Iemma has already refused to rule out compensating the private operators for carbon liabilities, saying: "The generators have put the case to be allocated permits.

That's an unresolved issue.”

The three union representatives on the ECRC—Unions NSW deputy secretary Matt Thistlethwaite, the United Services Union's Ben Kruse and the Public Service Association's Steve Turner—dissented from the report.

Having lent legitimacy to the farce of “consultation” over a pre-determined outcome, the unions were obliged to oppose the Unsworth committee's outright support for the power sale at this stage. They must maintain some credibility among power workers and ordinary people, who are overwhelmingly opposed to the privatisation.

Unions NSW declared that “union representatives are of the view that the policy announcement made by the Premier on 10 December 2007 does not meet the criteria overall and is therefore not consistent with the NSW ALP policy and should not proceed.”

The union statement entirely accepted the pro-market approach but said the proposal “ignored key elements of the social usefulness in regards to accountability” and did not “prove that these purposes (power provision) could be met through alternative arrangements”. It said, “the economics used to assess the retention value against the sale values has been disputed by a number of well qualified economic practitioners.”

Furthermore, the government's proposals for the investment of the sale's proceeds failed to meet the requirement that they be “responsibly directed to capital needs”. Finally, the proposal gave less job security to retail workers than to others currently working in the industry, which is just five years' guaranteed job retention.

In other words, the unions are not opposed in principle to the handing over of public assets to private enterprise for the purpose of generating profits. They require only that the government's proposal be dressed up a little further to be made “consistent with the NSW ALP policy” so they can climb on board.

In another sign of the union movement's manoeuvres, Greg Combet, former Australian Council of Trade Unions secretary and recently elected Labor member of parliament, last week backed the NSW power sell-off, saying he was obliged to do so as a member of Prime Minister Kevin's Rudd government, which he now serves as a ministerial secretary.

Combet—whose electorate includes hundreds of

electricity workers and the state's largest power station, Eraring—called for the sale proceeds to be invested in improved infrastructure in regional NSW and for workers' jobs, conditions and entitlements to be protected. His comments, made while addressing a local business lunch were billed by the *Sydney Morning Herald* as a “middle way between the anti-privatisation position (of the unions) and the Government's stance”.

The unions have already called off the limited public protests and industrial bans. Union officials have visited the Eraring power station to instruct workers to comply with a NSW Industrial Relations Commission directive to “remove all bans and limitations—and refrain from taking further industrial action”.

The unions now insist that the main arena to resist the government's plan is next month's state Labor conference. Premier Iemma and Treasurer Michael Costa, however, have vowed to proceed regardless of any vote at the conference.

At the same time, the Unsworth committee's finding that the power sell-off accords with Labor's platform will allow a gaggle of so-called dissident Labor MPs to dump their former “opposition” to the privatisation and come in behind the government.

The corporate sector seized on the Unsworth report. Gary Bowditch, the executive director of Infrastructure Partnerships Australia, an industry lobby group, declared: “The case for reform (power privatisation) has been clearly and unequivocally made”. He demanded that the Iemma government “get on with the job”.

NSW power privatisation is only one instalment of the ferocious attacks on the conditions and rights of working people being prepared at both the state and federal levels. Left in the hands of the unions, every struggle against these attacks will be betrayed and defeated as they have been under every Labor government over the past three decades.



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