

# Leaked documents prove government collusion in mass sacking Unions seek job-cutting deal on Australian waterfront

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Even as more evidence comes to light of the Australian government's collusion in the mass sacking of 2,000 waterside workers on April 7, union leaders have stepped up their efforts to deliver the 'waterfront reform' -- sweeping cuts in jobs and conditions -- demanded by the government and the employers.

Days of intensive talks have taken place between Patrick Stevedoring chief executive Chris Corrigan and union officials, including Maritime Union of Australia (MUA) national secretary John Coombs and Australian Council of Trade Unions (ACTU) assistant secretary Greg Combet.

Both sides have indicated that a deal will be struck soon, in order to meet the requirements of Patrick's and the banks which backed its mass sacking operation. Combet spoke of a 'thorough overhaul' of working arrangements, including the conversion of wages and overtime into aggregate salaries. Corrigan commented: 'I think the MUA has come to the realisation that real reform on the waterfront is necessary and they are coming to grips with what that actually means.'

The agreement will seek to enforce every item of the agenda pursued by Patrick's and the government when they unleashed the midnight mass sackings. This includes the elimination of hundreds of jobs, the abolition of overtime and penalty rates to slash wages, and the contracting out of security, cleaning and other wharf work. The deal is also likely to pave the way for non-union labour, such as that hired by the strike-breaking National Farmers Federation, in several ports.

Central to the agreement will be the dropping of the union's 'unlawful conspiracy' case against Patrick's and the Howard government. The case alleges that they collaborated to breach the government's own Workplace Relations Act by sacking workers for belonging to a union and for taking lawful industrial action.

Preparations for such a deal have intensified as a series of secret documents have been leaked, proving that the government's entire leadership, including Prime Minister John Howard, Treasurer Peter Costello and Workplace Relations Minister Peter Reith, were actively involved in planning both the scab training operation in the United Arab Emirates port of Dubai last December, and the April 7 sackings.

The fact that such sensitive documents -- circulated only at the highest official levels -- have surfaced one after the other, indicates that intense pressure is being applied to the government by various sections of big business to reach a 'negotiated settlement' with the union leaders.

The contents of three highly damaging documents have been revealed since last Thursday: a private consultants' report, a

confidential cabinet report and an adviser's memo. Taken together, they confirm that leading government ministers have lied in parliament when denying any knowledge of the Dubai operation and the planned sackings. Such deception is normally regarded as grounds for dismissal of ministers, or even the fall of a government.

In the midst of the leaks, former Transport Minister John Sharp, a central figure in the government's waterfront plans, announced his resignation from politics, leaving his rural-based National Party without a successor to its current leader, Deputy Prime Minister Tim Fischer.

#### Cabinet's 'pro-active' plan

In the most recent leak, 'senior government sources' acknowledged that a report by Canberra consultants ACIL, commissioned by the government in August 1996 or early 1997, canvassed schemes to trigger the mass sacking of waterside workers.

According to these sources, the report included three options:

- \* An evolutionary option, in which the Workplace Relations Act would be used to gradually push change on the waterfront;
- \* A pro-active response, in which the government would actively participate in change;
- \* A more radical interventionist approach, whereby the government would enter the business of stevedoring itself, in order to break the MUA.

Reith and Sharp reportedly commissioned their departmental officials to draft a strategy paper that explored the first two options.

The result was a Cabinet document, already leaked last week. It shows that by July last year the government had endorsed plans and formed a top level sub-committee to precipitate a waterfront dispute, sack the workforce and employ non-union labour.

The measures included backing Patrick's with legal assistance, physical security, the hire of overseas tug boats and operators, visas and accommodation for scab labour and financial and public relations support. The reference to 'physical security' is particularly significant because government ministers have repeatedly denied authorising the participation of serving military personnel.

The document states: 'The government's role will be to 'set the scene', to facilitate changes that the stevedore[s] and others wish to make and to give them the political and regulatory tools to get their businesses working again as quickly as possible in the event of industrial action.'

It notes that the measures 'may involve substantial public

expenditure' and proposes the formation of a special Cabinet sub-committee composed of top ministers, including Reith, Sharp and Costello, to authorise the necessary finances.

The third leak is a memo from Dr Stephen Webster, a government adviser on waterfront reform, sent to Sharp, referring to a meeting they attended last September 8, with Reith, Corrigan and officials of the National Farmers Federation.

The memo refers to 'training times' and the 'timing of reform'. It cuts directly across Reith's statement on March 8 this year that no one in the government, including Webster, had detailed discussions with Patrick or 'was aware of any decision by Mr Corrigan to replace his workforce'.

The confirmation of the September meeting, that occurred barely two months before the botched Dubai operation, undermines Webster's denials that he acted as middleman between the government and the operation's organisers. Reith has consistently rejected suggestions that he had prior knowledge of the Dubai scheme.

#### Pressure for a union deal

A consortium of seven banks, the major creditors of Patrick's and its shell labour hire firms, is now demanding a rapid settlement with the unions. Owed more than \$260 million, the banks have threatened to place the Patrick group of companies in receivership if a 'substantial resolution' is not found.

At a creditor's meeting on Monday May 25, called to consider a 'recovery plan' advanced by the administrators of the insolvent labour hire companies, the banks joined hands with the MUA to suspend the meeting for three weeks to allow negotiations to continue.

At a subsequent meeting on June 9, the banks pushed for a one-week extension but the administrators adopted a MUA call for a seven-week delay, so that the deal can be registered in the Industrial Relations Commission. Nevertheless, having funded the assault against the waterfront workers from the beginning, the banks now calculate that the MUA will deliver the cost-cutting required.

On the eve of the latest round of negotiations, Patrick's and the government instigated several counter-claims to the union's 'unlawful conspiracy' case, now scheduled to begin in the Federal Court some time shortly after July 25.

On May 22, Patrick's lodged Federal Court actions claiming that the union had 'acted since 1995 to injure the company and cause it massive damage'. The action called for the deregistration of the MUA and millions of dollars in damages.

On the same day the Australian Competition and Consumer Commission (ACCC) launched an action in the Federal Court seeking an urgent injunction against the MUA, charging that the union had breached punitive provisions in Trade Practices Act by organising pickets and enlisting the support of international unions.

It soon became clear that Patrick's and the government orchestrated the counter-claims to create the conditions for a 'trade off' with the union, that would allow the MUA to justify to its members a decision to make a deal.

Thus, after weeks of tying workers up in a myriad of legal manoeuvres, claiming that the courts would defend workers' interests, the MUA has now signalled its readiness to drop the litigation to reach a mutually beneficial agreement.

This process underscores the real content of the decisions of the courts, including the High Court ruling on May 4, to order the reinstatement of the sacked workers. These decisions, hailed as

victories by the unions and by maritime workers and their supporters, had nothing to do with defending the interests of workers.

The courts acted to clear up the legal mess created by the sackings and to empower the corporate administrators, in collaboration with the MUA and ACTU, to stitch up a deal to impose the company's demands. Already, the union has helped Patrick's drive up its output rate by 50 percent since the return to work.

Workers in numerous ports, including Newcastle and Adelaide, remain locked out. The rest have been working without pay for five weeks, and will now only be paid about 60 percent of the wages owing to them. Meanwhile, the MUA has used the money still being raised by levies on workers throughout industry to pay a \$200 subsistence wage to those reinstated.

In effect, the unions have used thousands of dollars of workers' money to subsidise the wealthy Lang Corporation which owns Patrick's.

In Newcastle, locked-out Patrick's workers still face a Supreme Court injunction brought by P&O to stop them picketing its terminal to block the unloading of ships originally contracted to Patrick's. Some union members at P&O were threatened with dismissal for absenting themselves in order to avoid unloading the disputed cargoes.

Throughout the weeks of behind-the-scenes machinations and endless court actions, waterside workers and their supporters have been used as pawns by the MUA and ACTU leaders in their cynical manoeuvres with big business to impose a settlement that will open the way for similar job-cutting attacks on the entire working class.

Even as the political crisis of government has deepened, the unions have created the conditions where the government may yet be able to claim that its objectives have been met on the waterfront.

This betrayal flows directly from the perspective of 'waterfront reform' and 'international competitiveness' embraced by the MUA, the ACTU and the Labor Party, as much as by Corrigan and the Howard government.

Essentially, this 'reform' consists of enforcing evermore exploitative productivity benchmarks, playing workers off against each other internationally in a downward spiral of conditions.

Yet, the union and Labor leaders were cheered by wharfies and their supporters for securing a return to work on the basis of this program. As the finishing touches are added to this debacle, an urgent discussion is needed on its implications. The lack of an alternative political perspective, based on advancing the independent interests of workers, presents great dangers for the working class.

See Also:

The Australian waterfront conflict: a political assessment  
[14 May 1998]

Marxism and the Trade Unions - A lecture by David North  
[10 January 1998]



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