Australia: Desalination plant workers strike over corporate spying revelations

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Construction workers at a new desalination plant in Wonthaggi, Victoria have gone on strike after revelations emerged that the company in charge of the project had mounted a covert and allegedly illegal spying operation targeting militants and aimed at preventing industrial action.

The company, Thiess Degremont—a subsidiary of Australian construction giant Leighton Holdings—paid convicted criminal and professional scab organiser Bruce Townsend $500,000 to conduct the surveillance of its workforce. Informants were inserted into ordinary positions and paid tens of thousands of dollars on top of their nominal salaries to report on the activities and relationships of workers and union delegates. Electronic surveillance was also carried out, including the monitoring of mobile phone calls. Thiess provided Townsend with access to the personal details of its employees, including their tax file numbers and child support payments. As part of what was codenamed "Project Pluto", Townsend's company, Australian Security and Investigations, also prepared a potential scab workforce in the event that industrial action delayed the infrastructure project, commissioned by the state Labor government as a Public Private Partnership (PPP).

After the *Australian* broke the story on Thursday, angry workers at the site met and were told by Thiess management they could take the rest of the day off on full pay. The company is desperately trying to contain the damage. Senior executives claim they knew nothing of the spying/scabbing operation and have stood down the desalination plant's project director and human resources manager pending an internal investigation. CEO Nev Power said that the hiring of Townsend was "totally inappropriate and contrary to Thiess's business practice".

The workers met again yesterday morning and decided to strike until at least Monday in protest over the extraordinary attack on their democratic rights. "I don't want to go back there," one unnamed worker told the *Australian*. "How can we trust them ever again? I don't think we'll be back before Christmas. They'll have to investigate the whole thing."

The desalination employees are covered by the Construction, Forestry, Mining and Energy Union (CFMEU), Electrical Trades Union (ETU), Australian Workers Union (AWU), Australian Manufacturing Workers Union (AMWU), and Communications Electrical Plumbing Union. The CFMEU is organising a series of stop-work meetings at the many other construction sites operated by Thiess in Australia. At two of these sites in Melbourne, the M80 ring-road upgrade and Newport railway station, about 300 workers walked off the job in protest. In Brisbane, another 36 workers at the King George Central site have also declared a strike.

The claim of Thiess's senior executives that they knew nothing about "Project Pluto" beggars belief. It remains unexplained how lower level managers could supposedly independently authorise a $500,000 operation that would have ended up costing millions of dollars had it continued until December, as initially planned. The surveillance work lasted four months, between March and June, before being halted by the construction company. The reason for this early cessation also remains unclear.

The man running the filthy operation, Bruce Townsend, is a notorious provocateur and "hardman" used by companies to organise strikebreaking operations against workers in many of Australia's most bitterly fought industrial disputes. Townsend was involved in the 1992 APPM Burnie mill struggle in Tasmania and the 1998 Patrick Stevedores wharf workers dispute.

In the desalination plant operation, Townsend regularly met with Thiess's project director and human resources manager to issue reports on his activities. According to the *Australian*: "A specially tailored software program helped ASI [Australian Security and Investigations] operatives track and report to Thiess on any anti-employer and pro-union activities of people with links to the desal plant. Any evidence of militant behaviour was of particular interest." According to leaked company documents, the electronic surveillance was also to include "monitoring all email and internet access to and from the site", though the project was allegedly terminated before emails were analysed.

Legal experts have concluded it is likely that Thiess breached privacy laws in divulging confidential employee information.

The trade unions responded with disbelief that the construction company had felt compelled to undertake such draconian measures, given the cosy relationship between the union bureaucracy and management at the site since work began in 2008.

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The ETU's state secretary Dean Mighell declared: "We have had a great relationship with this company to date, so it's a bit like finding out your partner has been cheating on you."

Australian Council of Trade Unions (ACTU) secretary Jeff Lawrence described the spying operation as an "appalling error of judgment" and added: "This project has until now been a model for harmonious industrial relations. It has an excellent record of no days lost to industrial action and is approaching completion on time and on budget. It has been a great example of what can be achieved through a co-operative approach between management and unions, but that has now all been undone by these actions by the company."

The trade unions' overriding concern is to diffuse workers' anger over what has happened and cobble together an arrangement with Thiess for work to be resumed as quickly as possible, and their "co-operative approach" with management, under which they function as industrial police, suppressing industrial protest in return for a lucrative flow of money into their coffers, re-established.

The Victorian Labor government has rushed to deny any knowledge of what had transpired on the construction site. Premier John Brumby declared he was "deeply, deeply concerned" by the press reports and said he expected Thiess to maintain employment practices "within the context of the law, by the letter of the law and in the spirit consistent with what makes a good workplace".

These statements have no doubt been issued with an eye to the state election due to be held on November 27. The desalination plant was already an issue in the campaign. The Labor government has been desperately attempting to keep confidential commercial contracts and internal documents detailing how much public money could be handed out to the AquaSure consortium that is responsible for the PPP—up to $23.9 billion, or $860 million per year over the 27-year water supply contract, according to the auditor general—as well as how much more households will pay for their water usage.

Irrespective of whether or not anyone in the Labor government knew about "Project Pluto", Brumby is responsible for creating the conditions that gave rise to the spying operation.

The privatised infrastructure construction system developed under the Labor government functions as an enormous racket, funnelling billions in public funds to select corporations. The government has established substantial financial incentives for those involved to complete projects on time and within budget—which depends upon the suppression of all industrial action. The Wonthaggi desalination plant is scheduled for completion in December next year. The *Australian* noted: "Such corporate espionage would be an extraordinary measure for any company to employ. But for Thiess, the stakes were high. The company was working against a tight timeframe, and a wet year in southern Victoria was slowing the desalination project. The financial penalties that would apply to the company for every day it ran late on the project would be large."

Moreover, the government is directly responsible for an earlier surveillance operation, carried out by Victorian police against protest organisations opposed to the desalination project. Under the secret PPP memorandum of understanding between the government and AquaSure, the company was provided with detailed information about anti-desalination community groups, obtained from police spying. The company in turn pledged that its personnel and contractors would "gather and disseminate intelligence" for the police. One clause proposed possible "joint action" between AquaSure and Victorian police against protestors, with the counter-terrorist Security Intelligence Group specifically identified as one police agency that could be involved.

It appears that with "Project Pluto", Thiess managers simply turned their covert operations from protestors towards the site workforce.

The workers' ongoing strike action is now under scrutiny from the Australian Building and Construction Commission (ABCC), the draconian industry "watchdog" established by the former Howard government and retained by the current federal Labor government of Julia Gillard. ABCC chief Leigh Johns rushed to issue a statement for the press on Thursday, declaring, "It is understandable that employees, contractors and their representatives would be upset by the claims that have appeared in today's media, but I urge them not to engage in unlawful industrial action." He added that any strike action by construction workers in support of the Thiess employees "would be unlawful industrial action".

The ABCC wields deeply antidemocratic powers and can issue fines of tens of thousands of dollars on individual workers and can also recommend criminal prosecutions, potentially involving imprisonment.

A further meeting will be held between the unions and management on Sunday. The unions are demanding a copy of the contract between Thiess and Townsend, details of the spying operations, and reportedly insisting that Melbourne civil rights lawyer Rob Stary be involved in the company-organised internal investigation.

See the SEP's election website at www.sep.org.au

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