

# Australian electricity unions suspend industrial action

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On February 1, without calling any rank-and-file meetings, trade unions suddenly suspended a campaign of industrial action, for which workers at partly privatised electricity distributor Ausgrid had voted overwhelmingly last month.

Ausgrid operates the distribution network (poles and wires) providing power in Sydney, Newcastle and the Central Coast region of the Australian state of New South Wales (NSW).

More than 93 percent of the 2,800 Ausgrid workers had endorsed the campaign, in a dispute over new enterprise bargaining agreements (EBAs), during balloting that closed January 10.

In an anti-democratic operation, the unions involved—the Electrical Trades Unions (ETU), United Services Union, Community and Public Sector Union and Professionals Australia—used a meeting of around 100 workplace delegates to endorse the suspension of industrial action on the pretext of receiving a “revised” EBA offer from the company.

Following last month’s ballot results, the unions delayed taking any immediate action, claiming that the delegates meeting on January 31 would decide on the forms of industrial action to be taken. In reality, the purpose of the delay was to buy time to go back into closed-door negotiations to broker a sell-out deal that will pave the way for another round of “productivity increases” and “restructuring” and further cuts to jobs and conditions.

Significantly, the jettisoning of the power workers’ campaign followed a decision by the Rail, Tram and Bus Union (RTBU) to comply with a January 25 order issued by Fair Work Commission (FWC), the pro-business federal industrial tribunal, to call off all industrial action by 9,000 NSW rail workers in an EBA dispute.

Like the RTBU leadership, and the entire trade union bureaucracy, the power unions fear that the eruption of a determined struggle by workers in any key sector of the economy could become the catalyst for an industrial and political counter-offensive by the working class against the decades-long corporate assault on its social position.

In a media release announcing the suspension of industrial action at Ausgrid, ETU state secretary Dave McKinley declared: “After four years of failed negotiations, the loss of approximately a third of the workforce, and a freeze on wages, the ETU is optimistic that full agreement may now be possible.”

McKinley added: “It is disappointing that it took the threat of major customer disruptions to finally get Ausgrid management to come to the negotiating table with a *half decent offer* for members to consider” (our emphasis).

McKinley’s statement inadvertently points to the continuation of the years of union collaboration with successive state governments, Liberal and Labor, and the employers, that have destroyed the jobs, wages and working conditions of power workers.

It also confirms that unions’ decision to hold a ballot on industrial action was designed only to let off steam while they engaged in behind-the-scenes negotiations to strike another regressive agreement and hatch a plan on how to foist it on power workers.

So far nothing has been published on the unions’ web sites on the content of the proposed EBAs. However, the scant information in the ETU media release is enough to indicate a complete sell-out.

Firstly, the unions have dropped their demand for even a 3 percent annual pay increase over three years. This paltry amount did not in any way compensate for massive increases in workloads resulting from years of

downsizing or for the fact that workers have not had a pay rise since the last agreement, which expired in December 2014.

The proposed agreement delivers pay increases of just 2.75, 2.5 and 2.25 percent over the next three years. This is a total of 7.5 percent, only 0.5 percent above the company's original offer, and a further real pay cut. A one-off bonus of \$1,000, previously thrown in as a sop to get the agreement through, has been increased to \$1,600.

Secondly, according to the ETU, Ausgrid agreed to continue "protection against forced redundancies in line with the NSW government's privatisation protection." The unions used such job "protection" guarantees to stifle opposition to the electricity network privatisation in 2016, and did nothing to prevent job cuts after the sell-offs.

Since 2014, nearly 2,000 jobs have been destroyed at Ausgrid alone, mainly through the union-sanctioned "voluntary" redundancies, while productivity has been ramped up by 43 to 62 percent.

Guarantees of no forced redundancies are not worth the paper they are written on. In 2016 the Fair Work Commission overrode prohibitions on the use of "involuntary redundancies" in enterprise agreements at NSW regional electricity distributor Essential Energy to clear the way for the slashing of 1,300 jobs.

Throughout the EBA negotiations, which were allowed to drag on for years in what was effectively a wage freeze, the power unions made no demand for the restoration of jobs lost or even a nominal increase in manning to relieve the massive increase in workloads.

Thirdly, the ETU statement makes no mention of the other concerns raised by workers, including the current classification system, which underrates skills and makes promotions extremely difficult.

Not a word is said about the company's demand for a two-tier workforce, with new employees receiving lower rates of pay, putting continuous downward pressure on all wages.

This omission suggests that discussions are continuing between the unions and the company on how to implement the scheme without provoking an explosion of workers' opposition.

Ausgrid CEO Richard Gross told the media as far back as mid-January that the company had achieved an in-principle agreement with the unions on "virtually all

of our proposal." He boasted it "would realise greater productivity and ensure success and sustainability in the new energy market."

Ausgrid workers should reject the proposed EBA and begin a fight to defend and increase working conditions and wages, oppose further job cuts and demand the restoration of all jobs lost.

To advance such a fight necessarily requires a break from the unions, which act at all times as an industrial police force to straitjacket workers and impose the demands of the corporate elite, with whom they share a common interest in defending the profit system.

In fact, many former and current union officials sit on the boards of the Australian Super and IFM Investors superannuation consortium, which now owns 50.4 percent of Ausgrid.

These bureaucrats, including former Australian Council of Trade Union (ACTU) secretary and key Labor minister Greg Combet, another ex-ACTU secretary, David Oliver, and current union leaders Paul Bastian (Australian Manufacturing Workers Union) and Daniel Walton (Australian Workers Union), are directing its demands for greater cost-cutting and higher profits.

Ausgrid workers need to establish independent rank-and-file committees to organise the campaign and link up their struggle with all the other workers—including in rail, steel, mining, transport and manufacturing—in Australia and internationally—facing the destruction of jobs and conditions.

This struggle can succeed only if it is guided by a socialist perspective—the fight for a workers' government that will place the banks, basic industries and essential utilities such as electricity in public ownership and under the democratic control of the working class.

We urge Ausgrid workers to contact the *World Socialist Web Site* and the Socialist Equality Party to discuss the means to take such a fight forward.



To contact the WSWWS and the Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**