

Point of View

A Significant Regional Industrial Dispute from a Novel Perspective

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Abstract

In 1977 the State Electricity Commission of Victoria (SECV) maintenance employees in the Latrobe Valley withdrew their labour for eleven weeks, plunging the state into chaos. Severe electricity restrictions were imposed, effectively shutting down industry and having a significant impact on public transport, households, and commercial and social activity.

Using internal documents relating to the dispute retained by the SECV's Assistant General Manager (Operations) and now held in PROV as VPRS 9822, this paper discusses the events of 1977 from the employer's perspective, and specifically that of management, a voice which is generally under-represented in the literature on industrial disputes. Specifically, it compares the information which was provided to the public through press releases and newspaper reports with those documents which informed internal decision-making during the dispute, particularly during the period of power restrictions. While the severity of the restrictions was questioned in the media on a number of occasions, this paper concludes that the rhetoric of the internal documents confirms the reduced electricity generation capacity and finds that the restrictions imposed were sustainable only because of some brief returns to work by the strikers. At the same time it is argued that the power restrictions were a direct result of attitudes which underpinned the management decision-making process and which led to the escalation of a minor dispute into a significant regional dispute.

Introduction

Strikes as an industrial relations phenomenon are the subject of an extensive literature. In Australia since the 1950s, strikes have typically been of short duration (less than four days) and the number of strikes lasting four weeks or longer has been extremely small. However, lengthy strikes may account for a significant proportion of the total working time lost annually due to industrial disputes.[1] Extended strikes in particular may be high profile and cause public inconvenience. As a result, there has been much interest in the causes, progress and outcomes of strikes.[2] In spite of this, descriptive accounts of lengthy Australian industrial disputes generally provide little specific information about the effect of such disputes on the employer, and even less about the internal employer decision-making processes and the documents which informed them.[3]

This case study therefore discusses the 1977 State Electricity Commission of Victoria (SECV) Latrobe Valley maintenance workers' dispute from the perspective of the employer, and specifically through the correspondence of William (Bill) De Campo, SECV's Assistant General Manager (Operations), whose papers relating to the production and maintenance of electricity to the state during the dispute are held at PROV as VPRS 9822.[4] These documents offer an opportunity to extend the literature on strikes by examining the attitudes and responses of management during a particular episode of industrial unrest. In exploring the various factors that contributed to the Latrobe Valley dispute it is hoped that the present paper may also be relevant to the analysis of other lengthy disputes.

Context and Sources

The dispute by maintenance workers at the SECV in the Latrobe Valley commenced early in 1977. The employees directly involved were approximately 2300 members of eleven maintenance unions. The majority of these maintenance employees belonged to one of four unions: the Amalgamated Metal Workers' and Shipwrights' Union, the Electrical Trades Union of Australia, the Australasian Society of Engineers, and the Federated Ironworkers' Association of Australia. Their employer was the SECV, a statutory authority established in 1919 which provided the state-wide electricity generation and supply system.

Mr Bill De Campo was one of five assistant general managers who reported to the SECV Chairman and General Manager. As the Assistant General Manager (Operations) (AGM(O)), he was responsible for the SECV's main system operations activities, which produced and maintained electricity supply to the state. Four managers reported to this position, with responsibility respectively for Coal Production, Power Generation, Engineering Services and Area Administration.[5]

In 1977, more than 80 per cent of the state's power was supplied by the Latrobe Valley power stations.[6] While the members of the maintenance unions were not involved in power generation, they ensured that machinery and plant, including coal dredgers, were repaired and returned to service in a timely manner. They were also responsible for moving coal conveyors and rail tracks in the open-cut mines, thus ensuring ongoing supply of coal to the power stations.

At the time of the dispute, neither the local nor the broader industrial or political contexts were auspicious. The Fraser federal government, which took office in 1975, faced severe economic problems, since the Australian economy during the mid- to late-1970s was marked by high inflation and high unemployment. From 1975 the Australian Conciliation and Arbitration Commission (ACAC) was determined to restrict ad hoc or excessive wage demands by some unions – which, if granted, flowed through more widely into the workforce – by providing wage increases only through the established principles of wage indexation. These principles stated that wage increases would follow movement of the Consumer Price Index and productivity gains. The only other grounds for increases would be changes in work value (that is, an assessment of changes in the nature of work, skills and responsibilities required or the conditions under which work was performed), catch-up of community movements, and wages anomalies conferences, all of which were expected to be infrequent. The government regularly intervened in National Wage Cases in an attempt to

minimise wage increases. The result was that the ACAC consistently gave wage increases below increases in the cost of living; these increases applied only to award wages, and not the (often significant) over-award allowances which many workers (such as the maintenance employees in the SECV) were entitled to. This had the effect of compressing wage relativities, a significant factor in both the internal wage relativity issues in the SECV and relativities between the maintenance unions and the Latrobe Valley construction workers on SECV projects. This compression of relativities, together with the higher wages paid to SECV project employees, formed the basis of the ambit claim of a \$40 per week increase in the maintenance employees' 1977 log of claims.

In the Latrobe Valley, the SECV workforce was almost completely unionised and the shop steward organisation was strong and active, the workforce having a reputation for collective strength and militancy.[7] The local maintenance unions feared that the SECV was attempting to increase the use of contract labour for routine maintenance, and thus reduce its maintenance workforce. The Latrobe Valley rank and file, under the auspices of the Central Gippsland Trades and Labor Council (CGT&LC), the local peak union council, insisted on full utilisation of day labour before contractors were permitted to work on SECV projects, as a means of retaining employee numbers. By early 1977, two other significant disputes involving SECV employees were underway. The SECV however had refused to compromise and, in one dispute, employees had been stood down on the 'no work, no pay' principle. This provided a good indication of management's attitude and how the SECV was likely to react to other disputes during 1977.

The contents of a log of claims covering the maintenance unions at the SECV had been under discussion by the maintenance employees, their shop stewards and the CGT&LC since early in 1977. The log was intended to meet a number of objectives: to even up the differences in salary at base tradesman level with those applying in other power authorities and with outside contractors; to obtain comparable conditions with the staff unions within the SECV; to even out the conditions which applied across the different awards of the maintenance unions; and to provide a means of retaining the internal relativities by the establishment of a single award for maintenance unions at the SECV.

The items in the log were divided into two parts. There were firstly those matters over which the SECV was seen as having control through its regulations (sick leave as per staff rates, accident pay on workers' compensation to be made up to full pay, rostered days in lieu to be added to leave for work on Saturdays and Sundays,

Retiring and Benefit Fund improved benefits, and all SECV personnel to be supplied with footwear). The second group of items consisted of those matters which were perceived as requiring discussion with the SECV so that an agreed position could be taken to the ACAC for ratification (wage increases to give a base tradesman rate of \$218, Easter Tuesday as a public holiday, increased meal allowances for all overtime, wages incorporated into awards to allow full wage indexation, a 35-hour week, and all overtime at double time). The most prominent item in the log however was the ambit claim for a \$40 per week wage increase,[8] a significant claim during a period of wage restraint.

The maintenance workers expected that the lack of maintenance during the dispute would force the SECV to negotiate on their claims in order to maintain power supply to the state; the SECV however was determined not to bow to this pressure. The result was a series of claims and counter-claims about the state of generating plant and the likely impact on power generation. Once severe power restrictions were imposed, it was important for the credibility of the SECV and De Campo that they be justifiable in terms of the power available, rather than being seen as a means of turning public opinion against the strikers, or as providing the opportunity for a legislative response by the government.

The events described within this paper are thus located within one phase of this lengthy dispute – that is, from August 1977 when the bans imposed by the Latrobe Valley maintenance employees began to affect power generation and supply to the state of Victoria, until the end of October when they finally returned to work. The documents retained in PROV's collection as VPRS 9822 were initially closed records, which I was able to examine in November 2006 after a request to the Office of the Administrator, SECV, in relation to a larger research project around the 1977 dispute.[9] Subsequent to this, the records were put on open access. A range of material is included in VPRS 9822, including copies of radio news transcripts, notes and memos from industrial relations staff and the managers reporting to the AGM(O), and drafts and final versions of documents for internal and/or external publication. These papers have provided an opportunity to go behind the public statements made at the time by spokespersons from the government, the SECV, the unions and the community, and to compare these with the information which was compiled in-house about the condition and capacity of power generation during the dispute that was not available outside the SECV at the time. There is no material in the series which provides a glimpse of De Campo as an individual, although he was said to be 'respected and esteemed'. [10] He passed away soon after the events described, in March 1978, after a long illness.

Documentation relating to the dispute has also been accessed at the University of Melbourne Archives, which holds records of a number of the unions involved, as well as those of the Victorian Trades Hall Council (VTHC), the state peak union council. Relevant accounts were also accessed from contemporaneous newspaper articles. This paper focuses on the information which was provided to the public through press releases and newspaper reports, comparing it with those documents which informed the internal decision-making of De Campo, particularly during the period of power restrictions, in order to consider the congruence of the rhetoric around the restrictions and the power generating capacity.

The Worsening of the Dispute

The dispute commenced at the end of March 1977 when the Secretary of the CGT&LC sent a log of claims to Bill De Campo on behalf of the eleven maintenance unions with members at the Latrobe Valley SECV. The SECV did not recognise this process, expecting such multi-union claims to be received via the VTHC. Unfortunately neither the original letter nor De Campo's response to it has been retained in the PROV series. The resultant lack of action on the log of claims led to overtime bans being imposed by the unions on 15 June. This was followed on 8 July by a ban on temporary shift work. There was subsequently an accumulation of required maintenance, and a running-down of the condition of operating plant. [11]

The earliest document in VPRS 9822 is dated 25 July 1977, almost six weeks after the first bans were imposed. The Manager, Area Operations (MAA) proposed to the AGM(O) that maintenance employees should be directed to undertake temporary shift work to return plant to service.[12] This decision was predicated on electricity restrictions becoming likely if the bans continued. Over the next few days, a range of options was considered internally to bring the dispute to a head and have maintenance activity resumed,[13] although the public was assured in a news release that the maintenance bans would have 'no major effect on power supplies':[14]

On 5 August, the Electrical Trades Union of Australia applied to the ACAC to vary the industrial award under which most of the maintenance tradesmen worked. However, the SECV had already decided to bring the dispute to a head, although there is no written evidence to indicate the reasoning behind this decision.

We only know that on 8 August the MAA formally advised the AGM(O) in a confidential communication that a 'no work, no pay' exercise would commence later that morning, with tradesmen being told to deliver vehicles for outside repair, and to report for temporary shift work (see Image 1).[15] The issue of letting maintenance work to contract was contentious and contested, and had been for many years.[16] Thus, when the tradesmen were stood down without pay for refusing to follow directions,[17] the resultant walkout by members of the maintenance unions involved in support of their colleagues should not have come as a surprise to the SECV management. A mass meeting of the maintenance employees the next day, 9 August, resolved to withdraw their labour indefinitely.[18] The SECV had escalated a low-key dispute into a confrontation. While management's response to industrial disputes earlier in 1977 had demonstrated an unwillingness to compromise, the contract labour issue was one over which the maintenance employees were not prepared to compromise either.

The maintenance bans had been having an effect on potential power generation from quite early in the dispute. On 11 August the lack of maintenance, due mainly to the overtime bans, resulted in the situation being described as 'barely satisfactory'[19] in an internal communication to the AGM(O). In a public communication to all SECV personnel, De Campo warned that future electricity supply would 'depend on continued satisfactory performance of plant'.[20] Despite this, he issued a reassuring communication to SECV personnel less than one week later that the dispute was not having any impact on electricity supply.[21]

Daily briefings between the AGM(O) and his managers ensured that a close eye was kept on the effect of the maintenance bans on both coal winning and plant capacity.[22] Handwritten notes from some of these meetings reflect the concern of De Campo about the effect of maintenance issues in the open-cut mines, which then impacted on power generation capacity.

On 24 August, a mass meeting of the maintenance employees voted to return to work the following day without bans in order that hearings on the log of claims in the ACAC before Commissioner Allan Vosti could proceed. De Campo advised all SECV employees of this information on the same day, together with the advice that the system was continuing to meet the demand for electricity.[23] However, when the SECV announced in the ACAC on 25 August that it needed another four days to consider which of the claims it was prepared to discuss (but not necessarily to make any offers on),[24] the strike resumed. This response of the SECV was interpreted as disrespectful, and the maintenance men voted not to return to work until 29 August.

By this time the power generating plant in the Latrobe Valley was, according to the CGT&LC, in poor condition with some of it desperately requiring maintenance.[25] However, the brief return to work on 25 August had enabled the repair of plant, and restored Latrobe Valley plant output to almost normal levels by 31 August.[26] The SECV was thus able to advise the media that availability of generating plant was still good: both Yallourn units, six of eight sets at Hazelwood, four out of five generators at Yallourn C and D, and four out of five at Morwell were in operation.[27]

CGT&LC - LOG OF CLAIMS VPRS

NP-NP exercise will commence at 1000 hours, 8 August 1977 on the undermentioned

CONFIDENTIAL

8 August 1977

A 4-WHEEL DRIVE VEHICLES

ABEHSU Inspector (McKernon) will be instructed to drive vehicle 36M907 items of plant.

'This is the job that you are required to carry out. If you do not do so, you will not be paid.'

to Woods and Reeves (Traralgon) for brake and door repairs.

It is expected he will carry out the task, but should he refuse he will be told:

1 A message to bring from Mackinnon concerning the contract work. He will be told -

2 A second and third vehicle are available for him to deliver if required.

B REPAIR OF ELECTRIC MOTORS - ELECTRICAL WORKSHOPS

1 The Overseer will advise the tradesmen that the shuttle conveyor has 'AA' priority and temporary shift work on the motor will commence at 'four men have obtained the agreement by not working reasonable overtime on repair of essential vehicles. This work has fallen well behind requirements.'

2 The Electrical Workshops Engineer will select six tradesmen and direct them to work temporary shift work in accordance with their Award from midnight. The roster will then be posted. The two men selected for midnight tonight. He will ask for volunteers - none are expected.

they will report for work at 0730 hours Tuesday. The following action will ensue.

The six rostered men will be prevented from starting work and collected thereafter. The Overseer will then from midnight to 0800 hours shift will be advised they may go home at 1400 hours according to past practice.

NOTES: It is expected the the men will not work temporary shift work, instead

'You have an obligation under your Award to work temporary shift work. You were rostered to work from midnight to 0800. Why did

a Advise the men who should have come to work at midnight -

you Not start.

You are too late to start now.

This document describes the 'no work, no pay' exercise which escalated the dispute. PROV, VPRS 9822/P1, Unit 1, File 1.

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The maintenance employees duly returned to work on 29 August, and so the SECV advised the maintenance unions on 30 August of the claims it was prepared to discuss. However, it was not prepared to make any offers for one week, and then only if there was no industrial action during that time.[28] The SECV considered this 'meaningful progress toward resolving the claims',[29] since it softened the previous uncompromising management response. The maintenance employees however interpreted it as confirming the 'unco-operative attitude of the SECV', [30] and as a result, on 31 August a mass meeting resolved to renew the strike.

By 6 September, the CGT&LC was telling the public that power generating capacity was reducing because of equipment breakdowns and limits to existing coal-winning areas.[31] A press release by De Campo refuted this, advising the public that there would be no 'power shortage in the immediate future'. [32] However, the internal briefing for De Campo on 9 September acknowledged that the state of plant continued to give cause for concern. A handwritten note on this document, all in capitals, and flanked by asterisks, states 'NEXT WEEK TOUGH'.[33]

On 12 September, De Campo conceded in a news release that there were signs of deterioration within the power generating system, and for the first time admitted to the public that power supply could be threatened if the strike continued.[34] On 15 September, hearings reconvened before Commissioner Vosti, who refused to hand down any decision on the claims while the strike was still on. Despite this, a mass meeting on 19 September voted to continue industrial action, since a return to work would place the SECV at an advantage, and to meet again on 26 September. That mass meeting on 26 September rejected recommendations of the stewards to return to work and voted overwhelmingly to stay on strike.

Power Restrictions Imposed

When the maintenance employees decided to continue the strike indefinitely on 19 September, De Campo in a news release had tentatively forecast electricity restrictions, pointing out that electricity supply was 'in a serious position'.[35] Four days later, on 23 September, the SECV admitted to the public that the strike was 'seriously threatening Victoria's electricity supply',[36] and a handwritten annotation on a later internal typewritten summary of the dispute events and their effects noted that the SECV had been 'hanging on by [a] shoestring'.[37] Just three days later, the SECV, via De Campo, imposed stringent

electricity restrictions effective from midnight 27 September for an indefinite period. These restrictions prohibited the use of electricity for industrial purposes, effectively shutting down industry across the state; significantly reduced commercial use of electricity; and provided only half normal power for trams and trains. No guarantee of a minimum generation amount had yet been agreed between the operations unions – Municipal Officers' Association of Australia (SEC Branch) (MOA) and Federated Engine Drivers' and Firemen's Association of Australasia (FEDFA)[38] – as was generally the case in disputes. This made the present dispute much more serious in terms of its possible impact on power supply, and the public was advised accordingly by De Campo.[39]

The restrictions, described as 'unnecessary' by one of the maintenance unions, forced significant stand-downs across the state in a variety of industries.[40] It was not until this point that the dispute became of more than passing interest to the Melbourne mass media. From now on, it was a key item on radio and television, as well as in the print media. The restrictions were seen by newspapers of the Left as a means of turning public opinion against the strikers,[41] but the SECV justified them to the public as resulting from significant deterioration to plant for generating and coal winning.[42]

At a private conference on Saturday 1 October, Commissioner Vosti proposed that if a mass meeting on Tuesday 4 October voted to resume work immediately, the SECV would allow the meeting to be given its decision on the claims on which it was prepared to make an offer. A decision on all claims, including the wages claim, would be handed down on 12 October.[43] This demonstrated a more flexible attitude by the SECV when compared with its original refusal to consider the items in the log of claims, as well as being an attempt by Commissioner Vosti to provide a firm timeline for a decision on the log. Despite this, the maintenance men voted at the mass meeting on 4 October to reject the proposal.

GLB/3178
6.10.77

SYSTEM SUMMARY

PLANT	PRODUCTION CAPACITY				REASONS FOR RESTRICTIONS
	INSTALLED		RESTRICTED		
	MW	Units/day	MW	Units/day	
HWPS	1600	38	680	16	4 Units unavailable. Reduced output on 15 service plant
MPS	170	4	55	1	Conveyor requires repair. One generator unavailable.
YPS. BCD	250	6	(60)*	0(1)	Coal conservation 7 Boilers unavailable * Available but not running.
YPS. E	240	6	0	0	2 Units unavailable
YWPS	700	17	200	5	9 Mills unavailable W1 no longer safe to run.
LV. Subtotal	2960	71	945	22	
Metro Thermal	250	4	140	2	Briquette shortage MPS C. One boiler unavailable RPS B
APS	150	4	155	4	
Vic. Hydro.	339	2	351	3	Home P.S. generating.
Snowy (firm)	1075	10	925	12-15	Regulating unavailable 3 Units unavailable.
Total.	4804	71	2516	43-46	
Coal.					
MOC	70 Kt/day		48 Kt/day		2 coal dredgers unavailable. OB dredger also unavailable.
YOC	90 Kt/day		19 Kt/day		Limited coal available. Coal handling constraints.
Briquettes.					
Production	4400 t/day		1300 t/day		Limited coal available.
Stock at depots.	40 Kt.		8 Kt.		Reduced production.

This system summary of 6 October 1977 illustrates the impact of the dispute on power generation and coal-winning capacity. Generation capacity from all sources, not just in the Latrobe Valley, was under close scrutiny. PROV, VPRS 9822/P1, Unit 1, File 3.

The Premier of Victoria responded to this situation by amending the *Essential Services Act 1958* (Vic) and having a state of emergency declared. This changed the stance toward the dispute taken by the SECV operations unions. The Australian Institute of Marine and Power Engineers (AIMPE) and the MOA instructed their members to refuse to perform any duties other than their own.[44] The FEDFA resolved not to operate machinery repaired by anyone other than the maintenance employees in dispute.[45] The SECV was rightly concerned that if the operations personnel in the FEDFA and MOA joined the dispute, this would open up the possibility of a total system shut down with 'dire consequences to the community'. [46] These consequences were listed for De Campo in an internal document.[47] This was a significant complication for SECV management, which wanted active involvement of the operations unions to be avoided if at all possible.

On 6 October, the President of the ACAC noted the seriousness of the situation, and referred the dispute to a full bench of the Commission in the public interest. [48] De Campo concurred, admitting in a news release that the situation was 'very grave'.[49] Any further plant failure could result in reduced power availability. In addition, the continued use of over-entitlement power from the Snowy Mountains Hydro-electric Scheme in New South Wales was noted internally as only remaining sustainable if there was no 'significant plant loss' in New South Wales.[50] With no return to work in sight, the SECV announced via the media additional power restrictions from 9 October.[51] These mainly affected domestic use of power: all heating was banned, and lighting was allowed in two rooms only. While the unions stated that the power restrictions were more severe than necessary,[52] the SECV noted in an internal document that Latrobe Valley plant availability was at only 30 per cent of installed capacity,[53] and in notes for a press conference, De Campo indicated that Latrobe Valley power output was less than half of normal.[54]

Intervention of Bob Hawke and the ACTU

At this critical point, the president of the Australian Council of Trade Unions, Bob Hawke, intervened to call a meeting on 11 October of representatives of the VTHC, federal and state branches of the unions involved, and the Latrobe Valley shop stewards. The outcome was a proposal for a hearing by the ACAC to investigate the alleged wage anomalies between the maintenance unions within the SECV. This hearing was conducted by the president of the ACAC on 13 October, and the alleged wages anomalies were then referred by him to a full bench. At the same time, the SECV made known its responses to three of the conditions claims in the log, and as a result a mass meeting of the maintenance workers voted to accept the recommendation of the stewards to return to work from midnight on 13 October. [55]

An internal SECV review prepared on 13 October noted the continued deterioration of Latrobe Valley power plant, low operational coal reserves and seriously depleted hydro reserves. Power generation at that time was barely meeting the demands of the more severe restrictions imposed on 9 October.[56] However, as a result of the return to work, restoration of plant increased Latrobe Valley generation by more than 35 per cent. The Chairman of the SECV announced in a news release that this would allow a slight easing of electricity restrictions over the weekend of 15 and 16 October, with increased television viewing allowed and the operating of industry on alternate days from that weekend.[57]

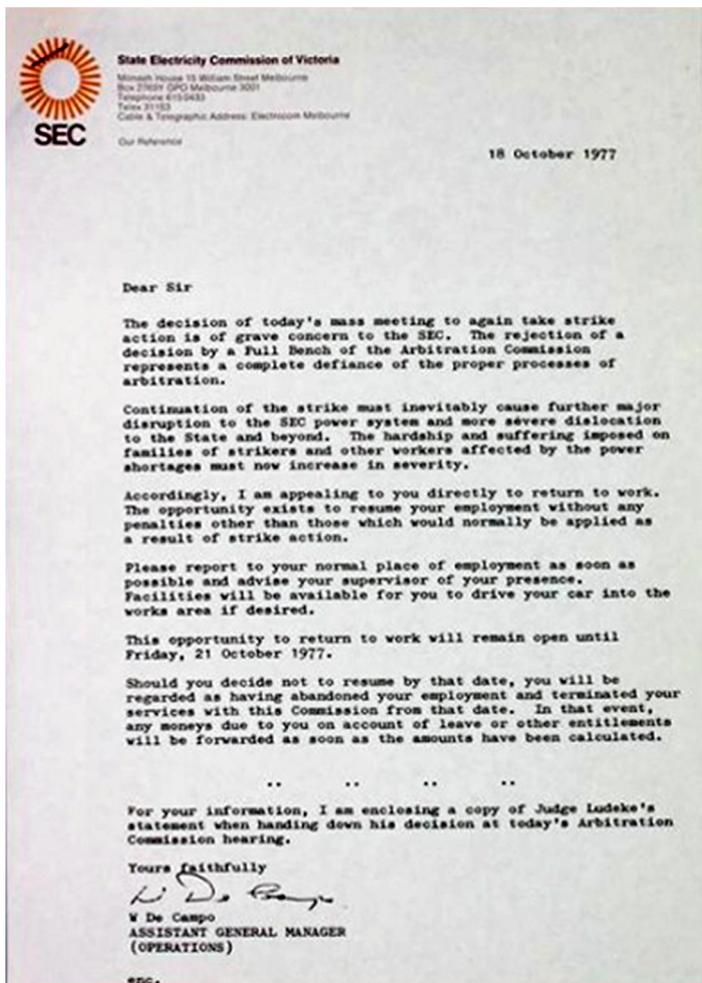
Internally, the SECV noted that it also meant that power to essential services could be maintained 'for a considerable period',[58] even if the strike resumed.

This generally positive view of the situation by the SECV management changed on 18 October when the full bench of the ACAC dismissed the application for a wage increase, and a mass meeting of maintenance employees voted to strike indefinitely. The SECV response was uncompromising. It issued notices of dismissal to the workers effective from 21 October, signed by De Campo (see Image 3). On 19 October, advertisements appeared in Latrobe Valley and Melbourne metropolitan newspapers seeking maintenance workers for power installations.[59] While the SECV preference was to have some of the maintenance workers return to work, it was prepared to have maintenance contractors come in (under the *Essential Services Act*) and had privately made arrangements with firms such as International Combustion Australia Ltd, Simon Carves and Siemens to provide crews under this scenario.[60]

However, the sending of the dismissal letter drew the striking maintenance and non-striking operations unions closer together.[61] The immediate reaction by the operations unions (MOA, AIMPE and FEDFA staff branches) was to state that they would withdraw their own labour if there were sackings.[62] The MOA agreed to a minimum power generation level, but on the condition that no one was dismissed. This enabled the SECV to maintain power at the existing level of restrictions. This agreement with the MOA may be interpreted as a pragmatic decision by SECV management, in order to ensure that sufficient power continued to be available to maintain service for emergency needs.

Despite its earlier optimism, the SECV anticipated operational difficulties due to continued deterioration of plant, and the implementation of harsher restrictions if there was a poor uptake of the offer to return to work made in the dismissal letter. Of even greater concern was the expectation, conveyed to the state government by De Campo, that if contract labour was brought in the FEDFA and the MOA would walk out, leading to a state-wide shutdown.[63] There was no possibility of being able to replace those employees from outside the power generation industry.

Bob Hawke acted quickly both to retain his credibility with the strikers and to attempt to negotiate a solution acceptable to all the parties. To this end, on 19 October the ACTU convened another meeting of the shop stewards involved in the strike, representatives from the ACTU and VTHC, and officials of the unions involved. After a lengthy discussion, it was agreed that Bob Hawke should approach the president of the ACAC to appoint a commissioner to conduct a work value study of work done by SECV maintenance workers. This was one of the few mechanisms available within the wage indexation guidelines for granting additional wage increases. During this inquiry, the unions would seek a separate SECV maintenance award, as well as an interim wage decision.[64] The proposal by Bob Hawke was agreed to and proceedings commenced before Commissioner Norman Mansini on 20 October.



PROV, VPRS 9822/P1, Unit 1, File 3, Dismissal letter, 18 October 1977.

De Campo, in a news release on 21 October, advised that the SECV expected to meet electricity demand with difficulty, although the metropolitan plants were being run to their maximum extent. [65] An internal assessment noted that the amount of power which Victoria had been able to use from the Snowy Scheme because of favourable plant conditions in New South Wales was about 90 per cent of a full year's average entitlement and twice the budget estimate.[66] In private, the SECV was preparing the options available to it should the maintenance employees vote on 25 October not to return to work to allow the Mansini Inquiry to proceed. The main concern was to avoid a walk-out by the operations unions, and thus to continue with minimum power generation. If this was not achieved significant additional power restrictions would be required, and power generation would rely on staff engineers and volunteers to produce sufficient power for essential services. This was venturing into the realm of the unknown, since this scenario had never been tested and difficulties were anticipated in its implementation. [67]

Return to Work and Restrictions Lifted

Fortunately this latter possibility was averted when the mass meeting held on 25 October resolved to return to work from afternoon shift that day, without bans, limitations or restrictions. The maintenance employees had been on strike since 9 August, apart from some brief returns to work. The strike was over and would not resume when the lengthy Mansini Inquiry handed down its decision, disappointing for the maintenance employees, on 21 March 1978.

Despite previous internal statements that 'any significant return to service of plant' would be slow,[68] and a public statement by De Campo that return to normal power would 'take days',[69] the SECV lifted electricity restrictions totally from 8.00 pm the day after the maintenance employees returned to work. They had been in force for 29 days, the longest period of restrictions in the SECV's history.[70] The Chairman of the SECV advised the public when the restrictions were lifted that it would take weeks to restore plant to normal operating condition.[71] The SECV had internally estimated that plant maintenance of about 200 man years had been lost, with a corresponding effect on plant reliability.[72]

Once restrictions were removed, interest in the Mansini Inquiry and the dispute waned in the media, and in the minds of Victorians. Not surprisingly, De Campo's interest in the dispute also waned once the threat to power

supplies was removed. The few documents in VPRS 9822 after this date include a comprehensive review of the dispute, dated 10 November 1977, presented to the SECV Commissioners,[73] which includes a section detailing the effects of the bans and the strike on power production; and a more general review compiled within the SECV,[74] discussing the industrial relations and administrative aspects of the dispute and strike.

Conclusion

The papers retained by Bill De Campo have provided the opportunity to add to the literature on lengthy disputes by including the employer voice, and specifically that of a manager with a particular perspective. From this account, it is not unreasonable to suggest that De Campo's attitude to the workers' demands underpinned the management decision-making process and may have had a significant impact on the length of the dispute.

When the public and internal statements around the effect of the dispute on generating capacity are compared, it can be seen that the public was reassured about continuity of electricity supply for as long as possible. This may have been a result of the hearings of the dispute in the ACAC, and an unwillingness to let the maintenance employees know the true condition of the plant. On the other hand, it may have simply been that the SECV, as the provider of an essential service, preferred to err on the side of caution in forecasting restrictions so as not to alarm the populace unnecessarily.

The public statements contrasted, often quite markedly, with internal assessments of power capacity. As early as 11 August the situation had been described internally as 'barely satisfactory'. Despite the return to work later in August, by 9 September there was significant 'cause for concern', and by the time restrictions were imposed on 26 September the SECV was acknowledging internally that it was 'hanging on by [a] shoestring'. The imposition of more severe restrictions from 9 October was another clear indication that power supply was precarious, and this was relieved only by the return to work on 13 October. Similarly, by 21 October, the situation had again become serious.

The documents in VPRS 9822 reveal the extent to which SECV management was unwilling to compromise, particularly the sending of the dismissal letters on 18 October. In adopting this hard-line attitude, however, they failed to recognise the risk of operations unions joining the dispute, which would have placed Victoria's power supply in jeopardy.

Within the account of this dispute, we have seen that the impact of even a short return to work was significant, with plant which had only minor maintenance requirements being quickly returned to operational condition. This did not mean however that scheduled maintenance would not need to occur: the plant could run after repair, but its reliability could not be guaranteed in the longer term. This partially explains the seeming contradiction between statements about reduced capacity but quick return to increased power generation after a return to work. Similarly, we can speculate that another factor in the apparent disconnect between the statements about the length of time to return plant to full capacity and the short time before removal of restrictions when the strike finished was a perceived need by management to err on the side of caution so that there was no public or industry backlash if these timelines were not met.

The parlous situation of reduced power generation capacity, the risk of a walkout by operations unions personnel, and the protracted and severe restrictions, came about because the SECV chose to test the resolve of the maintenance employees over an issue which the SECV knew to be contentious. This was a most unfortunate mis-reading of what commenced as a relatively routine and minor dispute, but which eventually resulted in up to 500,000 workers being stood down.[75] However, while the severity of the restrictions may have served to turn public opinion against the strikers, and to justify a legislative response from the government, the rhetoric of the documents in VPRS 9822 which were produced for internal use, and which informed the decision-making of Bill De Campo, supports the conclusion that they were a congruent response to the significantly reduced generating output available.

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Endnotes

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