AGL to hold Victoria’s power supply hostage in a bid to slash workplace conditions at Loy Yang

Today the CFMEU Mining and Energy Division is calling on energy company AGL to stop holding Victoria’s power supply hostage in a bid to pressure workers to vote away their rights and conditions amidst its Loy Yang power plant industrial dispute.

CFMEU M&E Victorian District President, Trevor Williams said he is perplexed by the escalation of this dispute particularly considering the outstanding issues between the company and the union were not that far apart last month.

“We have a case where AGL is holding Victoria’s power supply hostage hoping its tactics will pay off in an industrial dispute. Disturbingly, after months refusing to bargain, but getting closer to a deal with only a handful of outstanding issues, AGL again backflipped on its compromises to seek an immediate reform agenda that will eradicate workplace conditions,” said Mr Williams.

“In light of recent announcements affecting the Latrobe Valley community and Hazelwood workers, it is appalling that AGL is attempting to take advantage of the delicate situation to point the finger of power insecurity at workers who are fighting for their job security.

“Despite refusing to bargain with the CFMEU, AGL has threatened to lockout the entire site should CFMEU members fulfil their right to undertake protected industrial action. This hostile act would prevent any areas not currently affected by a potential strike from continuing to operate, putting Victoria’s power supply at risk.

“The CFMEU has undertaken to consider Victoria’s power supply throughout this industrial dispute. We have called on AGL to do the same, but they refuse to cooperate.

“Instead of industrial action, our members would prefer a resolution, but AGL are unprepared to put its workers, the people of the Latrobe Valley and Victorians first.

“While the primary concern of CFMEU’s local representatives and members is local jobs and their impact on the Latrobe Valley community, they have delayed their right to undertake protected industrial action in a demonstration of good faith to the bargaining process with AGL, and a commitment to Victoria’s power security.

“The CFMEU once again calls on AGL to bargain in good faith and commit to secure Victoria’s power supply by not threatening to lockout its Loy Yang power plant during the industrial dispute,” said Mr Williams.

The Fair Work Commission has recognised the workers from the Loy Yang power plant can take protected industrial action after ruling that the CFMEU is genuinely trying to reach agreement with AGL. CFMEU members are likely to take protected industrial action should AGL continue its refusal to bargain in good faith with the union.

MEDIA CONTACT: ELISA FERNANDES, 0438 021 203
FACT SHEET

OUTSTANDING INDUSTRIAL ISSUES:

After one year of negotiations, facilitated bargaining meetings and a hostile bargaining environment, AGL has decided to offer a proposed position that would eradicate any concessions they had made since December 2015, forcing the CFMEU and its members to apply to take protected industrial action in an attempt to pressure the company to bargain in good faith.

Some main concerns include:

- AGL wants to cut jobs, up to 36 jobs plus two unknown restructures in the Engineering & Maintenance Group and Warehouse Group.
- AGL wants to remove job security, remove no forced redundancy, remove minimum staffing levels, and allow unlimited contracting out of work.
- AGL wants to remove agreed shift rosters.
- AGL is seeking to cut pay and lifetime superannuation savings by 65 percent through its application to terminate of the current Enterprise Agreement.
- AGL wants staffing numbers reduced in the Power Station on weekends and public holidays if any employee calls in sick, substantially increasing the workload for the remaining employees to unsafe levels.
- AGL wants to use inexperienced operators to operate the large travelling Stacker on the Overburden Dump but for safety reasons we want a mix of experienced and inexperienced operators.

ON HAZELWOOD REDEPLOYMENT:

- AGL is using the situation in Hazelwood as a ploy to terminate the Loy Yang Enterprise Agreement. They have claimed the union is attempting to block the redeployment of Hazelwood workers into the Loy Yang plant. The CFMEU Victorian District is the author of a transition plan for workers in the Latrobe Valley community, and as such would welcome a move from companies attempting to redeploy affected workers.
- There is no legal impediment in the current Enterprise Agreement to prevent the redeployment of Hazelwood; any claims to this affect are untrue.

ON POWER SUPPLY:

- CFMEU has undertaken to consider Victoria’s power supply during the industrial dispute. The CFMEU has continuously called on AGL to do the same yet they have refused to respond.
- AGL has threatened to lockout the entire Loy Yang site should CFMEU members take industrial action, preventing any non-striking worker or areas from continuing to operate the plant, thus putting Victoria’s power supply at risk.
- Instead of industrial action, the CFMEU and its members would prefer a resolution to the dispute, but AGL refuses to negotiate with the CFMEU.

TIMELINE:

- AGL commenced bargaining for a new agreement in July 2015 without the CFMEU. The CFMEU weren’t in a position to commence bargaining until October 2015.
- In November 2015, despite the CFMEU having attempted to bargain with the company, AGL put out a proposed Enterprise Agreement which offered 5 percent pay increases, but sough to seriously undermine job security and workplace conditions. This proposal was rejected by 80 percent of AGL workers.
FACT SHEET

- Since February 2016, AGL has refused to bargain with the CFMEU. The last bargaining meeting between the parties was held on 22 February 2016.
- Since February 2016, AGL has refused to engage with the CFMEU in direct negotiations, the company applied to the Fair Work Commission for facilitated bargaining. Nevertheless, during the last 16 meetings between the CFMEU, the other parties to the agreement, AGL and the Commission, the company refuses to bargain on key points to promote workers’ job security.
- Meanwhile, in July 2016, AGL applied to the Fair Work Commission to terminate the current Enterprise Agreement. Such a termination would deliver a grave drop to worker’s wages – a 65 percent wage cut.
- A termination of the agreement would also see a 65 percent cut to employees’ lifetime superannuation benefit.
- During the ongoing process, the CFMEU and its members made 30-40 major concessions in an attempt to finalise and resolve the dispute. AGL still refused to accept a handful of concessions put forward by the CFMEU and put out a further Enterprise Agreement to a vote; 70 percent of employees rejected their proposal.
- At 9am on 17 November, during a Senate Inquiry, AGL claimed the current Loy Yang agreement prevented the company from hiring employees from the Hazelwood power plant and so needed to be terminated. The company claimed the CFMEU aimed to block entry of Hazelwood employees into the Loy Yang plant. AGL had not sought to negotiate with the CFMEU regarding the entrance of Hazelwood employees into the Loy Yang plant despite having written to the union about Loy Yang and regional employment only on 15 November.
- At 10am on 17 November (one hour after the Senate Inquiry), during a facilitated bargaining meeting with the CFMEU, AGL – for the first time – communicated to the union they intended on redeploying employees from Hazelwood to Loy Yang and demanded a written response from the union.
- In the last facilitated bargaining meeting between AGL and the CFMEU, AGL has presented yet a new agreement that takes their bargaining position backwards. They have requested a written response from the union.
- The next facilitated bargaining meeting will be held in Melbourne on Monday, 12 December.
- As it stands, the decision on AGL’s request to terminate the Loy Yang Enterprise Agreement is still pending.