Blue Mountains Union News

news and views selected by Blue Mountains Unions Council

### **Stop the Sell-off! Keep power in OUR hands** http://www.stoptheselloff.org.au/

The NSW Government is planning to hand over the state's electricity to big business - taking power out of our hands.

The experience in other states and overseas shows us private ownership leads to:

higher prices less reliable supply key service jobs sent offshore

In NSW our electricity would be taken over by multinational companies who will be more interested in profits than making the best decisions for our energy future. Don't hand over our electricity to big business.

The industry currently delivers billions of dollars in profits to the government to fund hospitals, schools and other public services and employs tens of thousands of workers across the state.

Steps must be taken now to secure NSW's energy future but privatising our power industry is not the way to go.

The State Government should instead upgrade its existing power stations to meet our short-term needs while taking urgent action to promote renewable energy.

# AMWU opposes Iemma's privatisation

AMWU NSW Secretary Paul Bastian said that the community had consistently opposed privatisation of public assets and infrastructure services.

"It's difficult to understand why the Premier is pushing ahead with this when there is evidence to show that privatisation is an expensive failure for everyone except the private businesses that buy them."

An emergency Caucus meeting of NSW Labor parliamentarians on Monday approved the Premier's plan. Since that time all pretence at 'negotiations' with the affected unions have broken down in the face of the Treasurer Michael Costa's provocative media statements and his refusal to give commitments on job security or conditions of employment for workers in the power industry.

Mr Bastian said the New South Wales Government tried

and failed to privatise the power industry in 1997.

"It was a spectacular failure, but since that time, privatisation has always been on the radar.

"Morris Iemma's State Labor Government didn't seek a mandate to privatise power or any other NSW public asset. Privatisation was a point of major difference between the ALP and the Coalition during the State election campaign.

"Yet since winning a fourth term at the State election in March, it has been clear that the treasurer has made moves to do whatever necessary to privatise a range of state owned infrastructure and services."

"While the Government claims it to be a sign of 'economic responsibility', we see it for what it is: an attempt to hide public debt which effectively results in the transfer of public wealth to private profit."

### New York Times on power privatisation

The United States, the foremost advocate of privatisation, is beginning to rethink this policy.

The *New York Times* recently reported that more than a decade after the drive began to convert electricity from a regulated industry into a competitive one, many states are rolling back their initiatives or returning money to

individuals and businesses. *"The main reason behind the effort to return to a more regulated market is price"* 

"Recent Energy Department data shows that the cost of power in states that embraced competition has risen faster than in states that had retained traditional rate regulation."



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January 2008

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# PSA slams Iemma privatisation

The Public Service Association of NSW has slammed the Iemma Government for failing to consult with Unions or the public on plans to privatise the State's electricity industry.

Assistant Branch Secretary Steve Turner said members would refuse to co-operate with outside consultants hired by the State Government to fast track plans to sell the industry's retail business arm and lease generators.

"We had an agreement with the Government that there will

### United Services Union: Stop the Sell Off

The Union Movement is strongly opposed to the Iemma Government's announcement to privatise the Electricity Industry.

The USU has, on every occasion that we have met with the Iemma Government, adamantly opposed any proposition that includes the sale of State Owned electricity assets. In every available forum the USU has made it quite clear that we do not condone the sale of retail, or the leasing of generators.

It is premature and offensive for the Iemma Government and your employer to announce transfer proposals for employees, when a debate on the Governments position is yet to occur.

be proper community consultation," he said.

"If we become aware of any fast-tracking of the process that undermines such consultation and review, then we will be asking our members not to participate."

The PSA represents administrative staff in the power generation plants. Members have asked the Union if they should provide highly paid consultants with information about the business operations of the Delta and Macquarie generators.

It appears the Government is attempting to gag debate in relation to their intention to sell off your jobs.

All members should encourage non-members to join. With your support and the support of all other Union members from across the industry, we are confident that we can achieve the best possible outcome for the Energy Industry.

Let's keep Energy in the public hands.

The USU calls on all Trade Unionists (from all trade unions) and employees of all State-Owned electricity companies to fight for your jobs, because this is only the beginning of the sell-off.

### CFMEU: members oppose electricity sell off

Unions are opposed to plans to sell off electricity retailers and lease power generators to the private sector, saying the move puts hundreds of jobs in doubt.

Delegates representing 10,000 building workers from the Construction, Forestry, Mining and Energy Union (CFMEU) voted to support a campaign against privatisation.

Workers at three Hunter Valley power stations have also held stop-work meetings.

CFMEU secretary Andrew Ferguson says the issue is important for all members.

"Five-hundred members are threatened in our energy division," he said.

"They've raised the issue of the leadership of the energy division of the union and we act as one union, all our divisions. "There's no secondary boycott at this point in time. We're simply expressing our support - we're opposing the plans of Treasurer Michael Costa."

#### Costa boasts: it's all over

Mr Costa says it is too late to negotiate and the unions need to move on.

"The Government always knew that for some sections, particularly the labour movement, they would have difficulties," he said.

"But we've got a responsibility to ensure power supplies, we've got a responsibility to ensure that our power stations are retro-fitted for greenhouse-related concerns and all of that means funding.

"The Government's not in a position to fund new power stations."

### Privatisation's poor track record

#### Lithgow Mercury 03 January 2008

Selling off the State's electricity industry will serve only to raise prices and reduce services in regional and rural New South Wales, according to local government advocacy group, the Shires Association of NSW.

President of the Shires Association, Cr Bruce Miller, went

even further in his criticism when he warned the government to learn from past misadventures in privatisation.

"Privatisation of essential services has never achieved the promised benefits," Cr Miller said.

"Wherever privatisation has occurred we have seen loss of jobs and increases in prices over time."

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# Wages: unions doing their job

'There is no national union push for a wages 'breakout' in the building industry, nor are there plans for mass strikes,' said Dave Noonan, National Secretary CFMEU.

'These ridiculous claims in the Fairfax press of impending widespread industrial action have been generated by a few mischievous employer groups indulging in union bashing.

'The Australian people made it very clear at the last election that they want rights at work and see unions as having an important role in their workplaces.

'The bulk of building industry agreements in NSW and Victoria due to expire this year already have wage increases guaranteed for 2008.

'So the suggestion that widespread industrial action will arise

to secure wage increases is a fallacy.

'Where agreements are due to expire, the CFMEU will consult with its members and then sit down with employers to negotiate the best possible outcome.

'The Master Builders Association is once again peddling untrue statistics and unsupported claims as part of its smoke and mirrors campaign against unions and workers' rights.

'The MBA should accept that the Australian people voted at the last election for rights at work and this union bashing has got to stop.

'The CFMEU calls on employers to instead work with the union to increase apprenticeships and training, deal with skill shortages where they occur and provide decent jobs and career paths for construction workers,' said Mr Noonan.

### Unions oppose bank rates hike

Unions have urged the remaining of Australia's major banks not to raise interest rates.

National Australia Bank (NAB) and ANZ Banking Group were the first to raise their variable home loan rates last week ignoring the rate set by the Reserve Bank of Australia.

The ACTU wants the remaining banks to put working families ahead of annual profits.

"ANZ and NAB's decisions to raise interest rates were simply greedy," ACTU president Sharan Burrow said in a statement. "The top five Australian banks combined made nearly \$18 billion in profit last financial year, and NAB alone made \$4.4 billion in profit."

Ms Burrows said an increase in bank rates will further stress family budgets.

"Working families are struggling with increased petrol and food costs and many are already experiencing housing stress," she said.

"There were a record number of mortgage defaults last year and any further increases to interest rates will only make it harder for people to meet payments."

# MUA hails shipping reform

The newly elected Rudd Government has made good on its pledge to unions and local ship owners to reinvigerate Australian shipping and put a stop to rampant exploitation of third world crew by rogue shipping operators in Australian waters.

There will be a clamp down on overuse of foreign-owned ships to transport freight around the nation's coastline in a bid to bolster the shipping industry.

There will be a review of coastal shipping laws to uncover ways to lift the domestic shipping fleet's share of the domestic freight market from its current level of about 80 per cent.

Foreign vessels in Australian waters will be required to observe an International Labour Organisation Convention guaranteeing fair pay and conditions for all seafarers.

The Maritime Union of Australia met with the minister after the election calling on Labor to deliver on its policy platform, requiring stronger laws to protect cabotage - the principle that nations should protect domestic shipping routes for domestic shipping fleets.

MUA National Secretary Paddy Crumlin accepted the need

for foreign ships to ply domestic freight routes as long as no Australian vessels were available.

"But there should be a transparent process to how those permits are awarded," he said.

"Under the Howard government, permits were issued without due diligence. We've met with Anthony Albanese. He said that we'd be going back to the (Labor) platform."

In a letter to the International Transport Workers' Federation he thanked international colleagues for their support in the protracted battle to secure rights for both Australian and world seafarers.

"It could not have been achieved without the constant support of the ITF and it's many affiliates through hard times," he said.

"We are working hard on our work plan for the new government in maritime policy areas and all responses have been very supportive. What a difference a government makes. There is plenty to be done and as we all know political work can be frustrating, but after 12 years of criminal conspiracy and harassment, every day is a bright one!"

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# Unions good for the economy

The purpose of the Howard government's WorkChoices legislation was to destroy trade unions in the name of improving labour productivity and reducing unemployment.

WorkChoices was the biggest single factor in the demise of the Coalition government. It was electoral poison because most employees, including those who weren't members of unions and would never think about joining a union, recognised that the legislation could be used to undermine their terms and conditions of employment.

The right-wing putsch against the trade unions failed for much the same reasons as it failed in 1929, when the Bruce government lost the election on the issue of abolishing the Arbitration Court and Stanley Bruce, like John Howard, lost his seat.

It is an inconvenient truth that unionised work forces can contribute to labour productivity by driving up wages faster than non-unionised work forces and this provides a stimulus to innovation, as employers will be motivated to economise on the use of labour by capital substitution. Studies in the US have shown that unionised workers also promote productivity because strong unions foster a culture where workers are less inhibited about pointing out problems as they emerge on the shop floor because they feel the union will protect their employment security.

As US economist and author Robert Kuttner puts it, there are allocative efficiencies to be gained as labour markets become more like spot markets and pay scales are matched with marginal productivity. But there are major mechanisms such as stronger unions, fair trade, wage subsidies and social incomes and education and training that can combine equity with efficiency. The analogy is the old paradox that brakes allow the car to go faster, according to Kuttner.

Employees are less likely to point out management mistakes when they don't enjoy the protection of unions or unfair dismissal rules.

# Howard legacy: ABCC out of control

The bystander was a mild-mannered academic from the University of Melbourne. Passing a building site on the Yarra's south bank, he witnessed a confrontation between a union official and a building manager. No punches were thrown but the two men pushed each other and grabbed at each other's shirts.

But agents of the federal building industry watchdog soon tracked the witness down and hauled him in for several hours of secret questioning, under powers that rival those of Australia's national security services.

The man cannot be named and cannot discuss the details of his interrogation for fear of imprisonment. Building unions say the innocent citizen's experience proves the Australian Building and Construction Commission is out of control, wielding powers greater than the police and equal to those of anti-terrorism bodies such as ASIO.

### Howard on IR Laws

Before his historic defeat John Howard told business leaders:

If the Government is returned, then I confidently predict that the reforms that have been made over the last few years will never be dismantled.

Because by the time of the next and subsequent elections, they will have become so much part of the economic and industrial fabric of this country, that will be quite impossible.

No issue will be more keenly argued in that

A spokeswoman for the commission confirmed it was the first time a bystander, not connected with a building company or a union, has been subjected to these powers.

Howard's legislation gives the commission the authority to question people - with or without a lawyer present - and overrides the right to silence. Witnesses cannot reveal the contents of the interview, even to their spouses, and risk up to six months in jail if they breach the law.

### Join Blue Mountains Unions Council

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campaign than the fate of the Government's reforms to Australia's workplace system.

Let us understand without any ambiguity and without any polite words, but there is a very clear choice. If the Government is defeated and the reforms are over-turned, I do not believe a future government of my persuasion will again be able to reintroduce those reforms.



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