

Australia: Residents denounce closure of Hazelwood power station

Our reporters

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Last week's announced closure of the Hazelwood coal-fired power station in south-eastern Victoria by the French transnational ENGIE next March will destroy 1,000 jobs directly and further devastate the social conditions of thousands of people in the Latrobe Valley.

About 150 kilometres east of Melbourne, the Latrobe Valley, with a population of 180,000, has been at the centre of power generation in the state and was once one of the major working class areas of Australia.

ENGIE decided to shut the plant as part of a global restructure after extracting millions in profits from its workforce. The decision is part of a ruthless process of closures of basic industry by transnational giants, including last month's shutdown of the Ford auto assembly plants in Australia, soon to be followed by the closure of the General Motors and Toyota factories.

The Hazelwood shutdown, presided over by the state Labor government of Daniel Andrews, is another result of the protracted privatisation of Victoria's electricity industry, which was begun during the early 1990s by the Labor state government of Joan Kirner and completed by the subsequent Liberal government of Jeff Kennett.

Since then, under successive Labor and Liberal governments, up to 15,000 jobs have been destroyed in the Latrobe Valley. Today, unemployment in the town of Morwell, close to the Hazelwood plant, stands at over 19 percent, while youth unemployment is rife.

In a bid to stifle resistance to the closure, the Andrews government has been joined by the federal Liberal-National government in pledging "rescue" packages for the Latrobe Valley, reportedly totalling \$266 million. Overwhelmingly, these amount to more handouts to business, offering them lucrative tax breaks, financial incentives and removal of planning

and other regulations.

The Andrews government is clearly seeking to exploit the region's social crisis by transforming it into an "economic growth zone" in which employers can profit by using local workers and young people as cheap labour. Its plan features a fund of \$50 million to attract businesses, including by "cutting red tape [and] making quick planning decisions."

By comparison, just \$22 million will be spent to "support workers with training, financial and personal counselling." In any case, the manufacturing closures hitting workers everywhere point to the fraud of the government's claims that the Hazelwood workforce will be "retrained" to find employment elsewhere.

Likewise, the Construction Forestry Mining and Energy Union (CFMEU), which has assisted Hazelwood's owners to enforce successive rounds of job cuts, has made clear it will help police an "orderly closure" of the plant. While knowing of the closure well in advance, the union has only complained that a more "phased-out" process would have given it more time to "make arrangements for the workers."

The poor conditions already suffered by working-class households in the region are underlined by low life expectancy rates. Victoria's average life expectancy is 80.3 years for males and 84.4 for females, whereas in the Latrobe Valley it is 76.9 for males and 82.2 for females. The region also has a high rate of asbestos-related disease, as the carcinogenic substance was used in the construction of the valley's power stations.

The federal and state government promises of support for workers losing their jobs were met with contempt by residents and workers who spoke to a WSWS reporting team last weekend.

Rob, who has worked for 18 years at the plant as a

maintenance worker, said: “A lot of blokes are devastated. There are a lot of new faces who worked in supermarkets, then got their tickets in scaffolding, boiler making and other trades in order to earn decent money. They took out loans for three to four hundred thousand dollars based on their wages and they are now in trouble.

“Riggers, scaffolders, and boilermakers will simply not have work here. The governments have not done anything to help. The Andrews Labor government is just trying to wash its hands.”

Rob said the CFMEU knew beforehand of the closure, but refused to inform its membership. “When the union had a meeting on Thursday they seemed to know all about the closure. They knew about it before we did. I don’t think they have done enough to push ... They told us ‘we will try and look after you.’”

Laxmi said the Hazelwood closure was part of the job destruction across the country. “I have lived here for 12 years. It’s very sad. There is not much opportunity for the next generation. My wife has never had a job. With the Hazelwood closure it will impact even more ... Since 2008 there has been a shutdown of industry, Holden, Toyota and Ford, BlueScope Steel in Hastings and Northside in Queensland.”

Rob, a retired engine mechanic, compared the situation to that in the US. “In the 1990s, after the [electricity] privatisations you could buy houses for \$15,000 as the workers sold their homes once they lost their jobs. After that, workers went to the mining industry. Now, in two to three years, shops will shut down and unemployment will be rife. I think Morwell is going to be the next Detroit.”

Joe, an electricity worker, spoke about the privatisation over the past two decades. “I’ve been in the electricity industry since 1977. I was with the SEC [State Electricity Commission] at Yallourn and then it was privatised. Half the jobs were destroyed. After that, you didn’t see people at the plant any more. The company only wanted to make money. Instead of looking after us, the Labor government put us down. The Labor government should have supported those that voted for it, but they didn’t.”

Dean, a former truck driver, said he had been denied a disability pension despite suffering arthritis and torn shoulders. “You get knocked back every way when you try to get a pension. I’m on Newstart [unemployment

allowance], which is \$300 a week ... I can hardly afford to keep my car on the road. I will have to move to the cheapest place I can find ...

“You see more and more young people sleeping on the streets. They walk around picking up butts because they can’t afford cigarettes. It is only going to get worse and the crime rate is going to get higher. Ford has gone. [General Motors] Holden is going. Who is next? This is going to be another ghost town I reckon.”

Ray, a retired plumber who moved to the area in 1975, commented: “Unemployment has been bad here for quite a while but this will have a huge impact on the whole area because when they’re out of work they can’t buy food, cars, clothes or anything. So then they have got to move away so it will have a dramatic impact on this area.

“I just read in the paper yesterday about Detroit in America. They shut down the car industry and Detroit became a ghost city. I used to be a Labor voter but I’m dead against them now.”

Connor, a 17-year-old high school student who lives in Sale, a town 64 kilometres east of the Hazelwood power station, dismissed the state government’s “rescue plan” saying, “there’s no jobs open to be re-trained for.”

Connor added: “It’s hard for us to get a job, but with the closure it’s just making it worse. I have friends who have done apprenticeships but a lot of them lost their jobs recently because a lot of businesses have been closing down as well in Sale.”



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