

Australian power workers vote for industrial action

By Terry Cook
20 January 2018

More than 93 percent of the 2,800 workers employed at Ausgrid, the partly privatised urban electricity distribution network in New South Wales (NSW), have voted for industrial action over new enterprise agreements (EBAs). Ausgrid operates the distribution network providing power in Sydney, Newcastle, the Central Coast and the Hunter Valley.

Like the NSW rail workers, who have voted to strike on January 29, the Ausgrid workers face an escalating corporate-government offensive, after years of job cuts, workload increases and declining real wages. However, the unions are intent on preventing any genuine campaign to fight for decent wages and conditions.

The current EBAs expired in December 2014, when Ausgrid was still fully owned by the NSW state government. Since then, a controlling interest in the company has been sold to a consortium of superannuation funds, led by former trade union bureaucrats, who are demanding stepped-up productivity.

But the unions involved—the Electrical Trades Unions (ETU), United Services Union (USU), Community and Public Sector Union (CPSU) and Professionals Australia (PA)—dragged out negotiations, effectively imposing a wage freeze on workers. They have only held a ballot for industrial action now to contain the widespread anger that is reflected in the overwhelming vote to strike.

ETU organiser Mark Buttigieg told the media last week the Ausgrid workers “were fed up with the inaction” and the voting results showed “a high degree of frustration pent up.” Yet he insisted that the workers did not want to take action, saying: “We still prefer to have a negotiated outcome.”

Buttigieg’s comments are a warning that the unions are working behind the scenes to reach a “negotiated

outcome” and call off any strike action. Such a deal will inevitably be another sell-out paving the way for another round of “productivity increases” and “restructuring” and further cuts to jobs and conditions.

Ausgrid CEO Richard Gross told the *Australian Financial Review* this week that the company had achieved in-principle agreement with the unions on “virtually all of our proposal.” He boasted: “The new agreement would realise greater productivity and ensure success and sustainability in the new energy market.”

The result of the strike ballot was announced on January 10, but the unions have delayed any action by the Ausgrid workers until after a meeting of delegates on January 31. The limited options that workers were given to vote on included eight-hour work stoppages and 30 different types of work bans, such as refusing to do overtime, callouts or work on the light rail network.

Already, since 2014, Ausgrid has eliminated nearly 2,000 jobs and driven up productivity by an estimated 43 to 62 percent, all with the assistance of the unions, which have facilitated redundancies and stifled any resistance.

In return for further speed-up, the four unions are seeking a 3 percent annual pay increase over three years and changes to the company’s classification system, which underrates skills and makes promotions difficult. Ausgrid is offering to raise wages by just 7 percent over three years—a further real pay cut—with a one-off \$1,000 payment as a sop.

At the same time, the company wants a two-tier workforce, with new employees receiving lower rates of pay, thus putting continuous downward pressure on all wages. Meanwhile, Ausgrid has awarded its executives salary rises averaging 5.3 percent a year and annual bonuses averaging more than \$50,000 each in

2014, 2015 and 2016.

In 2016, the Liberal-National state government sold off the network via a 99-year lease of 50.4 percent of Ausgrid for \$16 billion to an Australian Super and IFM Investors superannuation consortium. The government retained the remaining shares but could offload them at any time.

Former Australian Council of Trade Union (ACTU) secretary and key Labor minister Greg Combet is deputy chair of IFM Investors. Another ex-ACTU secretary, David Oliver, is deputy chair of Australian Super, whose board includes current union leaders Paul Bastian (Australian Manufacturing Workers Union) and Daniel Walton (Australian Workers Unions).

In other words, the Ausgrid workers not only confront their own unions, but an employer led by present and former union bureaucrats, who direct its demands for greater cost-cutting and higher profits.

In 2016, the state government also privatised the regional electricity distributor Endeavour Energy and the state's high-voltage network company Transgrid. Rural provider Essential Energy remains state-owned for now, but it has been subjected to severe restructuring, including the slashing of more than 1,300 jobs.

The power unions facilitated the privatisation and job cuts. They 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 were systematically blocked by the unions, which supported the Fair Work industrial laws that ban virtually all action by workers.

The overriding concern of the unions has been to maintain their role as labour brokers, bargaining away workers' jobs, conditions and wages.

When, for example, Essential Energy workers moved in April 2016 to strike to oppose cuts to working conditions and jobs, the unions, without consulting the rank-and-file, called off the action at the eleventh hour, enforcing a directive by the federal government's industrial tribunal, the Fair Work Commission.

Opposition by workers was also diverted into dead-end protests and parliamentary channels, such as pleas to the right-wing Christian Democratic Party (CDP) to block legislation enabling the privatisations or to secure phoney "job protection" clauses. A deal brokered by the CDP and the unions allowed the

government to proceed unhindered.

Above all, the unions urged workers to vote for yet another pro-business Labor government in the 2015 state elections, on the basis of the lie that Labor will defend their interests. In reality, Labor began the privatisations before it was thrown out of office in 2011. Once the 2015 election was over, state Labor leader Luke Foley flagged his support for privatisation, declaring "private and not-for-profit sectors should play a significant role in the delivery of our public services."

Ausgrid workers need to draw lessons from past bitter experience and break decisively with the unions, which always defend the private profit system from which the officials derive their privileged positions and life styles.

Any fight for wages, jobs and conditions necessarily involves a political struggle against the entire establishment—including Coalition, Labor and the Greens—that will stop at nothing, including using the police and the courts, to suppress the eruption of a movement of the working class.

Ausgrid workers should take matters into their own hands and establish independent rank-and-file committees to organise the campaign and turn out to other sections of workers—across the steel, mining, transport and engineering industries—in Australia and internationally facing the destruction of jobs and conditions.

This struggle can only succeed to the extent that it is guided by a socialist perspective, that is, the fight for a workers' government that will place the banks and basic industries 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 WSWs and the
Socialist Equality Party visit:

<http://www.wsws.org>