

Australia: Fair Work Commission backs mass sackings at Essential Energy

Terry Cook
6 December 2016

The Fair Work Commission, the federal government's industrial tribunal, last month effectively cleared the way for extensive job cuts by New South Wales state-owned electricity distribution company Essential Energy.

The job destruction is part of a drive by the NSW state Liberal-National government to slash costs throughout its electricity enterprises. This includes Ausgrid and Endeavour Energy, which are in the process of being privatised.

The tribunal decision removes prohibitions on the use of "involuntary redundancies" in the current enterprise bargaining agreement (EBA). The company will no longer be obliged to offer "voluntary redundancies" and can move directly to sackings. It can impose 600 forced redundancies by July 2018, when a cap agreement ends, and up to 1,000 more in the following year.

Essential Energy originally demanded that workers accept the immediate destruction of 800 jobs as part of negotiations in a long running dispute for a new EBA. It is also seeking to freeze wages for two years, maintain a ban on re-employing redundant workers in permanent positions within two years, halve the amount employees are paid when called in for emergencies, and reduce the wages and conditions of contractors.

In its ruling, the Fair Work Commission (FWC) admitted that the job cuts will have "significant detrimental consequences for individual Essential Energy employees, their families, and the communities in which they live." Yet it insisted this was "an unavoidable consequence of the economic paradigm in which Essential Energy operates." It declared that "a significant reduction in the size and cost of Essential Energy's workforce has become inescapable."

This openly pro-business rationale, insisting that

workers must suffer to cut costs, exposes the claim by the Electrical Trade Union (ETU) and United Services Union (USU) that the FWC is an "independent industrial umpire."

While the ETU issued a statement making some objection to the ruling, the union handed the dispute over to the tribunal and is wholly responsible for the outcome. In May, without any consultation with its members at Essential Energy, the ETU called off a scheduled 80-hour strike after the FWC granted the company's application for a suspension of the action on the grounds of public safety.

Subsequently, the ETU asked the tribunal to order the termination of all industrial action. It knew this would trigger a 21-day compulsory arbitration period, opening the way for a deal or a court-imposed settlement.

ETU state secretary Steve Butler declared this was "the best possible outcome" because it "forces the company to sit down and negotiate in good faith." The union could "put its case to the independent umpire who will then make a final decision."

The FWC is no "independent umpire." Introduced by the federal Labor government in 2009, with full support of the trade unions, the tribunal is armed with anti-strike provisions and the power to impose severe penalties on workers. It forms part of the state apparatus, which includes the courts and the police.

Under Labor's Fair Work laws the FWC and the federal government can also terminate any industrial action deemed to "threaten to cause damage to the Australian economy" or endanger the "welfare" of any part of the population.

The ETU and USU will now insist that Essential Energy workers have no choice but to accept the job cuts, and block any attempt to oppose them.

To head off any potential action against the sackings,

the ETU is now claiming that the regional-based National Party's newly-elected state leader John Barilaro can be prevailed upon to prevent the job cuts.

In a November 23 bulletin, the ETU declared: "New Nationals leader John Barilaro will today face his first opportunity to defend regional jobs and services." It cited a statement by Barilaro before the March 2015 state election that: "I support lower electricity prices, but I will always lead the charge in protecting local electricity jobs."

To claim that the Nationals will oppose job cuts is to lead workers into another blind alley. As part of coalition governments, at both state and federal levels, they are slashing thousands of jobs and cutting wages and working conditions across the public service, while gutting essential social services. The state Liberal-National government is currently privatising five regional-based hospitals, at the expense of jobs and services.

No doubt the power unions will also attempt, as they did in the 2015 state election, to promote Labor as a progressive alternative. For electoral purposes, Labor cynically claimed to oppose the government's plan to privatise the electricity distribution assets.

In reality, Labor began the sell-off before it was thrown out of office in 2011. Once the 2015 election was over, state Labor leader Luke Foley flagged support for privatisation, declaring "private and not-for-profit sectors should play a significant role in the delivery of our public services."

The FWC decision will strengthen the government's hand in its assault on workers at Ausgrid and Endeavour Energy, where hundreds of jobs have already been axed with assistance of the power unions. The unions have worked to prevent any unified campaign by power workers to oppose cost cutting and privatisation.

Electricity workers nationally are facing a political offensive by Labor and Liberal-National governments alike, aided at every point by the trade unions.

A stand must be taken against the escalating assault on jobs that is condemning ever-greater numbers of workers and youth to permanent unemployment. A unified struggle by workers across the entire power industry will mean a direct confrontation, not only with the government and the corporate elite, but with Labor and the trade unions, which enforce their dictates.

The defence of jobs, conditions and services requires the establishment of rank and file committees to turn out to all other sections of workers—across the steel, mining, car and engineering industries—facing the destruction of jobs and conditions. This struggle can only be based on a socialist perspective to fight for a workers' government to reorganise society to meet social need, not private profit.



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