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Ecoso Exchange Newsletter

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News from the Crow Collection

by Ruth Crow

Promoting Participatory Social and Environmental Planning

I've been surprised by the amount of personal satisfaction these gongs have given me. No one is without vanity. But accepting them has also given me a platform from which to speak out about the things which most concern me.

These are Fred Hollow's words and they express how I feel about accepting the Honour of being a Member of the Order of Australia which was announced on June 14th this year.

Thanks to the hundred of people who have sent their congratulations to me and to the 70 friends who came to our celebratory dinner. A special thanks to those anonymous people who made the nomination. The words they chose "for promoting participatory social and environmental planning" was an apt way of describing Maurie's and my aims and at the same time challenges me to continue to be socially involved the process of changing society through community development.

The unusual citation seems to have captured the attention of some journalists. For example, on Monday, June 14th (the day of the announcement) the ABC was on the phone at 7 am requesting a phone interview in the Ranald Macdonald session. There were news articles in the Age and in some of the suburban newspapers, a double page feature article entitled "Red Ruth" in the widely distributed Melbourne Weekly, a large feature in the Canberra Times Saturday Magazine and another in the Age, numerous congratulatory paragraphs in various journals and interviews on several community radio stations.

So, to a certain extent, "I have been given a platform from which to speak about the things that most concern me".

Other News from the Crow Collection.

The Victoria University of Technology 1993 "Research Report" listed over a hundred projects in the six faculties and selected 2 from each faculty for a feature article with photograph. The Crow Collection's was one of the two chosen by the Arts Faculty. The full page photo was of a group 6 women studying some of the documents on children's services.

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Ruth's contribution to the Planning History Conference has been published "The Australian Planner" published by the NSW School of Town Planning. Her paper was on "Maurie Crow's Contribution to the Town Planning Research Group 1967 to 1982".

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Sheila Byard, Hon Sec of the Crow Collection Association attended the International Sociological Association's Conference on Housing and the Built Environment to give a paper on "The Legal Constraints on the Private Provision of Housing for the Aged."

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Ruth Crow has been invited by the Hon Brian Howe to be a member of the Consumer Forum for Aged Services and by the Municipal Association of Victoria to join a Committee Linking Housing and Home Care. She is also attending some of the sessions of the Melbourne City Council's Forum on Home and Community Care. Last year Ruth presented a paper to the Law Reform Society on "Creative Housing Options and Supportive Environments for Older People".

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(Note the three reports in bold above are available from the Crow Collection for \$2.00 each, this includes postage)

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Thanks to Jenny Lane for donating to the Crow Collection "Nettie Palmer - Her private Journal, Poems, Reviews and Literary Essays" and to Barbara Chapman for some educational journals.

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The Collection has been given one of the few copies of "Notes on the Development of the Eureka Youth League and Its Predecessors" republished by Audrey Blake in 1993. It was originally written in 1952. The aim of the document is to assist the study of the working class youth movement in Australia by recording the activities of the Eureka Youth League.

Work Practices in the 1920s

Tony Restarick is now nearer ninety than eighty. He has very clear memories of the work practices in the Ballarat Railway Workshop. Here is the first part of an essay he has recently written about those times.

When I started my apprenticeship in the Railway Workshops in 1923 the method of work was for the tradesman and his assistant to take their box of tools and move onto the next job which could be completely different. Any tradesman was expected to be able to work on any aspect of his trade and only very few jobs were specialised.

With the exception of some contract work done by gangs at the car and wagon shops at Melbourne and frowned on by the Union the above method continued until 1929 when 3 factors brought about change :-

1. The decision by the Railway Commissioners to send two of their brightest young sub-foremen (Ginger James a boiler maker and Walter Grimshaw a tuner and fitter to the USA to study the operation of the chain or spot system as first introduced by Henry Ford. This system entailed the tradesman and his assistant staying in the one spot and the vehicles being brought to them where they performed one operation and then the vehicle moved to the next spot.

2. Finance was allocated to repair, strengthen and convert the whole rolling stock to automated couplings, starting first with the trucks.

* The onset of the world wide depression which hit Australia at the beginning of 1930. The Railways sacked half the workers making the other half work twice as hard and taxing them to help pay the unemployed a pittance to keep them alive.

James and Grimshaw returned from the USA. James became a boiler inspector at the Newport Work Shops and Grimshaw became Manager of the Ballarat North Work Shops.

"The Split Pin"

Grimshaw was a tall thin gangling man about 6 ft 4 ins who spent little time in his office, moving around the shop with a long loping stride. He had the peculiar habit of biting the finger nails of his left hand while scratching his posterior with the right or vice versa. He was aptly named the "Split Pin". He commenced his beloved spot system in the truck shop. The truck shop was totally unsuited for such an operation. It was a tin shed built as an annexe to the main shop and was designed for light repairs. It had no overhead cranes like the main shop and there was no mobile crane or fork lifts in that era so all the heavy equipment had to be man-handled. It was bitterly cold in the winter and brutally hot in the summer.

However, despite these shortcomings he got it started with no opposition from the unions and only a few misgivings from the men.

"The Little Czar"

He was ably assisted by one, Alfred John Nettleton, a leading hand boilermaker. He was the exact opposite to Grimshaw, about 5 ft 5 ins short and stocky. He was dark visaged and black-hearted and he had little ability of dealing with the men. He had been appointed to the job because his father was the head foreman at the boiler shop in Newport. He was completely ruthless and self-opinionated and he seemed to believe that he was born to rule. Even when he was only acting as the boss for a single day, before his appointment, he would eat his dinner alone in the office and not sit with his usual mates but would return next day as if nothing had happened.

Nettleton had one saving grace, he had no favourites, he was a bastard to everyone. He earned himself the nickname of the "Little Czar".

Rationing Work Did Not Stop Dismissals

The spot system started quietly enough, the trucks moved every 12 hours and as the men became used to doing the same job every day they became quite slick at it. Then out of an open sky the Depression fell, talk of dismissal filled the air, it was hinted that if the staff accepted rationing of the work this might be avoided.

Rationing was introduced immediately, single men one week off in four, married men one week off in seven, no sooner had they got that going smoothly then the dismissals started.

Employment in the Railways was divided into 3 categories in the 1920/30s :-

1. Permanents: Men paying superannuation had to be compensated from the fund if they were dismissed after 5 years service.

2. Supernumeraries: Men paying no superannuation but employed most of the year and only being stood down for seasonal reasons (for example, end of wheat harvest).

3. Casuals: Men employed by the day, sometimes only getting 3 or 4 days a week. They were mainly employed in cleaning the cars, or cleaning engines, loading trucks and repairing the lines.

The first sacked were the casuals. They were replaced by the apprentices immediately they came out of their time so that many lads had spent five years learning a trade only to find themselves laying railway tracks or car cleaning. They had the alternative of taking the sack.

The next to go were the supernumeraries. Many of them were married men. They were replaced by permanent men from Newport, both single and married men. Many of these men resented the change.

The sackings caused a shortage of assistants, these they replaced by reducing tradesmen from some of the other trades, like upholstery, moulding, carpentry. Men who had spent their whole lives at these jobs found themselves swinging a sledge hammer in the truck shop.

The 10 % and The Premier's Plan and Speed Up

As if this was not bad enough, wages were reduced by the Arbitration Court by 10 % and the State Premier's Plan in 1931 reduced them by yet another 12.5 % and the spot system was speeded up and the truck shop became known as the Speedway. This was achieved by the manager shop foreman, boiler shop foremen and the Little Czar standing over the first spot in relays and threatening to sack anyone who straightened their back.

Once they moved the first spot more quickly the pressure built up right down the line until eventually a truck, completely rebuilt with automatic couplings was going out every 4 hours.

A Replica of Dante's Inferno

It is true that some additional staff was also used and at one stage there were 8 pneumatic riveting guns, 43 oil furnaces and other assorted pneumatic tools all going at once in the tin shed making the place a replica of Dante's inferno,

During this period three men had an eye knocked out by flying rivets, one spent over 12 months in a mental hospital. There was a large record of ulcers and hernias. One boilermaker, Micky Edwards, was so harassed by being 10 minutes late on the day the Commissioner selected to visit the shop that he ran away and was later found drowned in the Blue Dam with his pockets full of road metal.

Solidarity Against Harassment

Resentment and frustration reached such a pitch that one morning someone threw a rotten orange at the Little Czar as he was writing at his desk. Pandemonium broke out as all the truck shop workers rose and cheered the man. Work stopped while they tried to find the culprit, who, without doubt would have been sacked on the spot, but such was the solidarity of these harassed men that no one spilt the beans.

This incident brought a fresh wave of reprisals from the management.

In the railways a peculiar system of fines operated. It was probably unique in industry throughout Australia and was illegal in all private enterprises. For an alleged misdemeanour a printed form was issued to the worker stating "Please explain why you should not be punished for.... ... (for example - washing your hands before knock off time, removing your overall, not being at an appointed place of duty at 7.30 am idling your time etc.).

No matter what explanation was offered it was seldom accepted and the offender was fined. For each subsequent offence the

amount of the fine was increased. Hardly a day went by without someone being fined for these minor offences. Despite increased harassment of this type they still did not find out who threw the orange.

This incident is significant because in all large factories and workshops the management establishes a grapevine with information supplied by some workers and they know what is going on throughout the shops. Likewise the workers have their grapevines into the office, after all the correspondence has to be handled by workers so they get to know what the management has in mind, but at the Ballarat Workshops the management's grapevine had broken down.

By now the spot system had spread to the rest of the workshops and the huge engines and boilers were being lifted around from spot to spot with the same results as far as the workers were concerned.

Also, other railway workshops, Newport, Jolimont, North Melbourne Bendigo, had the system introduced. The unions and the existing officials were quite hopeless and helpless to deal with the situation and the majority of the workers had rejected the union, refusing to pay their dues. No effort was made to restructure the union and thus try to alleviate the position.

Grimshaw and his underlings had established their spot system and in so doing had produced the finest crop of militant workers that Ballarat had (since the miners rose at Eureka). It was into this industrial turmoil that the shop committee was born.

(Ecoso readers will have to wait to the next Ecoso to read about the birth of the shop committees. So look out for our next instalment, please. In the meantime, on the next pages are six extracts from a pamphlet in the Crow Collection.)

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Green Jobs in Industry, the ACTU and the ACF

Early in 1993 the Australian Conservation Foundation (ACF) and the Australian Council of Trade Unions (ACTU) established the Green Jobs in Industry Program. Its objectives are :-

- * To work with employers and industries to identify and develop the potential for the creation of green jobs.
- * To assist employers to turn this potential into real jobs, by facilitating access to information and providing employer "packages" for specific green jobs.
- * To provide a comprehensive Green Jobs Information Service to employers, unions and environment groups.

More information from the Green Jobs Unit at the ACF, 340 Gore Street Fitzroy, 3065, (03) 416.0355 or Fax 2, (03) 416.0767.

THE Premiers' Plan

In Action

Relief Work Into Industry.

Smashing of Award Wages
and Conditions.

"The Premiers' Plan, as it affects the workers in New South Wales, and indirectly the workers in other States of the Commonwealth, is brilliantly expounded in this pamphlet."

—R. A. King, Secretary, Trades and Labor Council, Sydney.

Written and compiled by

W. H. MACKENZIE and MAT HADE,

Research Bureau,

State Unemployed and Relief Workers' Council of N.S.W.

Issued with the approval of the Trades and Labor Council,
Sydney.

Price: 3d.

published
1932

"Family Unit."

"The family is to include all members of the family under 21 years of age, except infants under 12 months old, and embraces children of other parents under the age of 21 years residing with the applicant. The ration scale appropriate to the size of the family concerned to be issued. In the event of two families, or two branches of the one family, living under the same roof, each family shall be dealt with separately, and not as one household."

"Single Persons Living at Home."

"Provided the income level of the whole family, including those over 21 years of age, renders them eligible for food relief, ration 'A' is to be issued in respect of these members over 21 years of age."

"Income of Applicants—Confidential."

"The following scale is to be adopted as income for the PRECEDING FORTNIGHT, any amount in excess of which received by a family from any source would debar the applicants from receiving food relief:—

Scale A—20/- for a single man.

B—C—40/- for a man and wife, or married couple with one child.

D—50/- for a married couple and 2 or 3 children.

E—60/- for a married couple and four children.

F—70/- for a married couple and five children.

F—80/- for a married couple and six children.

F—90/- for a married couple and seven children.

10/- per fortnight per head of the household in the case of four or more children.

"Applicants may be granted food relief after seven days from completion of relief work of short duration. In such cases, half the amounts shown above shall be adopted as the scale of income in respect of the preceding seven days."

Calculation of Income.

All income from all sources, including earnings, gifts of money, Family Endowment, Government charitable allowances except where paid away in rent (receipt to be furnished), rents from property, 25 per cent. of amounts paid by boarders, value of food relief issued, military and invalid pensions (but excluding old-age pensions) of all members of the family within the preceding fourteen days should be taken into account in respect of each applicant.

(Note.—Since the regulations were issued the amount of the permissible income has been raised 25 per cent. in each scale.)

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Pages from a pamphlet on the 1931 Premiers' Plan

The examples are from NSW but the "plan" applied in all States.

CHAPTER I.

PREVENTION AND RELIEF OF UNEMPLOYMENT ACT.

We do not intend to weary workers with a recital of the facts leading up to the crisis; suffice it to say that in 1929 Australia became immersed in the world crisis of capitalism.

If you cast your minds back, you will remember the visits of various gentlemen from overseas.

In 1930, a conference of Premiers and Commonwealth Ministers was convened, when, after considerable differences of opinion were expressed, it was resolved that a further conference be convened not later than May, 1931, and that in the meantime a Committee of Experts should meet and formulate plans to be submitted at this latter conference.

In May, 1931, the Conference was held at Melbourne, and the experts' report submitted, upon which was evolved what is known as "the Premiers' Plan."

Following the adoption of this Plan, Mr. Bruce subsequently made a statement "that the unemployed would have to become used to being unemployed and the workers accept lower wages and a lower standard of living."

As a result of this conference, certain measures were put into effect throughout the Commonwealth.

In N.S.W., one of the first measures to give effect to the Premiers' Plan was the Prevention and Relief of Unemployment Act.

It is necessary for us to quote from the Act, in order that you may realise how, in accordance with the decision of the Premiers' Conference, wage reductions were and are to be effected.

PURPOSES OF ACT.

"An Act to provide for the establishment of a Council for the prevention and relief of unemployment; for the absorption of persons temporarily out of employment in public works or in private business; for the training of persons for whom no employment can be found in the industries for which they have been trained; to provide for an Unemployment Relief Fund and for the assessment and collection of Unemployment Relief Tax and to amend the Industrial Arbitration Act, 1912, and certain other Acts, and for purposes connected therewith."

Section 6 reads:—

"The Council shall consider means for the prevention and relief of unemployment, and may—

- (a) formulate schemes for the absorption in any public works or PRIVATE ENTERPRISES of persons out of employment;

(b) investigate and, if thought fit, approve of schemes for the relief of unemployment, including the distribution of work amongst employees in any industry and the training of persons for whom no work can be found in the industry in which they have been employed;

(c) recommend expenditure of money as appropriated by Parliament from the Consolidated Revenue Fund on any work approved by the Council or the advance of any money by way of loan from the Consolidated Revenue Fund, either with or without interest, to any Shire or Municipal Council or any public body, for the purpose of increasing production in any industry, for assisting in any business approved by the Council, or for any other purpose tending to the relief or prevention of unemployment and upon taking such security for repayment as the Council may approve or as is prescribed;

(d) enter into agreements with any Shire or Municipal Council or any public body for the purpose of carrying out any scheme or schemes for the relief of unemployment approved by the Council;

(e) do any other work or exercise any other power relating to the prevention or relief of unemployment that is prescribed."

None Are Immune; All Awards Will Go.

Thus it will be seen, from the objects of the Act and from the provisions of Section 6, that no worker, be he in governmental, semi-governmental, or in private employment, is immune from the attacks that can be made on his wages or conditions, once agreement has been reached between the Council and the employer.

As the Government finds it necessary, so will the conditions of all workers, whether in private or governmental employment, be reduced to that of the relief worker.

No award, industrial agreement or statutory right or condition will afford any protection to any worker, once the work he is engaged upon has been declared "a work for the prevention and relief of unemployment," vide Section 9 of the same Act, which reads as follows:

- (1) "Where the Governor on the advice of the Council or of the Minister declares by notification published in the Gazette a work to be a work provided for the relief of unemployment, all wages, hours and mode, terms and conditions of employment of any person employed upon such work shall be such as the Minister may from time to time direct."
- (2) "The provisions of this section shall take effect notwithstanding the conditions of employment, whether statutory or otherwise, or of any award or industrial agreement."

Pages from a pamphlet on the 1931 Premiers' Plan
The examples are from NSW but the "plan" applied in all States.

CHAPTER II.

THE APPLICATION OF THE PREMIERS' PLAN TO THE RAILWAYS AND TRAMWAYS.

Having considered most of the Governmental or semi-Governmental services, the next step contemplated by the Government is to extend relief work rates and conditions to the railway and tramway services of this State.

Proof of this intention is forthcoming in the proclamation issued in Government Gazette, No. 198, 31st October, 1934, which reads:—

"The removal of grass and weeds from tramway tracks from Anzac-Parade through Moore Park and between Anzac-Parade and the Randwick Workshops on the Coogee line, and any other work required in connection therewith."

Government Gazette, No. 209, 20th November, 1934, which reads:—

"The resurfacing of the tramway tracks, at Mosman and Manly, and any other work required in connection therewith."

Government Gazette, No. 15, 15th January, 1935, which reads:—

"The removal of grass and weeds, adjacent to tramway tracks, at Moore Park, between Park-Road and the Junction of Alison-Road and Anzac-Parade on the Coogee tramline, along the open ballast track from King-Street to Arden-Street and at the Dowling Street Depot, and such other works as may be required in connection therewith."

The wages and conditions prescribed are the basic wage hourly rate, on the basis of a 44-hour week. Margins for skill on relief labor are as follows:—

"Stonemasons, bricklayers, plasterers, plumbers, carpenters, electricians, blacksmiths, fitters, cranedrivers, gangers, rockchoppers, sewer miners, pneumatic pickmen, air-compressor drivers and fitters, enginedrivers, jointers, dimension stone quarrymen, and rubble masons, 3d. per hour."

"Horse bosses, manhole builders, powder monkeys and painters, 2d. per hour."

"Machine men (rock workers), pipelayers, timber men, time-keepers, gear men and motor lorry drivers, 1½d. per hour."

"Concrete workers, jumper men (rock workers) hammer and drill men (rock workers) and boot repairers, 1½d. per hour."

On the matter of 150 men being employed on relief work rates and conditions at Manly and Mosman, the Australian Railways

Union was communicated with. The matter was taken up by that body and, after negotiation, the Commissioners wrote to inform the union that the work had been discontinued temporarily.

AWARD WAGES AND CONDITIONS GO.

On the matter of the wages paid, however, the Commissioners were adamant, declaring that as the job had been declared a relief work they were only obliged to pay "relief work rates."

Here again we see the tactics of the Government. Why did the Commissioners withdraw?

In an endeavor to explain the Commissioners' withdrawal in this matter, it is very regrettable to hear absolutely false reasons being given, and wrong conclusions drawn, by people who should know better.

WILL FEDERAL AWARDS PREVAIL?

The argument is used that because of a Federal Award, the Government cannot apply the provisions of the Prevention and Relief of Unemployment Act, which is a State Act. Such an argument is fallacious; it is wrong; more, it is treacherous, for it disarms the workers and leaves them a prey to the attacks that are intended on their wages and conditions, and any such argument must be treated in no uncertain terms as the argument of the "enemies within the ranks of the workers."

The Federal award covers N.S.W. and Victoria, yet "relief work" is performed on the railways of Victoria. Unemployed are not parties to the award and consequently are not covered by it, and even if they were, of what avail is an award when it has been decreed that the relief work rates and conditions must extend to all governmental services?

OFFICIAL FALSEHOODS.

In the Arbitration Court proceedings, wherein the Commissioner for Transport sought and obtained a variation of the award relating to the Railway and Tramway services, Mr. Hall, who appeared for the Commissioner, stated to the Court "that the Commissioner had informed him that it was only intended to employ about 50 men on relief work in pulling up a disused tramline if the variation was granted."

This statement was too thin, and our investigators have now ascertained that such a statement was a deliberate lie, and intended to deceive the workers in the railway and tramway industry.

Trade Unions and Community Action
Draft for A Trade Union Video

The Electrical and Electronic Industry Training Centre is preparing a series of training videos and are including one on the relationship between the Trade Unions and the community. One of the community activist they interviewed was Ruth Crow. Here is the draft she prepared for them.

Theme, Trade Unions and community movements over the past 50 years and how to build on this to plan for the 21st century.

Q. Ruth, you and your late husband Maurie have been active in the labour movement and the community movement over the past fifty or so years. Could you tell us a little about your first impressions of Trade Unions ?

A. Well, My first impression of the union movement was that they are the great defenders of the workers of the world. In the late 1930s the militant trade unions were in the forefront of the campaign against fascism and war and the waterside Union was outstanding in the action they took on stopping Australia from helping Japan build up its armaments. For example the Dalfram case.

Q. What about in the 1940s.

A. There was a great expansion of militant leadership of the unions in the 1940s. I was directly involved in some of the community movements which were supported by the Building Workers Industrial Union. For example the very big campaign for better housing in the post war period. The Commonwealth/State housing agreement in the late 40s or 50s was partly the result of these struggle by the unions as well as by the social welfare lobby.

In the 40s the Amalgamated Engineering Workers Union (AEU) and the Building Workers Industrial Union (BWIU) had local branches and it was an accepted thing for them to take up local issues such as child care, pollution and so on.

Q. What about the 50s ?

A. They were pretty dark days with the Industrial Groups diverting the trade unions around witch hunts and it was not until the end of the fifties that we find the Trade Unions again taking up some community issues for example the commonwealth-wide campaign for half the basic wage for pensioners and the campaign for federal aid for education

Q. There were some changes in the sixties, weren't there ?

A. Yes mainly towards the end of the 1960s. In 1967 for example, the Trade Unions initiated the Living Standards Convention. This was quite a significant gathering with six forums around which a number of Trade Unionist were involved with municipal councillors, professional (such as architects, planners, social workers and some academics) and with representatives the main community organisations of that period, for example the Council of Progress Associations.

The Trade Union also established an organisation called "Action for Adequate Child Care". It was partly as a result of this organisation the Federal Child Care Act was passed in 1972.

Q. Did this type of coalition between unions and community groups continue into the 1970's.

A. Yes, but it took a different form. In NSW Jack Mundey and his Building Workers Union mates inspired the community movement through the green bans. This had a spin off effect in Victoria although there was not really the same type of campaign as in Sydney. However the links between the unions and the community began to be expanded to include environmental organisations. So in 1975 there was the Radical Ecology Conference.

Q. Could you explain more fully about the Radical Ecology Conference ?

A. It was a conference held over Easter in 1975 which attracted about 500 people, ranging from the Builders Laborers Federation (BLF) and other unionists to hippies from Nimbin, representatives of the Australian Conservation Foundation and all sorts of other people.

The Radical Ecology Conference (REC) was the first time, in Australia, that a big gathering warned about the need to conserve the world's scarce resources. The Movement Against Uranium Movement was one tangible result and also the book "Seeds for Change" and later on organisations such as the Environmentalist for Full Employment was initiated by people who first met at the REC.

Q. How significant was Environmentalist for Full Employment ?

A. It was initiated by Australian Conservation Foundation and several unions and it was based on the experiences at British Aerospace factory. It popularised alternative technologies, or what we might call production of environmentally friendly products. It really did not get a strong enough base in the union movement to succeed.

Q. What happened to this movement, is it non-existent today ?

A. Yes, the group known as Environmentalist for Full Employment ceased to exist towards the end of the 1980s but new forces are beginning to emerge. It is very heartening to know that just a few weeks ago Trish Caswell from the Australian Conservation Council (ACC) met with Bill Keltie and Jennie George from the Australian Council of Trade Unions (ACTU). It is also heartening to note that a number of municipal councils have appointed environmental officers and some, for example Brunswick Council are involving the public in campaigns for Green Jobs. And, I have heard that the Victorian Branch Australian Labour Party is updating its policy on conservation and the environment and is having discussions with unionist and municipal councillors.

Q. Thanks Ruth. What plans have you for the future ?

A. I suppose my plans for the future are to find new ways of doing the sort of things I have been involved with in the past and doing them better.

Bits and Pieces

Campaign for Public Education

If you are concerned about public education why not join the Campaign for Public Education. It has three main aims :-

- * to enhance the importance of a strong esteemed and well resourced education system
- * to ensure fundamental justice in the distribution of education funds within our society.
- * to see educational expenditure not as a cost to our society but as a social investment in our society's future.

The Campaign has prepared some information sheets for example one called "Do You Know These Facts About Education ?"

Individual membership subscription is \$10.00 and corporate \$25.00. More information from Campaign for Public Education, P.O Box 1300 Camberwell 3124.

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News from Geelong

Here are a few quotes from a letter from a Geelong Ecoso subscriber who was a former Geelong Councillor :-

In Geelong as you know Councils have been amalgamated and there is much jockeying for power on the part of officers who are carving out territory for themselves. In Geelong West a group of about 20 of us meet in the Old Town Hall under the banner of the Geelong West Resource and Action Centre.

Projects we have in the pipeline include making an inventory of the "heritage" building stock we have in the district, to be compiled in townscape; collecting stories from older residents in an oral history project;. Other projects which we could develop are town planning and pedestrianisation, sustainable development and street festivals.

We also have a strong link with a "greening" project through a former Council Committee. Now the broadened scheme of territory enable us to build that community involvement out to the other districts so we might be able to generate some quite substantial involvement of communities in greening.

For more information phone Rod Charles (052) 29.8494.

Planning and Environment Skills Directory

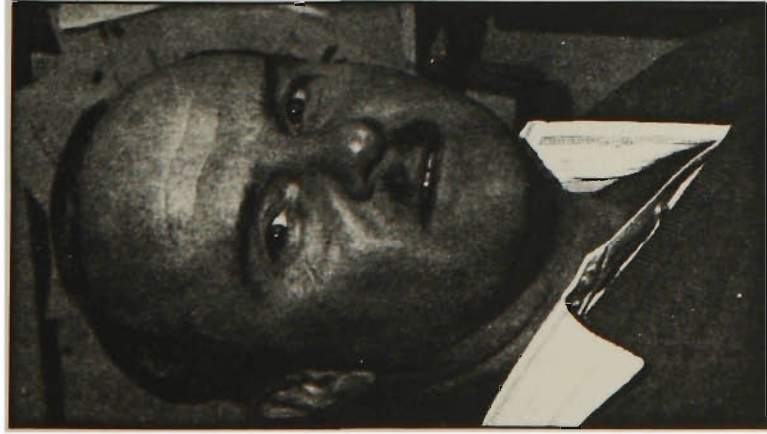
The Western Region Planning and Environment Skills Directory, 1st Edition, is now available from Westurb for the nominal charge of \$5.00. More information from 688.4411.

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Please check the address slip to see if your Ecoso sub is due.

Privatisation: a case for public regulation

By Associate Professor John Ernst, Department of Urban and Social Policy



that in recent years, talk of public utilities has been anything but unfashionable in boardrooms and cabinet rooms throughout the world.

The vehicle for change in the ownership and organisation of Australian public utilities, is being driven along a route charted by foreign hands, with an exotic array of overseas advisors providing on-site instruction. Governments in this country have been very keen, but ultimately, very poor students. Their eagerness to learn has been well and truly counteracted by their highly partial and selective approach to the task of knowledge gathering.

One of the most important lessons to emerge from Britain, which has been supported by the longer experience of the United States, is that when public utilities are privatised, they cannot simply be given private sector status and left to do their own thing. As monopoly providers of essential services, unregulated private utilities would have virtually unfettered power over consumers. They would be able, in effect, to increase profits at will through either raising prices or reducing service quality. Under these circumstances, consumers would have no redress, nor, indeed, the ability to take their custom elsewhere. If the interests of ordinary consumers are to be protected

then, an effective system of public regulation is absolutely vital.

The Victorian Government has made it clear that it intends to privatise many of the State's public utilities. But, thus far, it has revealed precious little of its blueprint for selling the State's energy and water industries. On the few occasions when the electors of the state have been given glimpses of the Government's intentions, the place of regulation, as part of the package of privatisation, has been treated dismissively. Regulation, we are told, needs to be non-intrusive and "light touch" in nature.

The reasoning behind this minimalist view of regulation, which runs contrary to British and American experience, can only be speculated on. But it would be in Victoria's financial interests to convey the image of private utility-friendly regulation, as this would increase investor interest and would probably raise the saleable value of the utilities. There also seems to be a blithely romantic vision about the emergence of competition following privatisation and competition, it is argued, makes regulation unnecessary. It is true that competition is likely to emerge in some areas, such as power generation and distribution to large industrial users. But, it is little more than ideological fantasy to assert, that

ordinary consumers will be able to choose amongst competing suppliers. Domestic consumers will be, as they are in Britain, the captive customers of regional private monopolies.

The objective of consumer empowerment is a strong theme in the Victorian Government's privatisation program, but without strong protective regulation ordinary consumers in Victoria will actually be disempowered. The Government has already taken a number of steps which appear, on the face of it, to directly contradict this interest in increasing the power of consumers. Two examples of this are first, the recent decision to defund the Energy Action Group, an organisation that has done more than any other to protect low-income electricity and gas consumers, and second, the passage of legislation late last year (State Owned Enterprises Act) which gives the Government the ability to remove Freedom of Information rights and Ombudsman protection to customers of state enterprises such as the State Electricity Commission, Gas and Fuel Corporation and Melbourne Water.

No less an authority than the World Bank, which has been at the forefront of the international privatisation movement, argues that regulation is a vital part of

the privatisation process. In its most recent review of the experience of privatisation world-wide (Kikeri et al, 1992, p. 11), it cautions that "an appropriate regulatory framework must be in place before monopolies are privatised. Failure to regulate properly can hurt consumers and reduce public support for privatisation."

Despite the evolution of reasonably elaborate machinery for regulation in Britain, recent opinion polls indicate that the public in that country have turned against public utility privatisation (e.g. MORI, 1992). This is because, even when attended with something more than minimal regulation, the delivery of privatisation fails to match the promise of economic theory and political rhetoric. The future in Australia could well be worse than in Britain, for governments in this country appear to have such artless faith in competition that they stand the danger of completely underestimating the importance of public regulation.

If you would like to contribute a Nexus commentary, please contact the Media and Public Relations Branch. Commentary authors take responsibility for the views expressed in this column.

Central Melbourne question pondered

Associate Professor Des Eccles, Head of the Department of Urban and Social Policy, is one of 15 members of the Future of Central Melbourne Committee, a citizens' initiative set up to examine alternative arrangements for central city government in Melbourne.

Associate Professor Eccles said the question was, "Is there a case for a Melbourne Central Activities District council (CAD)?"

"According to the Committee,

the answer is no," Associate Professor Eccles said.

The committee, convened by Angela Munro, includes representatives of municipalities bordering the City of Melbourne, the three planning schools — Victoria University of Technology, RMIT and the University of Melbourne — the Royal Australian Planning Institute, the Inner Metropolitan Regional Association, the Urban Development Institute of Australia and community groups.

It was established to examine the arguments for and against a CAD council and on the basis of that examination, to put forward a view to the Minister for Local Government.

According to Associate Professor Eccles, a book *The Future of Central Melbourne* compiled by the Committee, states that the CAD council proposal appears to fail the tests of legitimacy and economics of scale.

"It concludes that there are compelling arguments for an amalgamation or federation of inner metropolitan municipalities, which would achieve micro-economic reform of Melbourne's city government and overcome many of the problems currently facing the central city," he said.

The *Future of Central Melbourne* is available for \$10 (including postage) per copy from the Committee for Government Reform in Central Melbourne, 211 Waverly Rd, East Malvern, 3144.



Associate Professor Des Eccles

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C/- Ms. Sheila Byard, Lecturer, Urban Studies Unit, Victoria University of Technology (Footscray)
PO Box 14428, MMC, Melbourne, Victoria, Australia 3000. Telephone: (03) 688 4754. Fax: (03) 688 4805