

# FedEx locks out Australian workers fighting for improved wages and conditions

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In a highly provocative move, global logistics company FedEx last week locked out workers taking part in rolling four-hour stoppages called as part of a long-running dispute for a new enterprise agreement (EA). The action involves 3,000 drivers across Australia.

The previous EA expired on June 30, 2020, but the Transport Workers Union (TWU) agreed with management to defer negotiations until April this year under the pretext of the COVID-19 pandemic. This prevented workers from taking industrial action to press for their demands under favourable conditions of a surge in delivery volume.

TWU national secretary Michael Kaine said that after FedEx refused to “consider the reasonable solution” the union had “brought to the table,” the union called “responsible” four-hour stoppages, staggered across FedEx depots around the country.

FedEx responded to this limited industrial action—intended by the TWU to avoid serious disruption to the company’s operations—by standing down workers who participated for the remainder of that shift and the entire following shift. After denouncing the lockout as inflicting “self-harm to the company,” the union has called no further action.

Ahead of the lockouts, FedEx told the media its pay offer, of 9.25 percent over three years, was the “most competitive offer made by any company in our sector.”

Globally, in the year ending June 2021, FedEx recorded revenue of \$US84 billion and net income of \$5.23 billion, up from \$69.2 billion and \$1.29 billion the previous year.

Yet the proposed pay increase barely exceeds the current official consumer price index (CPI) of 3 percent and in no way compensates for the rapidly increasing prices of essentials, including fuel, food and rent.

Because the proposed three-year agreement will not be backdated to the expiry of the previous EA, workers will receive no wage increase for 2020 and will be unable to

take industrial action again until at least 2024.

FedEx can only make such outlandish claims about the generosity of its paltry pay offer because the TWU has in recent months brokered regressive two-year EA deals, including similar meagre wage outcomes, with FedEx’s competitors.

The union’s agreement with trucking company Toll provides pay increases of 2.75 percent in 2021 and up to 4 percent, linked to CPI, in 2022. The Global Express agreement has increases of just 2.5 percent in 2021 and 3 percent in 2022, while the StarTrack deal contains two 3 percent increases from 2021. Under all these deals workers will miss out on any wage rise for 2020, when the previous EAs expired.

FedEx is touting an offer to increase its superannuation contributions during the three-year period of the agreement, to reach 13 percent in 2024. Not only is this below increases agreed by other delivery companies. Such payments do nothing to boost the immediate income of workers but are fed into union-run superannuation funds to be made available to big business for investment purposes.

FedEx, like its competitors, is determined to retain the ability to outsource work and engage labour hire rather than using full-time employees or directly-employed owner-drivers. Outsourcing and contract hire provides the company with a highly flexible workforce, allowing it to drive down labour costs at workers’ expense.

The TWU claims to be opposed to such arrangements and to be fighting for “job security.” However, at no time during bargaining with FedEx, or any of the other delivery companies, has the union demanded or fought for the abolition of outsourcing and contract hire. In fact, the proliferation of these work arrangements is the outcome of years of EAs in which the union bargained away clauses that inhibited the drive by big business for ever-more exploitative conditions.

In the recent disputes, the TWU has merely called for caps on outsourcing, in reality accepting and further enshrining what amounts to a two-tier system of pay and conditions. The 25 percent cap on outsourcing proposed by FedEx, while lower than figures agreed to by the union at Linfox (30-40 percent) and Global Express (40 percent), still means vast amounts of work can be sent to outside contractors.

Workers engaged by many of the contract delivery companies typically receive minimum award rates, in some cases 25 percent less than those directly employed, and are deprived of many other entitlements.

During bargaining, workers asked FedEx for an assurance that overtime would be offered to full-time employees and directly engaged owner-drivers before being outsourced, but the company said it did not “consider these matters appropriate for inclusion in a negotiated enterprise agreement.”

FedEx has been able to persist in its attacks on the workers, including its latest lockout provocation, only because the TWU has worked to isolate the dispute, containing previous limited strikes to one workplace or another, in order to suppress the development of a broader movement of workers.

In response to mounting anger among drivers, the TWU threatened a “national day of strike action” across FedEx, Toll, Linfox, BevChain, Global Express and StarTrack, where workers were fighting for similar improvements in pay and working conditions.

From the outset that the union had no intention of allowing this mass strike to proceed. Even before setting a firm date for the supposed day of action, the TWU rushed to push through regressive deals at four of the six companies. One day before the strike, the union announced a “pause” on industrial action at FedEx, so the October 21 “national day of strike action” was limited to workers at StarTrack.

FedEx workers carried out a 24-hour strike on October 25, less than a week later.

Having brokered deals with the other major trucking companies, the TWU claims the continued attacks by FedEx are “ideological warfare imported from America.” Likewise, Australian Council of Trade Unions secretary Sally McManus spoke outside a company depot last week, saying: “It is un-Australian to lock out workers and the ultimate sign of disrespect to the people who make this company successful.”

On the contrary, FedEx is utilising Australia’s “Fair Work” legislation, which allows employers to impose

lockouts almost instantaneously while workers are compelled to go through a protracted process before taking any form of industrial action.

These draconian laws, which also prohibit all industrial action except during narrow enterprise bargaining periods, were introduced by the former Labor Party government in 2009 with the full support of the unions, which have enforced them in dispute after dispute.

What the TWU seeks to obscure through nationalistic blather is that what is taking place is part of a global offensive. The financial and corporate elites in every country are using the pandemic to massively restructure their operations, slash wages and demolish working conditions, and will resort to the most repressive measures to achieve this end.

The unions, including the TWU, are conscious that this assault is provoking a major upsurge in the global class struggle. Workers around the world are beginning to break out of the union straitjacket, creating the conditions for a powerful unified international counter-offensive by the working class.

To take forward the fight for decent wages, safe working conditions and secure, permanent jobs, FedEx workers have to make a decisive break with the TWU, which serves as an industrial police force for management.

Workers must fight for the construction of independent rank-and-file committees at every workplace, to organise a genuine industrial and political campaign, including reaching out for support from workers across the global logistics sector, who all face similar corporate attacks.

This fight has to be based on a socialist perspective to place major transport companies, as well as the banks and utility companies, under public ownership and democratic workers’ control, so that they can be operated to serve the needs of the working class and society rather than the profit interests of the wealthy elite.



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