

Australian Labor Party and unions assist closure of Hazelwood power plant

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20 March 2017

The Victorian state Labor government and the Construction Forestry Mining and Energy Union (CFMEU) are working intensively with the major energy companies to suppress working-class opposition to this month's shutdown of the Hazelwood power plant in the Latrobe Valley, east of Melbourne.

The closure, announced by French energy multinational ENGIE last November, will exacerbate the social crisis in the region. Tens of thousands of jobs have been destroyed in the power sector and related industries over the past three decades, overseen by successive governments and the trade unions.

Unemployment in Morwell, near the plant, is estimated at 19.7 percent, with endemic youth unemployment and growing poverty. Other regional towns, including Moe and Traralgon, also have been devastated by job-shedding.

In a bid to defuse anger over the closure, the state government, backed by the CFMEU and other unions, unveiled a \$22 million "transfer scheme partnership" on March 9, claiming that 150 Hazelwood workers could be redeployed to other electricity generating plants.

The scheme is a fraud. It will not save a single job, nor do anything to address the widespread unemployment. Instead, it will seek to pressure 150 workers at the Loy Yang A power plant to take early retirements.

This is part and parcel of the efforts by the Labor Party and the unions to prevent any industrial or political struggle against the corporate elite's ongoing cutting of wages, working conditions and jobs.

CFMEU national president Tony Maher hailed the scheme as "a breakthrough in best practice." He claimed: "Hundreds of directly affected workers and their families will breathe a little easier tonight,

knowing there is a commitment to their families' futures.

Australian Council of Trade Unions president Ged Kearney, who has overseen countless job-cutting arrangements across the nation, said it was "an example of what is possible when government, employers and unions work together." Kearney "congratulated" the Andrews government for supposedly "listening to the Latrobe Valley community."

In reality, the workers who might be offered redeployment comprise just one fifth of Hazelwood's total workforce. Thus far, AGL is the sole employer to sign onto the deal. Hazelwood workers will get a job only if Loy Yang A workers take government-subsidised retirement packages, based on three weeks' pay per year of service, capped at a maximum of a year's pay.

In other words, the Andrews government is handing over millions of dollars to AGL, another large energy corporation, to push through further job cuts via retirements, without any guarantee of long-term employment for the redeployed Hazelwood workers.

The announcement was scanty on details, leaving many unanswered questions. Among them are whether the redeployed Hazelwood workers will still receive their redundancy payments, and whether they will be treated as new hires, with few rights and substandard conditions at Loy Yang A, where sweeping wage cuts are taking place.

Yallourn Power Station, which is owned by Energy Australia, has also been earmarked as a potential site for redeployment. However, there is widespread speculation that the ageing plant, which has a large carbon emissions output, is likely to close. Another plant, Loy Yang B, which employs 150 full-time staff and 40 contractors, is being sold by ENGIE, leaving its

future uncertain.

Comments given by workers to the *Age* last week shed light on the bluster and lies of the unions and the Andrews government.

Dale Foster, a 58-year-old worker who started in the power industry at the age of 16, said he planned to retire. He noted: “There’s going to be a lot of really well trained people looking for something to do.”

John Soles, 60, an electricity worker for 18 years, said he faced “forced retirement.” He commented: “It’ll affect my lifestyle, because superannuation-wise I’m not that well off financially. It’s going to be a big change in our disposable income, and I’m not sure how we’re going to manage.”

At a community meeting in Morwell last week, Don Duthie, a resident in the area for over 60 years, said the Hazelwood closure would “smash” the region. “This is going to be like a sledge-hammer... It’s going to cause massive problems throughout Latrobe Valley and Victoria,” he said.

Similar promises of “retraining” and “redeployment” have been used by state and federal governments and the major auto companies to carry out the destruction of the car manufacturing industry. Such schemes have done nothing to halt the emergence of depression-era social conditions in former car-making centres such as Elizabeth, in Adelaide, which last year registered an unemployment rate of 33 percent.

The unions and the Andrews government are overseeing a stepped-up assault on workers in the Latrobe Valley that will create a similar crisis.

In January, the Fair Work Commission, the federal industrial tribunal established by the Rudd Labor government with the support of the unions, endorsed AGL’s termination of the enterprise bargaining agreement at Loy Yang A. The move threatens to push highly-skilled workers onto a base rate of pay, with wage cuts of 30 to 65 percent.

The CFMEU cancelled a one-day strike last December, and said it had already agreed to 30 to 40 “major concessions” in order to “reach an agreement” with AGL.

Elsewhere, the CFMEU is directly imposing wage reductions. At Australian Paper’s nearby Maryvale mill, the union pushed through a pay cut of 5 percent last month, intimidating the paper plant’s 900-strong workforce by joining the company to threaten closure.

The line-up of the unions, the Labor government and the energy companies behind the “transfer” scheme underscores the need for workers to build independent organisations, guided by a new political perspective that rejects the subordination of social life to the profit needs of the energy corporations and their wealthy shareholders.

Rank-and-file committees are needed, totally independent of the unions, to coordinate industrial and political action by workers throughout the Latrobe Valley, including strikes and factory and plant occupations. These committees could make a powerful appeal to other sections of the working class around the country and internationally for joint action.

The defence of jobs and wages requires a struggle against capitalism, and the fight for workers’ governments to implement socialist policies, such as placing the energy giants under public ownership and workers’ control.



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