Australian workers face closure of Eraring coal-fired power plant by 2025

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On February 17, Origin Energy announced that the closure of the largest single power station in Australia would be brought forward from 2032 to August 2025.

The coal-fired Eraring plant in the Lake Macquarie, New South Wales (NSW) region, north of Sydney, has produced electricity for four decades and has a workforce of around 500, including permanent employees and contractors. The early closure further threatens the livelihoods of many more workers in the region, including those in nearby mines that supply the plant.

Origin chief executive Frank Calabria said the closure was being brought forward due to increased market pressure from "lower cost generation, including solar, wind and batteries."

As the market increasingly shifts away from fossil fuels, energy companies are compelled to adjust, not out of concern for the environment, but in defence of profits.

Origin reported a net loss of $2.29 million in 2021, following a net profit of $83 million in 2020. The company attributes this decline to lower demand due to COVID-19, greater rooftop solar uptake and increased output from large-scale renewable energy plants. These factors have pushed down the wholesale price of electricity, even as energy bills for individuals have soared.

NSW Energy Minister Matt Kean has been in discussions with Origin management about the early closure for several months, but the plans were hidden from workers and the Lake Macquarie community. Workers at the Eraring plant were given no advance notice of the company's plan and only found out through the media or in meetings called by management on the day of the announcement.

Unusually, Origin has encouraged workers to speak to the media about the shutdown, likely in an attempt to lobby for government subsidies to prolong the profitable operating life of the plant.

The Australian Energy Market Operator has indicated it will approve the closure and claims there will be "enough electricity generation" to meet its targets at the time of the closure. Origin's proposal relies on new capacity being built by 2025, including a 700-megawatt battery facility, far less than the 2,880-megawatt capacity of Eraring.

Origin claimed it would provide "reskilling, career support and redeployment into new roles, *where possible*." In other words, any redeployment opportunities, should they arise at all, would be offered to a small number of workers, hand-picked by management.

The company's retraining plan will not be shown to workers until the end of July, further shortening the time they would have to search for other work before the plant closes.

The Construction Forestry Maritime Mining Energy Union (CFMEU) and the Australian Manufacturing Workers Union (AMWU), which cover workers at the Eraring plant, claim they were "shocked and surprised," and Origin had "blindsided" workers.

AMWU NSW secretary Cory Wright told the *Australian Financial Review*: "What this announcement shows us is the importance of workers and unions having a seat at the table in discussions around the closure of power stations." The CFMEU issued a statement calling on Origin to "engage in genuine two-way consultation."

The demand for a "seat at the table," is not aimed at giving workers a voice, but at placing the union bureaucracy in the ideal position to prevent workers from organising a genuine, independent opposition to Origin's dictates.

Wright claimed: "The AMWU will hold Origin to its stated aim of providing reskilling, career support and redeployment to impacted workers. We will not let any worker be left behind."

The reality is, Origin's statement commits it to nothing. The company has treated its workforce with utter contempt, yet both unions claim they will hold the company to its worthless promise.

The promise of alternative arrangements by companies seeking to eliminate production is a fraud promoted by the trade unions and governments to facilitate closures and shut down opposition.

Closures of major industrial sites have been carried out for

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decades, forming a distinct blueprint of union-management-government collusion. These previous experiences stand as a warning for workers at Eraring and throughout the energy industry.

During the 2017 shutdown of Victoria's Hazelwood power station in the Latrobe Valley, the CFMEU collaborated with France-based multinational ENGIE, fully accepting the plant closure on the basis of the company's bogus promise that "alternative arrangements" would be made for workers.

The Victorian state Labor government used a $22 million "transfer scheme partnership" to generate acceptance for the closure. The CFMEU and the Australian Council of Trade Unions hailed this as a model to be emulated elsewhere. In fact, by 2019, two years after the closure, fewer than half of the 850 participants in the Victorian government's worker transition scheme had found full-time employment.

Those living in the Latrobe Valley were impacted severely by the loss of more than 1,000 direct and indirect jobs. Many workers were forced to retire early or leave the area. Coal-fired plant closures have transformed the region into a "poverty basket," with high unemployment rates and disastrous socio-economic outcomes, such as increased substance abuse and violence.

The unions and consecutive Labor and Liberal governments since the 1990s have presided over a wave of privatisation. Previously state-owned electricity production and distribution networks in NSW, Victoria, South Australia and Queensland were sold off cheaply to private companies, destroying thousands of jobs in the process.

Origin purchased Eraring Energy from the NSW state government in 2013 for $950 million as part of a $3.25 billion sale of state-run electricity retailers Integral Energy and Country Energy. With the Eraring plant providing as much as a 20 percent of NSW's electricity, the sale gave Origin a 33 percent stake in the National Electricity Market (NEM).

In 2019, Hunter, the federal electorate containing the Lake Macquarie and Hunter coal mining areas, saw a 14 percent swing against Labor in a seat held by the party for more than 100 years. A primary concern for working-class voters was Labor's record on industrial closures and privatisation. The NSW Labor government of Kristina Keneally sold off the first tranche of the state's electricity assets in 2010.

The impending closure of fossil fuel industries has huge implications for the working class. If the transition to renewable technology is left in the hands of corporations and capitalist governments, energy industry workers and their communities face severe losses to their livelihoods.

Climate change is an existential threat to society and carbon dioxide (CO_2) emissions must be drastically reduced, including through the closure of coal-fired power stations and other fossil fuel industries. But workers in these industries, who have created massive amounts of wealth for many of the richest people in Australia and the world, often at great risk to their health and lives, must not be forced to pay for the necessary transition to clean energy through the slashing of jobs.

The NEM is currently supplied by 16 coal-fired power stations. Seven are slated to close by 2035, and the rest by 2051. Earlier this month, energy giant AGL announced that Loy Yang A, in the Latrobe Valley, and Bayswater, in the Hunter, would close at least three years ahead of schedule, by 2045 and 2033 respectively.

Under the revised plan, Eraring would shut before the Snowy Hydro 2.0 pumped hydro storage scheme comes fully online in 2026. Industry experts expect a loss of capacity will put upward pressure on prices.

With every development in technology the working class confronts the obstacle of the capitalist mode of production. In the hands of the financial elite, new technologies mean new ways to exploit workers and extract ever-increasing profits. In the hands of the working class however, these developments can be harnessed to reduce working hours and eliminate arduous tasks, with no reduction in pay.

Under the democratic control of workers, the vital transition to clean energy production would provide secure, safe and well-paid jobs for energy workers and an increased standard of living for the entire working class.

This perspective requires a conscious political fight against the entire capitalist system, including big business, Labor and the unions. As a first step, energy workers should form rank-and-file committees in their workplaces and link up with workers throughout the industry and the broader working class. Through these new organisations of struggle, workers can fight against the growing assault on their jobs, pay and conditions, and for socialism, under which vital utilities can be operated to serve the needs of all of society, rather than the profit interests of the wealthy elite.

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