

Australia: Patrick Terminals seeks termination of dock workers' enterprise agreement

Martin Scott
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Stevedoring company Patrick Terminals appeared before the Fair Work Commission (FWC) yesterday, seeking the termination of the enterprise agreement (EA) covering its 1,081 workers around the country.

Patrick applied to the anti-worker tribunal on October 26, the day after the Maritime Union of Australia (MUA) announced that workers in Melbourne would carry out four- and eight-hour stoppages on Mondays, Wednesdays and Fridays for the first two weeks of November.

Workers had originally planned to carry out this industrial action throughout the month of October but it was called off by the MUA on October 6 in order to minimise disruption at the port after more than 100 Patrick workers were exposed to COVID-19 and forced to isolate. Patrick's competitors, DP World and the Victoria International Container Terminal (VICT) had also been hit by coronavirus infections in late September.

Limited work bans have continued at Patrick facilities in Brisbane, Sydney and Fremantle. The abandonment of the Melbourne stoppage, however, was a significant concession by the union and was reported as such by the corporate media, which had been braying for an end to the 21-month dispute.

The MUA has already agreed to enforce the company's paltry 2.5 percent per year wage "rise" offer, which is less than the current inflation rate of 3 percent. Workers received no pay rise at all last year as a result of the protracted negotiations.

In October 2020, Patrick asked the FWC to order the termination of strike action on the grounds that it would negatively impact the economy. Before the hearings were complete, the MUA offered Patrick a "peace deal," pledging to halt all industrial action for two years in exchange for a 2.5 percent pay "rise" and the retention of existing EA conditions.

Although the company refused to accept this deal, the union nevertheless called off the planned strikes and did not carry out any further industrial action at Patrick ports until May this year.

This is indicative of the extent to which the union is prepared to sell workers out in order to maintain its position as an industrial police force of management. In July, the MUA agreed to enforce a ten-year ban on "illegal" industrial action at

VICT. The deal, which enshrined the union's role in suppressing any action by workers, was made after the company threatened a lawsuit against the MUA for pickets which had not involved VICT workers.

The company claims the sticking point in negotiations is "the MUA and their insidious 'jobs for the boys' stance," referring to a "family and friends" clause the union is trying to insert in the EA (at Port Botany only).

A recent EA negotiated by the MUA at Hutchison Ports contained a similar "family and friends" provision, lauded as a victory by the union, under which 40 percent of new hires would be sourced from family and friends of employees, 30 percent from the union and 30 percent from management. The *World Socialist Web Site* wrote at the time: "The hiring arrangement at Hutchison has nothing to do with democratic workers' control over hiring, but is a means by which the union, in collaboration with management, can weed out workers who oppose further restructuring while awarding jobs to those who are close to the union bureaucracy."

This orientation of the union to management was demonstrated by other details of the sell-out Hutchison EA, which included a sub-inflationary 2.5 percent annual pay "rise" and no reduction to the use of casual labour.

Last Monday's announcement by the MUA was predictably met with renewed denunciations of workers from business, governments and the financial press, who claimed the strikes were "crippling" Christmas.

Patrick responded swiftly, publicly applying to the FWC within 24 hours for the EA to be torn up on the grounds that it was "no longer fit for purpose, as it contains a number of operational restrictions that have limited the ability of Patrick to meet customer requirements at a time of congestion in global supply chains."

It is clear from Patrick's statement that these "operational restrictions" include any requirement that the company provide secure, stable employment and a safe working environment. Instead, Patrick is demanding the right to hire, fire and change rosters at will in order to "meet operational needs that arise from fluctuating volumes and shipping schedules," without

being obliged to pay for a single minute of employee downtime in the event of a delay.

If the FWC rules in favour of Patrick, the company says it will maintain current pay rates and leave entitlements for six months, but all other conditions contained in the current EA will be immediately voided.

Patrick claims that termination of the EA is in the public interest because it would affect “only approximately 1,000 Employees” and that “there should be no immediate financial detriment to the Employees in the short term.”

In the “long term,” that is to say, a mere six months from now, the termination of this agreement will cut workers’ pay by more than 50 percent. Under the stevedoring industry award, annual base salaries range from \$40,175 to \$56,919. Workers employed as casuals under the award earn a base rate between \$27.59 and \$39.09 per hour.

This alone will give Patrick much of the “flexibility” it is seeking, as workers will be compelled to work whatever overtime, night and weekend shifts are demanded by management, in order to supplement their poverty-level base wages.

That is for the workers who are fortunate enough to keep their jobs. Patrick’s statement also decried the “complex and time consuming procedures” stipulated in the EA for redundancy. Under the award, the company will not be compelled to offer voluntary redundancies, but will be able to sack any worker. The maximum redundancy payout will be reduced from 52 weeks’ to 16 weeks’ pay—at the award rate, in many cases less than half what workers have been earning for decades.

Reverting to the award will also remove safe manning levels, allowing the company to operate without safety supervisors, first aid officers or relief crane operators, increasing the risk of serious injury or death.

Patrick says that termination of the EA will allow it “to operate more efficiently, with benefits for all participants in the import/export supply chain who depend on container stevedoring (noting that the logistics chain is currently under heavy strain due to the pandemic).”

In other words, destroying the few conditions workers retain will remove any impediment to the profit interests of the multi-billion dollar stevedoring company. While the COVID-19 pandemic and capital’s response to it have created chaos in the global supply chain and delays at Australian ports, Patrick has profited handsomely.

In fiscal 2021, Qube Holdings, which owns 50 percent of Patrick, reported more than \$2 billion in revenue, an increase of 7.9 percent on the previous year, and a 14.1 percent increase in profit to \$182.9 million. Patrick alone brought in \$679.5 million of this revenue, an 8.8 percent increase on fiscal 2020.

The dispute at Patrick has also attracted the attention of the federal government. Liberal-National Attorney-General Michaelia Cash described the renewed industrial action as “a kick in the guts for the hardworking Australians.”

Last month, Cash intervened in a dispute between the MUA and Qube in Fremantle, Western Australia, after the state Labor government appealed to her for assistance. The union responded immediately to Cash’s call for the industrial action to be shut down, and is now in the final stages of ramming through a sell-out deal.

The Patrick application underscores the draconian industrial framework, set in place by the last Labor government with the full support of the unions. Under Fair Work, most industrial action is banned, except for during EA bargaining periods. But even this can be outlawed, on broad grounds of stoppages or bans having a detrimental impact on the economy and company operations.

Notably, as of this writing, neither the company, nor the FWC or the union have said anything about yesterday’s hearing on the Patrick application. The union is keeping the issue quiet, and is intensely hostile to any fight for a unified mobilisation of workers throughout the ports, stevedoring and more broadly.

Workers at Patrick and across the Australian waterfront cannot afford to entrust their livelihoods to the MUA, or any of the unions, which enforce the dictates of the anti-worker FWC, which they absurdly hail as an “independent umpire.” The MUA has demonstrated that it will go to any length to maintain its position as an arm of management, whatever the consequences for workers.

The supply chain crisis has demonstrated the crucial role played by all logistics workers in the global economy. Their central position in business operations places them in a powerful position to carry out an industrial and political fight to advance their jobs, wages and conditions against the concessions being peddled by the companies and the unions.

To carry this out, workers must build new organisations of struggle, including rank-and-file committees at every work site. Through a global network of such committees, workers can take up a fight for a socialist perspective and to place the ports, shipping, the logistics sector and other basic essential industries, along with the banks, under public ownership and democratic workers’ control.



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