

Australian mining companies push for suppression of port workers' dispute

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Disputes over enterprise bargaining agreements for maritime workers in the Pilbara mining region of Western Australia have prompted threats by mining companies and employer associations to seek federal government intervention to halt potential strike action.

The calls followed a vote last month by around 50 tugboat deckhands in Port Hedland—members of the Maritime Union of Australia (MUA) employed by US-based Teekay Shipping—to take “protected” industrial action in a long-running dispute that began in July 2013. The workers voted unanimously for a 24-hour strike and 98 percent supported further strike action of up to a week.

The MUA gave a clear signal of its readiness to prevent any strike, with the union’s assistant state secretary Will Tracey telling reporters that industrial action would be used as a “last resort” because the union was aware of Port Hedland’s importance to the Western Australian economy.

Despite the MUA suspending the strike, however, BHP Billiton’s iron ore chief Jimmy Wilson declared that if any stoppage went ahead, it was “highly likely” that the company would seek intervention by the Coalition government in Canberra.

The workers are seeking four weeks annual leave and 10 percent annual pay rises over four years, after the MUA reduced the original pay claim of 20 percent annually. The deckhands currently work 12-hour shifts for four weeks straight and then have four weeks off, but receive no annual leave entitlements. They work an average of 2016 hours a year, the equivalent of around 54 weeks of a standard 37.5-hour working week.

Such “fly in fly out” agreements, which force workers to spend long periods away from their families, are a legacy of the agreements enforced by the MUA and other unions during the mining boom to satisfy the

requirements of BHP Billiton, Rio Tinto, Fortescue Metals Group (FMG) and other companies.

In addition to BHP Billiton’s threat, FMG declared that it was preparing a strike-banning application under the Fair Work Act, claiming it was facing significant economic damage. FMG also threatened to stand down its entire workforce and halt its mining operations if the strike went ahead.

The Fair Work Act, introduced by the previous Labor government with the backing of all the trade unions, outlaws most industrial action. Even where “protected action” is permitted during designated bargaining periods, both the government and the Fair Work tribunal have extensive powers to block or terminate industrial action that is deemed to cause “significant damage to the employer,” “cause significant damage to the Australian economy or part of it” or “do significant harm to a third party.”

No such order has yet been issued by a federal workplace minister, although the tribunal’s power was invoked by the Gillard Labor government to shut down industrial action against Qantas’s restructuring and job destruction offensive in 2011. The corporate elite regards current disputes in the Pilbara as potential test cases.

Tugboat engineers, represented by the Australian Institute of Marine and Power Engineers, and tugboat masters, members of the Australian Maritime Officers Union, are also in dispute with Teekay Shipping over new workplace agreements. Both unions have applied for “protected” industrial action.

In a separate dispute at nearby Onslow, the MUA leadership abided by a Fair Work Commission (FWC) ruling suspending a planned two-day strike by cooks, seafarers and stewards working for marine services company Tidewater that was set to go ahead in late

May.

On behalf of Tidewater, the Australian Mines and Metals Association argued that the MUA had not bargained in “good faith.” The workers were seeking a 16.5 percent pay rise over four years and a one-week reduction to their five-week on, five-week off roster.

Port Hedland is Australia’s largest port by volume, mostly sending shipments of iron ore to China and other parts of Asia. According to a Fairfax Media report, 246 million tonnes of product were shipped through the port during the 2012 financial year and that tonnage was expected to rise to 370 million tonnes this financial year.

This boom, however, is being rapidly eroded by the worsening global economic slump, the slowdown in China, reduced demand for iron ore, falling commodity prices and increasing competition from low-cost producers globally.

Finance capital, the mining companies and the corporate elite are demanding major cost cutting in terms of wages, working conditions, operating costs and taxes in order to maintain profitability and competitiveness.

Even the limited strike action permitted under the Fair Work Act can no longer be tolerated. Deidre Willmott, the head of the Western Australian Chamber of Commerce and Industry, declared: “The most frustrating part of this situation is that action will be legal under the Fair Work Act. We need urgent legislative reform to ensure that this ongoing behaviour does not seriously damage Western Australia’s reputation as a place to invest.”

Federal Employment Minister Eric Abetz welcomed the MUA’s suspension of strike action but accused workers of “holding to ransom” the iron ore miners. While cautioning that intervention could cause unrest, former Labor resources minister Gary Gray took a similar stance, telling reporters: “This is not the time for over the top demands by the MUA and it’s not the time for careless actions by the Australian government.”

In the media, the tugboat workers have been labelled as greedy, and their demands as “over the top.” No such criticism has been made of the real greed—that of the mining magnates, personified by Gina Rinehart. In 2012, when she was named “the world’s richest woman,” the iron ore heiress held a personal fortune of

\$29 billion and accumulated a staggering \$600 a second. Last year, she lamented Australia’s high labour costs and declared that African miners were willing to work for less than \$2 per day.

In order to protect this wealth, workers in the maritime sector, the mining sector and across all industries are now confronting an onslaught against jobs, wages, working conditions and living standards. The financial and corporate elites are pushing forward a ruthless program of restructuring to make Australian capitalism “internationally competitive.”



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