

Esso Australia steps up offensive against offshore workers

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Media reports this week indicated that Esso Australia may renew an application to the Fair Work Commission (FWC), the federal industrial tribunal, to terminate enterprise agreements covering 250 workers in its off-shore Bass Strait gas operations in southeastern Victoria. The company is the Australian arm of ExxonMobil, the world's largest oil and gas corporation.

If Esso proceeds with the application, the workers could be forced onto industrial awards with inferior working conditions, including a two-thirds reduction in pay. They are covered by the Australian Workers Union (AWU) the Australian Manufacturing Workers Union (AMWU) and the Electrical Trades Union (ETU).

Numerous companies have used similar applications to impose retrograde enterprise agreements negotiated with trade unions that workers had previously rejected, such as at Glencore's Oaky North mine in Queensland and Griffin Coal in Western Australia.

Esso's move is its latest provocation in a protracted dispute over new enterprise bargaining agreements. The company is seeking to tear up longstanding working conditions and drastically intensify work processes to slash costs.

The company is demanding a 14-day-on, 14-day-off roster, scrapping the week-on, week-off roster, and the removal of a 75 hours per year cap on overtime. The roster change would mean longer periods away from home, seriously impacting on the quality of life of workers and their families.

Esso also wants to cut wages. It has offered annual pay increases of just 3 percent, barely covering the rise in the cost of living. The previous work agreement expired in 2014 but Esso will not backdate any pay increase, effectively imposing a four-year pay freeze.

The company has been able to push ahead with its offensive because the unions and the Labor Party have worked to divide, contain and undermine all attempts by the workers to resist.

In 2016, the unions called off a threatened combined indefinite strike by 600 offshore and onshore workers across Esso's Bass Strait operations after the Victorian state Labor government successfully applied to the FWC to terminate the industrial action and pushed the dispute into FWC arbitration.

The state government's application said the strike would "cause significant damage to the Australian economy or an important part of it." This is one of many provisions in the Fair Work industrial legislation, drafted by the previous federal Labor government with the support of all the trade unions, to allow industrial action to be banned.

In 2016, the unions welcomed the government intervention, saying arbitration by "the independent umpire" was the "only way to resolve the outstanding issues." The FWC, however, is not a neutral body. It is part of the capitalist state apparatus that has been used in dispute after dispute to suppress workers' struggles.

The real purpose of the commission's 2016 ruling was to straitjacket the workers and allow production to continue uninterrupted, a plan that the unions accepted and facilitated.

Moreover, the FWC intervention paved the way for a High Court ruling that work bans maintained by AWU members had breached an FWC order, thereby rendering any further industrial action illegal. The AWU enforced this ruling.

With the phony arbitration process now at an end, the unions have signalled they will not mount any serious challenge to Esso's renewed attacks, but instead seek new closed-door negotiations to broker a deal

acceptable to the company.

This week, AWU state secretary Ben Davis cynically told the media he had expected the FWC arbitration to resolve the dispute and complained the union now had to negotiate with “our arms tied behind our back.”

ETU organiser Peter Mooney said “we’d be happy to consider 14:14 rosters” if Esso “improve conditions of work” on the offshore platforms, such as providing better meals and single-room accommodation. Currently up to four workers can be required to share a room.

Esso, however, has rejected any such concessions. Far from providing better meals, for example, the company is currently seeking to scrap catering staff manning levels, having already sacked 110 cooking staff in September 2016 after contracting out catering operations.

Esso’s offensive is part of a ruthless global restructuring by parent company ExxonMobil. Esso last year awarded a five-year maintenance contract to engineering and logistics firm UGL covering the Longford gas processing site in Victoria.

UGL, which is owned by Spanish transnational CIMIC, immediately sacked 230 maintenance workers, demanding they reapply for their jobs as casuals with substantial cuts to their wages and conditions. The unions have isolated these workers, opposing any industrial action by other Esso workers and conducting an ineffectual protest outside the Longford plant.

In April, Exxon announced a quarterly rise in profits to \$4.65 billion, 16 percent higher than a year ago. The outcome was partly the result of rising oil and commodity prices but also what the company termed a “focus on operating efficiently.”

As the record shows, the trade unions are enforcing endless industry-wide restructuring, as they have done for the past four decades. At the same time, they are campaigning to divert the widespread hostility among workers behind the election of yet another Labor government that will only serve the interests of the capitalist ruling class.



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