

Privatisation of the State's Electricity Industry – Bishop Kevin Manning Speech given at the rally in Macquarie Street, Sydney, Tuesday 26 February 2008

Thank you for the opportunity to speak to the privatisation of the State's electricity industry. I preface my remarks by saying that all privatisation is not bad for it too can lead to lower prices, better services, more efficient use of resources. I say with emphasis that it is not the answer to every thing in every case.

On the other hand, the poorest people, the planet, and the future, stand to lose from privatisation of a basic service which has a huge impact on the environment. The Catholic Church's social teaching is along these lines:

1. Private ownership can be good, but is always subject to "social mortgage," and the interests of share holders, possibly foreign, will inevitably override the public interest. Since electricity supply is a community service it should not be subjected to the profit motive.
2. The goods of the world are meant for all and everyone has a right to what they need in order to live a decent life. The operation of markets must not be allowed to deny this right.
3. Economic initiative and freedom are good and should not be unduly interfered with, however, common or public goods by their nature cannot be safeguarded by the market alone. (CA n.40)
4. Governments exist to organise, foster and promote the common good.
5. This includes a juridico-political framework governing the operation of the market, directing economic development, and where necessary, intervening directly in the operation of the economy. This can include direct ownership and management of infrastructure.

So, the opposition of the Church to privatisation, in this case, is based on:

1. Commitment to the common good, in which all, including the poorest, must be able to share.
2. The understanding that the role of Government is to organise and promote the common good, safeguarding, especially, the rights of the poorest and most marginalized who are least able to defend their own interests. The Liberal Government came to grief last year because it had lost its compassion and concern for the poor, making a God of profit and the economy.
3. A belief that all things of creation are intended for the use of all to meet their basic needs, such as electricity, regardless of their capacity to pay.
4. A commitment to be good stewards of creation and work towards more sustainable energy operation.

Further arguments why we oppose privatisation are:

1. Community service obligations and other non-commercial standards and objectives that may be included in contracts with private enterprise for the delivery of services, are often in tension with commercial imperatives and their fulfilment needs to be carefully monitored.
2. Profit-driven enterprises are likely to be less flexible or compassionate than a public authority in relation to debt collection and arrears.
3. The free operation of the market has contributed significantly to the development of the current ecological crisis and a purely profit driven approach to electricity generation is extremely unlikely to address the urgent need to move to greener energy and to develop sustained means of producing energy for the future. This urgent, important social objective warrants the direct intervention of governments rather than disengagement.
4. Privatisation of electricity generation in Victoria means prices have risen and service has declined, this would be the likely outcome in New South Wales. The poorest will suffer the most from such an outcome.
5. The poor in Australia and internationally are already bearing the brunt of climate change. Government intervention to change the distribution of these costs is needed.

In conclusion, I hold that the Church and upright and fair-minded politicians have a role in protecting and speaking out on behalf of vulnerable people.