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# Use Your Power – Say NO to Privatisation

useyourpower update #1

17 October 2014

Barnett's privatisation program was kick-started on 28 August 2014, when the State Government announced the first stage with the sale of three publicly owned assets: Kwinana Bulk Terminal, the Utah Point bulk facility and the Perth Market Authority along with various land sites.

## Are we heading for a mass privatisation program from the State Government in Western Australia in the Energy Sector?

The 2014/15 State Budget reads:

.....*"The Government is undertaking a review of the electricity market and following that review and implementation of market reform, the Government will also consider the sale of individual generation assets such as Muja."*.....

The privatisation of electricity holds a record of failure in Australia. There are multiple reports that demonstrate that the privatisation of publicly owned utilities do not deliver lower electricity prices. In fact, electricity privatisation hurts working families, pensioners and even business owners.

### Why would privatisation detrimental to our community?

We all rely on and use electricity to power the necessary services and support to provide us with a decent quality of living. Where privatisation has been implemented, we see that communities suffer from:

**Higher Power Prices** - Families, Pensioners, Business Owners and Individuals will pay more for power as private companies seek to maximise profits.

**Poor Reliability** - Upgrades and regular maintenance to new and existing infrastructure will go into decay as private companies slash spending to appease shareholders and their expected financial returns.

**Reduced Public Safety** - From poor reliability poor safety grows an increased risk to the public, especially in times of storms, bushfires and other natural disasters.

**No Accountability** - Private companies are only beholden to shareholders. They are not guided by community needs and often operate with little or no accountability; this means consumers will be left paying more with no options for recourse.

**Your Community** - Publicly owned electrical utilities form part of every local community across Australia. They support community projects and events, provide good paying local jobs with decent conditions and they invest in the future by providing opportunities for young workers through training and apprenticeship programs.

There is no up side to privatisation. In Victoria, where SEC VIC was sold off more than twenty years ago, the result has been higher prices of electricity, unreliable supply to consumers and profits and jobs going offshore.

Western Australia - supply area cost comparison

Supplier	Supply Charge (c/day)	1st Rate (c/kWh)	1st Rate threshold	Rate After Threshold (c/kWh)
Synergy	35.0581	24.5961	n/a	n/a
Horizon	45.1516	24.5961	n/a	n/a

Alinta Energy Victoria - supply area cost comparison

Supplier	Supply Charge (c/day)	1st Rate (c/kWh)	1st Rate threshold	Rate After Threshold (c/kWh)
Citipower	102.938	21.692	11.178 kWh/day	24.387
United Energy	104.126	24.442	n/a	n/a
Powercore	110.44	25.707	10.9405 kWh/day	28.094
Jemena	116.93	26.939	n/a	n/a
Ausnet	119.878	29.183	n/a	n/a

## Use Your Power to stop Privatisation in Western Australia

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ASU Delegates from Western Power and Synergy held meeting at the ASU Office and Waroona to discuss their concerns surrounding Privatisation. From those meetings the following resolution was agreed and communicated to ASU:

***“ASU Delegates employed by Western Power and Synergy support an Anti Privatisation Campaign against the Government. The campaign needs to educate the community and influence all Politicians. All Electricity Corporations of the old Western Power are owned by the public of Western Australia and selling them is not in the public’s interest.”***

The Electrical Trades Union (ETU) and the Australian Services Union have joined forces in our USE YOUR POWER campaign to fight the planned privatisation of Western Australia’s electricity system.

This workplace and community campaign will highlight the disadvantages and our opposition to the privatisation of our public utilities in the Energy Sector. Use Your Power will be run through workplace activities, community activities and on social media.

The first press release for the campaign is included with this newsletter.

The website - [www.useyourpower.com.au](http://www.useyourpower.com.au) - will go live with the website at the Annual Delegates Conference 2014 on 31 October 2014.



[asuwa.org/joinonline](http://asuwa.org/joinonline)

## ASU ACTIVE • STRONG • UNITED

If you have any questions about the content of this newsletter, please contact Wayne Wood, Branch Secretary at [wayne.wood@asuwa.org](mailto:wayne.wood@asuwa.org) or by calling 0412 947 052.



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**MEDIA RELEASE**

ATT: News Editor / Chief of Staff

13<sup>th</sup> October, 2014



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**Unions unite to fight electricity privatisation**

The Electrical Trades Union (ETU) and the Australian Services Union (ASU) will join forces in a major public campaign to fight the planned privatisation of Western Australia’s electricity system.

The two unions represent thousands of workers in Synergy, Western Power and Horizon.

Treasurer Mike Nahan has indicated that the State Government will look to sell electricity assets to reduce State debt, and has been backed by Synergy in its submission to the State Government’s Electricity Market Review.

ETU WA Branch Secretary Les McLaughlan said that privatisation would result in electricity price increases of up to 50 per cent.

“The only way that Western Australia’s electricity assets will be attractive to private sector investors is if they can make a profit on their investment, Mr McLaughlan said.

“Given the State Government currently subsidises electricity prices by about 30 per cent, once you introduce a profit margin, it is likely that electricity prices could go up by 50 per cent in a privatised model.

“This would be a disaster for low income Western Australians and small businesses, particularly those in regional areas, where the cost of producing and delivering electricity is highest.”

ASU WA Branch Secretary Wayne Wood said privatisation would also see the quality of service suffer.

“Privatisation would likely see every job that didn’t physically have to be performed in Western Australia head offshore,” said Mr Wood.

“We would see call center, administration, systems work and accounting services undertaken in low costs centres like India, and thousands of jobs would likely be lost to Western Australia.

“This would be a tragedy for the existing workforce, and would lead to an increasingly frustrating experience for consumers.

“Plus, we would have real concerns for maintenance standards in areas like the Perth hills and the South West, which have high bushfire dangers.”

Mr McLaughlan said the unions would campaign for as long as required to see off the privatisation threat.

“Both unions will commit the resources required to stop the disastrous effects of privatisation on the Western Australian community,” he said.

“We understand the Barnett Government has created a debt problem for itself, but selling off essential services like electricity is not the solution. This is particularly the case, given Mr Barnett promised he would not privatise electricity assets during the last state election campaign.”

Mr Wood called on all Western Australians to unite to stop privatisation.

“In the weeks ahead, we will launch a campaign website and advertising to inform the WA community about the electricity price increases and service quality problems that will be an inevitable consequence of privatisation in electricity,” he said.

“We will encourage the WA community to use the power they possess at the ballot box to stop the Barnett Government’s privatisation plans.”

Ends



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