

# Struggle on the Australian docks: How the unions have collaborated in mass sackings

Patrick's methods not new

**Our Reporter**  
**23 April 1998**

In replacing its workforce with contract labour supplied by body-hire companies, Patrick's Stevedores is extending a precedent established over the past five years—and with the assistance of the Labor and trade union leadership.

Similar methods to those used by Patrick's—retrenchments notified in the dead of night, security guards blocking gates, a scab workforce hired in advance—have already been widely used.

Thousands of companies—large and small—have sacked key sections, if not all of, their workers. In most cases, labour-hire firms such as Skilled Engineering and the US-based Manpower Services have been brought in to supply contract workers on lower wages and worse conditions.

Among the major companies utilising these methods have been Kellogg's, Kraft, Colgate-Palmolive, Heinz, Kimberley-Clark, Lion Nathan, Alcatel, BHP, Dunlop, Telecom, Optus, Phillip Morris, Newcrest and Western Mining.

The employers' offensive began in earnest under the federal Labor government and has simply continued since the Liberals took office in 1996. In every case, the sacked workers have been deliberately isolated by the Labor and union bureaucrats. From the ACTU down, the unions have opposed or restricted picket lines, refused to call wider industrial action and tied workers up in futile court appeals for reinstatement.

## **Kraft and Kellogg's**

In February 1995, at Kraft in Melbourne, 75 maintenance workers were sacked en masse. They set up pickets and took a determined stand to defend their jobs, battling contingents of police and threats of draconian penalties under the Keating government's industrial relations legislation.

But after six weeks they were eventually driven back to work on the company's terms by the Electrical Trades Union (ETU) and the Australian Manufacturing Workers Union (AMWU). Neither union organised any industrial action, even though the Port Melbourne factory is close to the wharves, right in the middle of one of the largest industrial areas in the country.

Of the 75 sacked workers, only 14 were rehired by Kraft as part of a "core group" and then only for a limited period before being forced to join Skilled Engineering. Another 28 were offered employment with Skilled, but with a guarantee of only three months pay. Some of the workers employed by Skilled were quickly driven out. Even during the initial three-month period of supposed guaranteed pay, they found themselves having to phone the company on Monday mornings to see whether they had a job.

At Kellogg's, in Sydney, 140 maintenance, cleaning and security workers were sacked in a military-style operation between 11pm and midnight on July 6, 1995. Within minutes of being surrounded by security guards and informed by management of their sacking, those workers on shift were confronted by Skilled Engineering representatives, who were already on site.

The sackings were carried out barely days after the completion of negotiations on a new enterprise agreement, during which management continually maintained that its priority was "job security." At the same time, however, the company insisted on the inclusion of a new clause allowing of outsourcing and contract labour. Despite their subsequent protestations that they knew nothing of the sackings, union officials were aware of the significance of the clause and that Kellogg's was planning to use contract labour.

Once again, the plant, located at Botany, is near the main waterfront terminals. Having maintained a crucial silence on the company's plans, AMWU, ETU and NSW Labor Council officials then worked to ensure that no independent action was taken from the moment the sackings were

announced. Not even a picket line was established. Instead, union officials advised workers to pursue “unfair dismissal” cases in court, only to later declare that such actions would not secure reinstatement.

The union bureaucrats sabotaged a mass meeting called by maintenance worker Warwick Dove, a member of the Socialist Labour League (forerunner of the Socialist Equality Party), to organise a campaign of industrial action against the sackings, including the establishment of a picket and the mobilisation of support from local factories.

After breaking up the meeting, the officials held closed-door discussions with the company in the NSW Industrial Commission. The outcome of these negotiations was the bringing forward by Kellogg’s of a “revised” offer which left the original plan virtually unchanged.

The only variation was that maintenance workers could apply for re-employment. However, the company’s document made clear such “re-employment” would be on terms dictated entirely by management. Workers would have to fulfill certain “selection criteria,” based on their skills, “problem solving, interpersonal skills and commitment to the job.”

Even then, the company would still be able to sack any worker it chose and, as management representatives made clear, only 13 maintenance workers would be kept on—the same number as in the original plan. Those retained would be forced to work a 12-days-on two-days-off roster, with an annualised salary and no overtime.

### **The ACTU’s “historic partnership”**

Far from fighting these attacks, the unions have collaborated in all of them. In fact, they have increasingly facilitated a growing corporate switch to total labour outsourcing.

Only last November, the ACTU signed an agreement with Manpower to establish what was hailed by both sides as an “historic partnership.” A host of unions, including the AMWU and the communications union CEPU, had already signed deals with Skilled to allow its contractors to replace full-time workers, as long as they were enrolled as union members.

In its pact with Manpower, the ACTU pledged to “support Manpower’s efforts to remove inefficient work practices and its right to conduct business on a 24-hour, seven-day cycle.” In plain language, that means the removal of overtime and penalty rates, and all protective measures limiting the most ruthless exploitation of workers.

During the 1990s, as global competition has intensified, more companies have taken advantage of the mounting defeats inflicted on workers by the unions. According to the *Australian Financial Review*: “Kellogg is one of hundreds, perhaps thousands, of companies in Australia that sacked its maintenance workforce and other ‘non-core’ staff during the past five years, contracting out business functions to rid themselves of militant workers, downsize their labour forces and change work practices ...

“Companies are now contracting out their entire workforces because they do not want to deal with ‘the pain of being an employer,’ says Malcolm Jackman, the managing director of Manpower Services, the world’s biggest labour-hire firm and the single largest employer of labour in the United States.”

In line with this, Patrick’s has adopted what business commentators refer to as the “American model”—it now functions as a “virtual stevedore,” employing no one but instead hiring all its employees through outsourced labour providers.

By blocking industrial action to defend the wharfies, the unions are encouraging every other company to follow Patrick’s lead. Already, employers are being urged on by the Australian Chamber of Commerce and Industry. “The waterfront has been willing to do it, and if there are other sectors of the economy that are unwilling to do it, this is a lesson for them,” ACCI executive director Mark Paterson told SBS TV last Friday.

Every worker knows that if the wharfies are defeated, the employers’ offensive will rapidly escalate. But the record over the past five years is also a warning that the unions will attempt to isolate the wharfies and push them back to work in a productivity deal with Patrick’s and the government. Any such agreement will also be a precedent for use throughout the working class.



To contact the WSWS and the Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**