

Australia: Further cuts to jobs and working conditions loom in NSW power industry

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With the direct assistance of the power unions, the New South Wales (NSW) state Liberal-National Party government is moving to further slash jobs and working conditions at state-owned regional electricity distributing company, Essential Energy (EE).

In July this year, the company, in line with the state government's cost cutting agenda, announced it intended to slash 182 jobs by September, with 500 more to go by 2024. The initial round of redundancies would affect 71 field, and 111 non-field positions at up to 100 regional depots. The Bathurst, Port Macquarie, Taree, Grafton and Lismore depots will be the worst impacted.

These jobs remain under threat despite the announcement in August by Minister for Energy Matt Kean of a 12 month "pause" on the restructure, dubbed "a workforce reshaping process." The energy minister issued the pause directive to the state-owned corporation in an attempt to quell any potential opposition to the job cuts, and to enlist more closely the aid of the unions to impose the cost cutting agenda.

The company and government now claim they will work together with the unions to investigate "alternate options for savings." The unions seized on the announced pause as "a win" for workers, with Electrical Trade Union (ETU) assistant secretary Ben Lister gushing: "Energy Minister Matt Kean and Deputy Premier John Barilaro deserve genuine praise for their efforts."

The pause, however, does nothing to secure the 182 jobs beyond the 12-month timeframe, nor does it protect the further 500 jobs scheduled to be axed by 2024. This was made clear in the response by EE CEO John Cleland last month to the NSW government directive. Cleland baldly declared that he was "very open to the fact that Essential Energy will ultimately

end up employing less people than it does today."

In an indication of just how far advanced are preparations for the cuts, a "merit selection" mechanism has already been established for the "workforce reshaping process." This mechanism, designed to play off workers against each other in a bidding process for jobs, and to prevent any unified response to the company's assault, will no doubt be retained and, when necessary, applied in the months ahead.

The latest attempt to downsize at EE is part of an ongoing assault on jobs and conditions across the NSW energy industry. This has already resulted in 1,600 jobs being eliminated at EE since 2012, and over 2,000 since 2014 at the now privatised electricity distributor Ausgrid, which provides services for Sydney, the Central Coast and Hunter region.

The continuous round of job cuts, along with the privatisation of Ausgrid and regional distributor Endeavour Energy, have been carried through with the full collaboration of the power unions. They have worked to prevent any unified response by power workers and kept them divided on an enterprise-by-enterprise basis. All attempts by workers to take action have been systematically blocked by the unions, which were responsible for enforcing the draconian Fair Work (FW) industrial laws, which virtually outlaw workers from taking any industrial action.

The FW laws were introduced by the former Labor government in 2009, with the full support of the unions. They have been used to close down one dispute after another ever since, to facilitate the decades-long corporate industry-wide assault on jobs and working conditions.

When, for example, EE workers moved in April 2016, to strike in opposition to cuts to working

conditions and jobs, the unions, without consulting the rank-and-file, called off the action at the eleventh hour, enforcing a no strike directive issued by the pro-business industrial tribunal, the Fair Work Commission (FWC).

Moreover, it was the FWC, which has been continuously heralded by the power unions as the “independent umpire,” that provided a further means for EE to eliminate jobs with impunity. In 2016, the FWC overrode stipulations in the company’s enterprise work agreement and ruled that the company no longer had to offer “voluntary redundancies” and could legally enforce job cuts via “involuntary redundancies.”

During enterprise bargaining from 2014-18, the ETU also oversaw a sell-out of Ausgrid workers, whose wages were frozen for three years. Moreover, in January last year, the ETU, along with the United Services Union, the Community Public Sector Union and Professionals Australia, arbitrarily suspended industrial action that was overwhelmingly endorsed by Ausgrid workers, and pushed through a sell-out work agreement.

With further job cuts imminent at Ausgrid, the ETU is indicating it will collaborate with the company along the same lines as the arrangement it has entered into with Essential Energy, offering to jointly seek so-called “innovative” alternatives to job losses.

These “alternatives” will invariably result in cost cutting across the board, ushering in speedups and increased workloads, whilst reducing maintenance and incident response capacity and vital customer services.

Similar cuts in the past have affected such critical areas of maintenance as clearing vegetation near power lines, thereby increasing the risk of causing devastating bushfires. For example, in March 2018, a bushfire in Tathra, NSW that destroyed 70 homes and damaged many others, was found to be caused by electrical infrastructure failure near bushland.

The record shows that a fight to defend jobs and working conditions can only be carried forward in direct opposition to the unions and the Labor Party. While the latest assault on power workers is being carried out under the current Liberal-National state government, it was Labor that began the process, with the full assistance of the unions, which worked primarily to defuse and derail any opposition to the cost cutting and privatisation agenda.

Labor’s 2010 sell-off of the state-owned electricity retailers opened the flood gates for further privatisations by the incoming Liberal-National government, including the state’s generating companies and the electricity distribution assets (poles and wires), as well as ensuring a continuous onslaught on workers’ conditions.

To turn the tide in this fight requires power workers to establish new organisations of struggle, independent of the unions, such as rank and file committees. These committees will work to unify workers across every section of the power industry in NSW and across the country, and lead a turn to other sections of the working class—in steel, mining, transport and manufacturing and engineering—in Australia and internationally, who are all facing similar attacks.

This struggle can only be sustained and succeed, however, to the extent that it is guided by an international socialist perspective and the fight for a workers’ government, which will place the banks, basic industries and essential utilities under public ownership and the democratic control of the working class.



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