

Australian Labor government shuts down port workers' dispute

Terry Cook
15 December 2011

Newly-appointed Workplace Relations Minister Bill Shorten intervened yesterday to end industrial action by workers at the stevedoring company P&O Automotive and General Stevedoring (POAGS). He pushed the dispute over new work agreements into so-called “mediation” overseen by the Labor government’s Fair Work Australia (FWA) industrial tribunal.

Workers at five of the company’s ports in Fremantle, Bunbury and Port Hedland in Western Australia, Melbourne in Victoria and Port Kembla in New South Wales took action last weekend in support of claims for 5 percent annual pay increase over the next three years, improved superannuation payments and a range of issues relating to safety.

The company dismissed the claims by the Maritime Union of Australia (MUA), saying that they would make its operations “unsustainable” and offered just 4 percent increases annually, to be paid for by productivity trade-offs, such as the abolition of paid meal breaks.

Confident of the backing of the Labor government, POAGS dramatically escalated the dispute on Monday by imposing lockouts at its Fremantle and Bunbury ports in response to strike action and work bans. It also used helicopters to fly management personnel over picket lines to do stevedoring work at its Port Kembla facility.

The indefinite lockouts provided the pretext for the federal government to intervene. Following telephone conversations between Shorten and MUA officials Chris Cain and Warren Smith, the union called off all industrial action at mass meetings on Thursday, accepting a four-week cooling off period while “mediation” takes place.

Cain attempted to pass off the union’s capitulation as “an amnesty.” However, the union’s acceptance of “mediation” by the FWA has set the stage for a sell-out of the dispute.

The FWA was set up for the express purpose of enforcing corporate demands for productivity and upholding the interests of the corporate elite. In earlier negotiations, the union had offered “flexibility” and other concessions to match the company’s demands for productivity trade-offs.

The company had previously applied unsuccessfully to the FWA tribunal to end industrial action and institute conciliation. It immediately hailed Shorten’s intervention, which delivered the outcome for which it had been pushing. POAGS managing director Don Smithwick declared: “We are very grateful for the intervention of the minister and Fair Work Australia to bring some common sense back into the dispute and open the way for genuine productive discussions.”

The use of lockouts to prompt government intervention to end industrial action and use the FWA tribunal to impose settlements has become the modus operandi for employers seeking to cut costs and restructure their operations.

Shorten’s intervention followed that by the Gillard government in the Qantas dispute. At the end of October, Qantas grounded its entire fleet and threatened to lock out its workforce. The government applied to FWA to terminate all industrial action by unions representing the pilots, engineers and ground staff, to pave the way for compulsory arbitration by the tribunal.

In November, on application by the Victorian government, the FWA tribunal banned action involving bed closures by the state’s nurses in support of a pay increase and in defence of patient-to-nurse ratios. The decision made further action by nurses illegal and opened them up to punitive measures, including heavy individual fines and even imprisonment.

In the case of Qantas, the unions immediately fell into line with the FWA order. In the second case, the nurses’ union, confronted with a membership determined to defy the FWA,

initially attempted a legal manoeuvre to avoid compliance. But when the FWA issued an unambiguous order, the union unilaterally overrode a mass meeting decision and ended all action.

Shorten's intervention into the port dispute is highly significant. Prime Minister Julia Gillard elevated him into the high-profile workplace relations portfolio as part of her cabinet reshuffle this week. His installation signalled the government's determination to press ahead with sweeping industry restructuring.

Under conditions of a worsening global crisis, the Gillard government is acting on the demands of finance capital for cost cutting in key sections of the economy to make Australian-based corporations "internationally competitive." Adequate, low cost infrastructure such as ports is critical, particularly for the mining corporations that constitute the most profitable sector of the economy.

POAGS operates bulk and general stevedoring operations in 24 Australian ports, including in all capital centres, together with cargo storage, materials handling and distribution. It is owned by a consortium of international shipping companies and investors that include the \$200 million investment fund Qube Logistics.

The fast-track elevation of Shorten, former national secretary of the Australian Workers Union (AWU), and Greg Combet, former Australian Council of Trade Unions (ACTU) secretary, to key cabinet posts this week underscores the key role of the unions in pressing ahead with this agenda. Combet is now Minister for Industry, Innovation, Climate Change and Energy Efficiency. The two men only entered parliament in 2007.

Shorten and Combet have years of experience in ruthlessly suppressing workers' struggles to meet the dictates of big business. As AWU secretary, Shorten established close working relations with the business elite, including in steel and mining, and with the financial elite.

Smorgon Steel managing director, Ray Horsburgh paid tribute to the new workplace relations minister, declaring: "I'd class Bill Shorten and other union officials as mates—we've worked closely together to resolve problems." He added: "I would say that in the 10 years that we've been a listed company we've lost only a few days due to industrial action with our core employees."

As an MUA official, Combet was central to selling out a

major six-week long waterfront dispute in 1998 that erupted after Patrick Stevedoring boss Chris Corrigan—who now chairs POAGS—sacked the entire 1,427-strong workforce to force through sweeping restructuring changes.

Combet worked to break up the widespread support among working people for the sacked Patrick workers, then brokered a deal allowing the wholesale destruction of jobs and working conditions and the increased use of casual labour at the company's terminals. The deal was used as benchmark across the waterfront. Two years later, Combet became ACTU secretary.

Like the Qantas workforce, POAGS workers are facing a concerted offensive not only by the employer, but also by the Gillard government, staffed by former union officials, acting with the direct assistance of the MUA.

To go forward, POAGS workers need to turn out to workers across all ports and other sections of the working class, including the Qantas workers and the nurses, who confront similar attacks on their pay, working conditions and jobs. Such a struggle involves a direct political fight against the Labor government and its industrial courts, which defend the interests of the major corporations and finance capital.

If left in the hands of the MUA, the demands of workers will inevitably be sold out. The MUA that, like all the unions, endorsed the Labor government's draconian FWA regime, will enforce its provisions and block any unified struggle by port workers.

The Socialist Equality Party calls on POAGS workers to begin to organise independently by forming their own rank-and-file committees. A political struggle against the Labor government necessitates an alternative political program: the fight for a workers' government to take the control of society out of the hands of the tiny financial and corporate elite and reorganise it on socialist lines to satisfy the pressing social needs of working people, not private profit.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact