Australia: 3,000 FedEx drivers hold 24-hour national strike

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Around 3,000 Australian FedEx truck drivers walked off the job at 1 a.m. today over ongoing negotiations for a new enterprise agreement (EA).

This is the second 24-hour strike carried out by workers at the global logistics company in a bargaining process that has been underway since April.

FedEx workers had expected to walk-off last Thursday, in a "national day of strike action" that the Transport Workers Union (TWU) initially claimed would also involve workers from Toll, Global Express, Linfox, BevChain and StarTrack.

The union never intended to carry out this mass strike. Before the TWU had even set a firm date for the strike, union-management deals had been rammed through at four out of the six companies, leaving only FedEx and StarTrack. On Wednesday, the union announced that, "in a sign of good faith," industrial action at FedEx would be "paused," leaving StarTrack workers to strike alone.

The TWU "pause" was not ordered on the basis of an improved offer for FedEx workers, but to fulfil the union's role of isolating workers and containing strikes to one workplace or another in order to suppress the development of a broader movement of workers.

TWU-FedEx "crisis talks" were held on Thursday as the pretext for "pausing" the strike, but the union officials did not come away with any sops they could use to dress-up a sell-out as a victory. They complained that the union had "no authorisation to move on the offer that has been rejected since May." The TWU claims FedEx asked that the existing EA be extended for another year. The union proceeded with the one-day strike to let off steam among workers as it continues to appeal to the company.

The previous EA covering the FedEx workers expired on June 30, 2020, but the TWU agreed to defer negotiations in a memorandum of understanding with management under the pretext of the COVID-19 pandemic. Similar deals were struck by the union across the trucking industry.

As a result of this delay, workers were prohibited from taking industrial action against increased outsourcing as parcel volumes surged during lockdowns. Under Australia's draconian "Fair Work" legislation, strikes are only allowed during enterprise bargaining periods, or over health and safety issues. The TWU's deferral of bargaining also meant that FedEx workers, like their counterparts across the industry, did not receive a wage rise in 2020.

This wage freeze took place despite a massive surge in delivery volume, which resulted in booming profits for FedEx and its competitors. Globally, in the year ending June 2021, FedEx recorded revenue of US$84 billion and net income of US$5.23 billion, up from US$69.2 billion and US$1.29 billion the previous year.

In more than six months of bargaining, the company has not increased its pay offer although workers have rejected it numerous times. Under the proposed agreement, workers will not be paid a back-dated wage increase for 2020, and will receive just 3 percent from July 2021 and 2.5 percent from 2022, well below the current inflation rate of 3.8 percent.

While the TWU has described the wage offer as "unacceptably low," the cynical character of the objection is exposed by the similar sub-inflationary pay "rises" endorsed by the union in recent weeks at Toll (2.75 percent in 2021 and up to 4 percent, linked to CPI, in 2022) and Global Express (2.5 percent in 2021 and 3 percent in 2022).

As is the case throughout the trucking industry, FedEx is increasingly outsourcing work rather than using full-time employees or directly engaging owner drivers. These workers typically receive minimum award rates, in some cases 25 percent less than workers covered by the EA. In addition, they have no rights to guaranteed hours, superannuation or redundancy payments.

In a submission to the Senate Select Committee on Job Security earlier this month, the TWU claimed: "These lower paid drivers now make up two thirds of all owner drivers engaged by FedEx, demonstrating a trend towards slashing pay and conditions."

In typical mealy-mouthed fashion, the union says it is seeking "an improved working dialogue" with FedEx on the "engagement of outside hire and the rates payable to those workers." The union is also seeking an assurance from the company that overtime will be offered to employees and directly engaged owner drivers before work is outsourced. Even these vague and meagre demands are unlikely to be met, as "FedEx has advised the TWU it does not consider these matters appropriate for inclusion in a negotiated enterprise agreement."

Throughout the dispute, the TWU has made little mention of COVID-19, despite the ongoing risk to transport workers.

On August 16, a worker at the company's Matraville depot in southeast Sydney tested positive for COVID-19. A Comcare investigation found that FedEx failed to ensure the health and safety of workers by allowing casual contacts of the original case to commence their afternoon shift. Management was alerted to the positive case at 1:30 p.m., but allowed a shift change to go ahead an hour later.

The union's silence on the pandemic can be attributed to the fact that it agrees completely with the attitude of management, government and the entire ruling elite—the health and lives of workers and their families must be subordinated to the profit interests of big business.

The TWU has repeatedly opposed the introduction of public health restrictions and safety measures, along with mandatory vaccination for transport workers. When the NSW government introduced heightened restrictions on workers in COVID-19 hotspots on July 17, the TWU immediately demanded: "ALL essential transport workers must be automatically exempt from panicked snap restrictions from the NSW Government." This exemption was granted. A month later, the union "welcomed the exemption for truck drivers to pass through the Queensland border" without need for a "vaccine passport."

Speaking outside the company's Erskine Park depot in Western Sydney this morning, TWU National Secretary Michael Kaine characterised the refusal of FedEx to offer workers a wage rise in 2020 as "a reprehensible piece of behaviour," which resulted from "the Americanisation of industrial relations."

The reality is workers at Global Express and Toll, which Kaine lauded as a "responsible operator," will also not receive a wage rise for 2020 under the deals recently rammed through by the TWU. On the key issue of outside hire, FedEx has promised a 25 percent cap on outsourcing, lower than the limits set in recent TWU deals at Linfox (30–40 percent), and Global Express (40 percent).

The union's nationalist rhetoric is clearly aimed at defending the multi-billion dollar Australian trucking companies against their international competitors and convincing workers here that their struggles are separate from those taking place overseas.

The TWU is entirely conscious of the major developments underway in the global class struggle, especially in the US, where serious concerns are developing among the ruling elite that the unions will not be able to maintain control of mounting anger among workers.

FedEx drivers and their counterparts throughout the transport industry, must reject the union's attempts to divide workers along company and national lines. The working class is an international class, and this is nowhere more evident than in the globally interconnected sector of supply chain logistics.

Drivers at FedEx, StarTrack and throughout the transport industry should follow the lead set by Volvo, Dana and John Deere workers in the US—break with the unions and form rank-and-file committees in every workplace.

By connecting with similar committees throughout the industry and the world, workers can take up a fight against the current assault on their jobs, pay and conditions.