

# Australia: NSW electricity workers face more job losses

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Whichever party—Labor or Liberal—wins the March 28 election in New South Wales (NSW), workers in the state-owned electricity power distribution network face a deepening assault on their jobs and conditions.

The NSW Liberal-National Party Coalition government has pledged to sell off 49 percent of state's multi-billion dollar "poles and wires" electricity network if returned to office.

The partial privatisation is to be initiated through a long-term leasing arrangement of two power distribution companies, Ausgrid and Endeavour Energy, that provide electricity for Sydney, Newcastle and Wollongong, the state's main population areas.

The state-owned high voltage network company Transgrid will be fully privatised. However rural power distributor Essential Energy will remain government-owned for now in a move designed to placate opposition the National Party's rural constituencies.

NSW Premier Mike Baird claims the proceeds from the sell-off are needed to partially fund a \$20 billion state infrastructure program. An additional \$2 billion will be provided by the federal Liberal-National Coalition government under its so-called "asset-recycling" scheme. The federal plan is aimed at encouraging state governments to privatise remaining state-owned enterprises and industries.

Last month Networks NSW, which operates the electricity distribution companies, met with power unions to inform them that it was sending out letters asking employees to consider accepting voluntary redundancy packages.

According to the Electrical Trade Union (ETU), Networks NSW head Vince Graham said that management was looking to shed up to 4,300 jobs across its operations. The job losses include 2,500 at Ausgrid and 700 at Endeavour. Graham also confirmed

that 700 apprentices currently employed by the distribution companies would not be retained at end of their training.

Graham claimed that the jobs cuts were made necessary by draft decisions handed down by the Australian Energy Regulator (AER) in November last year. Established in 2005, the AER regulates energy markets and networks and sets prices, mainly in NSW, South Australia, Tasmania and the Australian Capital Territory.

The AER decision—determining what the NSW's distribution network companies can charge customers to recoup network upgrade and maintenance costs—proposes retrospectively to reduce their revenue allowances by \$6.5 billion or 27 percent over the five-year period to 2019.

The Baird government is opposing the AER draft decision because the fall in revenue could make the assets sale less attractive to potential buyers. However, it has no compunction about utilising the decision to justify its decision to slash thousands of jobs.

In a further move to cut costs and to facilitate privatisation, the Baird government is also insisting that wage rises under negotiation be kept below the public sector cap of 2.5 percent. Significantly, the management has also opposed the inclusion of a "no-forced redundancy" clause in the next work agreement, giving future private owners a free hand to slash jobs.

The opposition Labor Party and the trade unions are mounting a cynical campaign supposedly against privatisation in a bid to garner votes in next month's state election. However, while Labor has pledged to oppose selling off the electricity "poles and wires", newly-installed party leader Luke Foley is also signalling to big business that he is not opposed to privatisation as such.

Foley told the media recently that he “did not bring an ideological approach to privatisation.” As evidence, he explained that he had supported the current state Liberal government’s sale of port facilities in Sydney, Newcastle and Wollongong.

In an exclusive interview with Murdoch’s *Australian* last month headlined “Socialist? Not I, says new ALP boss,” Foley declared that if elected he would “champion an enterprising private sector” and retain only “an essential public sector.” He called for a ditching of the party’s 1921 socialisation clause, which was a dead letter from the inception, and for policies that “reflect modern circumstances.”

Addressing the issue of privatisation, Foley explained that “public ownership of industry, production, distribution and exchange is a policy, not a value. The policy, whether it is public ownership or anything else, is not set in stone forever.” When it comes to electricity privatisation, the pledge of opposition is unlikely to last beyond next month’s election day.

In fact, the former state Labor government only abandoned a plan to privatise the entire NSW power industry in the face of deep-seated opposition by working people, including power workers. Even so, on the eve of the last state election in 2011 it pushed through legislation for the sale of the state’s electricity distributors.

The partial sell-off was an “option” devised by the state’s peak union body in order to take the heat out of the privatisation issue in a bid to save Labor from an electoral rout. It was also designed to keep the door open for Labor to implement further asset sales if it was returned to office.

While the union’s plan failed to save Labor from a landslide electoral defeat, it paved the way for the incoming state Liberal O’Farrell government to sell off the state’s electricity generators Delta Energy, Macquarie Generation and Eraring Energy.

This sell-off could only proceed with the assistance of the unions that worked to block any action by power industry employees and other sections of the working class and ensure not a shot was fired in opposition.

The same trade unions are now mounting a bogus “anti-privatisation” campaign to try to harness widespread public opposition and boost Labor’s election campaign. The ETU and the United Services Union are currently balloting members to take limited

industrial action timed to coincide with the lead-up to the election date on March 28. Unions NSW is preparing a wider campaign, including saturation phone calling and doorknocking.

One can be certain that the unions will remain completely silent on Labor’s record in office, including its sale of state assets, decades-long assault on the jobs and conditions of state sector workers and the systematic gutting of vital social services. The unions themselves actively collaborated in this relentless assault on the working class.

The record demonstrates that working people cannot oppose the assault on jobs and living standards by voting to replace one capitalist party with another, or through the unions whose interests are bound up with maintaining the profit system. Moreover, whether enterprises are publicly owned, partially privatised, corporatised or state-owned, workers confront an escalating assault on jobs and conditions as the crisis of capitalism deepens.

To defend its social rights, the working class must mobilise independently of all the parties of big business and fight for a workers’ governments on the basis of an internationalist and socialist program to reorganise society to meet the pressing social needs of the majority not the obscene profits of the wealthy few.

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