Australia: 7,000 Toll transport workers threaten industrial action

Patrick Davies
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Around 7,000 workers at Australian transportation company Toll Group will soon vote on whether to strike in August, as negotiations for a new enterprise agreement (EA) with the Transport Workers Union (TWU) have broken down.

The TWU paused negotiations with management in June last year, ostensibly due to the COVID-19 pandemic, only resuming in May, 2021. The proposed action could include 24-hour strikes and unlimited stoppages, however the TWU will be doing everything it can to avoid or limit industrial action as it has done previously.

Toll's proposed EA would see all new drivers employed on part-time rates just above the award minimum—more than 10 percent below the current agreement—with reduced overtime entitlements and employer superannuation contributions of no more than 10 percent.

In the proposed agreement, Toll is offering a one-off $750 payment and wage increases of 1.5 percent in 2021 and 1.75 percent in 2022. Workers will not receive a pay rise for 2020, when negotiations were postponed by the TWU.

The absence of a wage rise in 2020 is not merely the result of the pandemic. The previous agreement, negotiated in 2017, only provided for a one off $750 payment and pay increases of 2 percent in 2018 and 2019—with an extra 1 percent conditional on workers and the union engaging in "good faith" negotiation of local agreements at individual sites—meaning that 2017 saw no wage increase.

The Toll offer would also wipe out overtime for permanent part-time workers who work in excess of the agreed number of hours per week.

While the union has characterised Toll's offer as "substandard," its own log of claims would amount to a loss for workers in real terms. The TWU is seeking 3 percent wage increases for 2020, 2021 and 2022, as well as other conditions such as being able to cash unused sick leave towards superannuation savings and double time pay for all Sunday work.

A 3 percent annual pay rise is well short of what is needed to keep up with the sharply rising cost of living, especially in view of 2017 pay freeze and sub-inflationary increases enforced by the TWU in previous agreements.

Market research firm Roy Morgan predicts annual inflation of 4 percent over the next two years, while AMP chief economist Shane Oliver expects housing prices to rise by as much as 20 percent this year.

While the TWU has filed for a protected industrial action ballot with the Fair Work Commission (FWC), there is no guarantee any industrial action will proceed. The union made similar threats to strike in 2017 when the previous agreement was being negotiated, however no action went ahead.

Under Australia's draconian industrial relations laws, it is also possible that the FWC itself could intervene. Anti-strike laws introduced by the federal Labor government in 2009, with the full support of the unions, give the FWC the power to terminate industrial action when it would "cause significant damage to the Australian economy," as decided by the commission.

The trade unions in Australia uphold the authority of the FWC and use the threat of legal action by companies to suppress any struggle by workers.

Instead of a fight against this legal and political framework, the TWU is seeking to divert workers' anger towards Toll Group's clients which it claims are "squeezing" Toll's profits. This effort to line workers up behind the fortunes of their bosses is a deliberate move to ensure a broader campaign of exploited

transport workers against the corporate transport companies does not take place.

The current EA for workers at FedEx expired last month creating the possibility of a broader campaign of industrial action by transport workers. However, the unions are doing everything they can to avoid combining the strength of the working class, keeping struggles as isolated and easy to defuse as possible.

In a statement in May, the TWU made clear it would work closely with major logistics companies including Toll, Linfox, StarTrack and FedEx to push through pro-business workplace agreements. The most recent TWU Journal explained that the union would approach upcoming EA's from the position that any improvements to worker's pay and conditions would depend on the profitability of their employers.

The stalled negotiations come as Toll Group prepares to offload its loss-making Global Express parcel delivery business to private equity firm Allegro Funds. Job security is a major concern as Toll is refusing to sign a deed of transfer ensuring that the pay and conditions of Global Express drivers will be maintained under the new ownership.

Toll's owner Japan Post paid $6.5 billion for Toll Global Express in 2015. It makes up 41 percent of the Toll Group and includes courier and express parcel delivery and intermodal shipping operations in Australia and New Zealand. Allegro is a "turnaround and growth" specialist and will demand massive cost savings at Global Express in the form of cuts to jobs, pay and conditions.

Allegro has hired former Australia Post CEO Christine Holgate to head Global Express and oversee a $500 million restructuring operation. While at Australia Post, Holgate slashed millions of dollars in labour costs, including with the Alternative Delivery Model introduced in 2020.

The TWU has already signalled its willingness to assist in the restructuring efforts. In a statement on the sale of Global Express, TWU national secretary Michael Kaine stated that the union is "ready to work with Allegro on a plan to maximise Toll's strength."

While Global Express is losing money, the rest of the group reported a 20 percent increase in revenue from $4.7 billion to $6.3 billion with demand soaring for transport and logistics services during the pandemic.

Rather than demanding that Toll utilise this increased revenue to provide better pay and conditions, the TWU echoes the company line that this would prevent Toll from competing with Amazon Flex, which recently launched in Australia.

Flex uses "independent" drivers, in an exploitative relationship similar to Uber where software in the Flex app monitors each worker to determine if they are working quickly enough, driving safely and meeting delivery quotas. The program often punishes workers for traffic problems or incorrect delivery instructions and contractors can be fired via the app.

Competition with Amazon Flex in capital cities is being used to threaten downward pressure on working conditions and the growth of contract and "gig economy" work arrangements across the logistics industry more broadly.

In fact, the overall conditions that have been created where competitors are able to undercut each other by undermining safety and increasing pressure on drivers have been the result of decades of collaboration between logistics companies and unions to deregulate the industry and loosen safety standards.

The brutal drive for profits in the transport industry comes at a cost. Between 2015 and 2020, 885 people died in truck crashes, according to the Bureau of Infrastructure Transport and Regional Economics.

Full blame for the downward spiral of transport wages lies with the TWU, which has led workers down a blind alley, perpetuating the enterprise bargaining model, which isolates workers' struggles to individual workplaces and allows workers to be played off against one another. The union has made no attempt to unite the struggles of workers in the logistics industry who all face similar attacks.

Transport workers must organise independently of the corporatised trade unions in order to actually defend and advance their working conditions. This means the formation of rank-and-file committees capable of uniting logistics workers in a struggle against the big business offensive on jobs, wages and conditions.