

COMPETITION POLICY
ACTU Congress September 1995

The ACTU:

- 1.1 Opposes the development of national competition policy where it will adversely affect economic and social development and contribute to reduced living standards and reduced welfare of the community.
- 1.2 Does not support competition as an end in itself, and notes that conditions in some particular markets mean that competition will not result in economic efficiency or social equity. Other government policy objectives such as equity, social justice and protection of the environment must be considered in the application of competition policy.
- 1.3 Opposes competition harmful to the national interest. For example, competition which undermines:
 - (i) The maintenance of a universal health care system, a national education system and a national network of labour market programs which are essential components of our social infrastructure.
 - (ii) The community's right to universal affordable access to efficient basic infrastructure by enabling new market entrants to cream-skin more profitable areas which would in time erode the cross-subsidies which sustain services to less profitable residential and rural areas.
- 1.4 Considers that regulation in the public interest should be retained and strengthened where necessary, including occupational health and safety, environmental protection, and consumer protection standards. Such regulation should not be reviewed against the sole criterion of whether it restricts competition.
- 1.5 Notes that the United Kingdom experience shows that the breakup and privatisation of publicly owned water and electricity utilities and removal of cross subsidies for essential services can result in employment losses, declines in services and significant price rises for domestic consumers. In the UK recent studies by consumer organisations have shown that water prices have risen on average by 67% in the four years since privatisation, and there has been a dramatic increase in the number of people disconnected from the system because they cannot pay bills. There have also been job losses and reductions in working conditions for the work force. However, senior executives have received salary rises so high that they have provoked public outrage.
- 1.6 Notes that unions and other community organisations have succeeded in having some of these objectives included in the 1995 National Competition Policy legislation and principles. However, Governments have considerable discretion in implementation.
- 1.7 Notes that, despite competition policy not supporting either public or private ownership, it is being used by some governments to justify privatisation of essential services like electricity and water. Despite this, an overwhelming majority in the community remains opposed to privatisation of these services.

- 1.8 Resolves to encourage affiliates to campaign with community organisations and to seek commitments from governments that:
- (i) Essential services will not be privatised;
 - (ii) Open public and independent reviews must be conducted before decisions to introduce competition in the provision of public services through areas such as contracting out and privatisation;
 - (iii) Private access to public infrastructure will not be on a basis which enables privatisation of all the profitable areas, leaving taxpayers to fund all loss making community services;
 - (iv) Competition will not be based on the reduction of wages and working conditions of employees;
 - (v) The proposed review of all State and Commonwealth legislation and regulation will exempt legislation which is in the public interest, in such areas as environmental protection, industrial relations, health and safety, equal employment opportunity and consumer affairs.
 - (vi) If decisions to contract out a public function are made any appropriate public agency should be entitled to tender.