

# Australian government counts on union to end maritime strike

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Despite major employer organisations demanding that she intervene to end industrial action by maritime workers, Deputy Prime Minister and Workplace Relations Minister Julia Gillard has refused to step in. Instead, she is relying on the Maritime Union of Australia (MUA) to bring the limited campaign to a halt.

The immediate dispute involves Norwegian-owned shipping company Farstad, whose 18 vessels service offshore oil and gas projects in Bass Strait and the North West Shelf. About 180 workers struck for 48 hours on January 8 and for 24 hours on January 14 over a new enterprise work agreement. Farstad's clients include Woodside Petroleum, Shell, Chevron and ExxonMobil.

The workers spend long hours, often in harsh and dangerous conditions, performing tasks such as anchor-handling, greasing, deck safety and cooking. The MUA initially sought a 30 percent pay rise over three years and an \$87-a-day increase in a construction allowance, in line with that paid to riggers employed in the industry.

Similar claims have been lodged with a number of other companies, including Total Marine Services where workers have already taken industrial action. On January 8, Fair Work Australia (FWA), the Labor government's industrial tribunal, permitted such "protected" industrial action at shipping operator Go Offshore after its workers also voted in a secret ballot.

Negotiations with Farstad have dragged on for over a year. The company refused to budge from its offer of a 27.5 percent rise over three and a half years and no

increase in the construction allowance. Its workers have received no pay rise during that period.

The MUA has kept the stoppages limited and attempted to broker a deal. Now, it has reportedly dropped a substantial portion of the pay claim and is close to an agreement with the employers. Farstad managing director Joe Homsey told the *Australian* on January 14 he was hopeful of striking a deal soon with the MUA.

MUA national secretary Paddy Crumlin told the newspaper: "The MUA throughout has been bargaining in good faith and has made many major concessions in an effort to reach agreement with employers, a fact admitted privately by many of them." Neither side has provided any details of the trade-offs of conditions involved.

Earlier this month, Farstad failed in an application for the FWA tribunal to use its powers under Labor's "Fair Work" industrial laws to terminate the strikes and impose a "cooling off" period. FWA judges can issue such an order if they deem industrial action to be causing significant economic harm to the employer or the economy, or threatening to endanger the welfare of any part of the population.

Following Farstad's failed application, Australian Mines and Metals Association CEO Steve Knott demanded that Gillard use her own powers under the Fair Work Act to terminate the industrial action on the same grounds.

Knott declared Gillard could "sit on her hands and watch this recklessness occur, and carry the lost job

opportunities and the damage to the international investment climate for our sector around her neck, or she can step up to the plate”.

Australian Chamber of Commerce and Industry chief executive Peter Andersen said the stoppages had “morphed from a local dispute to one threatening our national economic interests and thus requiring immediate government intervention”.

Gillard, however, told the *Australian Financial Review* in an interview published on January 11 that she did not want to “undermine the focus on enterprise bargaining”. She urged the union and employer to “get on with co-operative bargaining”. Her refusal underscores the Rudd government’s policy of relying on the unions to play the central part in imposing the employers’ demands on their members.

In her interview Gillard pointed to the overall role of unions and the FWA in blocking industrial action. She dismissed accusations by some employer organisations that the Labor government’s Fair Work laws, which became operative last July, had made it easier for workers to strike. She referred to data showing that the number of days lost due to industrial action fell in the September quarter.

Gillard said her ministerial intervention powers would be used as a “last resort” to end strikes and allow an arbitrated outcome to be imposed by FWA judges. While the minister did not spell it out, such a “last resort” intervention would most likely be against workers who defied the unions and took their own independent action to defend their jobs, wages and hard-won conditions.

On January 13, an *Australian Financial Review* editorial supported Gillard’s decision not to intervene. It said Gillard’s “reluctance is understandable” given her “reasonable desire to test the reliability of the new system”. It added that “preference for enterprise bargaining over enforced arbitration was broadly accepted by employers and unions alike”.

Labor’s legislation keeps workers divided into individual enterprises and bans all forms of solidarity

or “pattern” industrial action. It outlaws all strikes except during enterprise bargaining periods, and only then after unions have negotiated with their employer in “good faith”, then voted in a secret ballot and given three days’ notice. Unions also have to provide employers of details of their plans enabling the organisation of counter-action, such as lockouts or strike-breaking. Unions are given extra powers to represent workers in FWA procedures in order to supervise these requirements.

While supporting Gillard’s stance, the *Financial Review* editorial also advised that she “might quietly seek to persuade the union to moderate its excessive wage claims and to avoid actions that raise questions about Australia’s reliability as a supplier of gas and minerals to important Asian markets”. It also directly addressed the MUA, reminding it: “Unions need capitalism like fish need water, and the Fair Work system is IR [industrial relations] heaven for the unions—the MUA would do well to respect the new reality.”

This last remark highlights the role of unions: their job as industrial policemen for the government and employers under capitalist depends on their ability to contain and suppress the struggles of workers and to maximise profits. By moving to settle the Farstad dispute, the MUA has made clear it has heard the message loud and clear.



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