Australian transport union working to push through sell-out deal at FedEx

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The Transport Workers Union (TWU) is collaborating with FedEx Australia to try to force 3,000 drivers to accept an "in-principle" union-management enterprise agreement (EA).

The sell-out deal, hatched in closed-door negotiations without any genuine input from workers, contains low wage outcomes and maintains provisions used by FedEx to reduce its permanent workforce and drive down labour costs.

Ahead of any vote, and before drivers had a chance to view the details of the deal, the TWU went into overdrive to sell it to its members, fraudulently heralding the agreement a "huge win." On December 2, the union told workers the agreement will deliver "sustainable wage rises which keep up with the cost of living" and included "provisions which lock in their job security."

In a similar vein, FedEx Australia vice-president Peter Langley declared the company was "so pleased to be able to recognise and reward all the hard work that our team members have contributed throughout the pandemic in order to support our wider community."

Langley's cynical claim came only days after the company imposed partial lockouts in response to four-hour stoppages called by the TWU to vent workers' anger while it stitched up a deal with FedEx management.

Far from a "reward" for workers, the paltry wage increase endorsed by the union continues the suppression of wages that has been the hallmark of enterprise agreements brokered by the TWU and other unions across the entire logistics sector.

The "in-principle" deal provides for pay increases of between 9.25 percent and 9.75 percent over the three-year life of the agreement and a commitment by the union and company to "review" the wage rise at the two-year mark against the consumer price index (CPI). Any adjustment resulting from this would be capped at 3.5 percent.

The proposed pay increase, described by the company as "generous," barely exceeds the current CPI of 3 percent and in no way compensates for the rapidly increasing prices of essentials, including fuel, food and rent. Moreover, inflation is on the rise internationally.

Moreover, the proposed increases start from a low wage rate at FedEx that the union admits is up to 11 percent less than that paid for comparable roles at other transport companies. Like the two-year deals brokered by the TWU with other delivery companies including Toll, Global Express and StarTrack, the proposed FedEx agreement will not be backdated to the expiry of the previous EA, meaning workers will receive no wage increase for 2020.

While the TWU crows that the deal contains provisions that "lock in" job security for the FedEx workforce, it in fact merely provides for a 25 percent cap on outsourcing. This means a great deal of work can still be sent to outside contractors with inferior pay and working conditions. As the company has ultimate control over work allocation, it will be virtually impossible to enforce the cap and there are already indications that FedEx would ignore the arrangement to meet what it deems "operating requirements."

When asked during bargaining for an assurance that overtime would be offered to full-time employees and directly engaged owner-drivers before labour-hire workers or contractors, the company declared it did not "consider these matters appropriate for inclusion in a negotiated enterprise agreement."

Throughout the protracted dispute, the TWU has done everything possible to isolate FedEx workers and break their resolve. In recent months, the union has confined limited strikes and other industrial action throughout the trucking industry to individual workplaces to avoid any significant disruption of company operations and profits and to prevent the development of a broader movement of workers.

In October, the TWU called off a proposed "national day of strike action" involving workers from FedEx, Toll, Global Express, Linfox, BevChain and StarTrack, declaring it had reached agreement at four out of the six companies. In fact, Facebook posts by the TWU indicate that workers did not have the opportunity to vote on, or even see their agreement, at least at Toll and Global Express.

The union then struck a deal with StarTrack, leaving FedEx workers out on a limb and under pressure to accept whatever was offered.

The TWU celebrates the outcome of these disputes because it hopes it has convinced the trucking employers that the union remains a reliable industrial police force for suppressing workers' opposition and delivering the companies' cost-cutting demands. At the same time, the TWU is looking to become further integrated into corporate structures, to work more directly as an arm of management.

During the FedEx dispute, the TWU drew attention to US reports that, in October, Amazon Logistics overtook FedEx on parcel volume and achieved lower charge-out rates. TWU National Secretary Michael Kaine called on FedEx Australia "to protect good transport jobs in response to any fears it may be overtaken or undercut by Amazon." He appealed to FedEx to resume negotiations, cut a deal with the union and then "join forces to demand regulatory solutions to protect legitimate businesses working within the industrial system."

Kaine's remarks, issued at all of this year's major trucking disputes, are revealing. What Kaine considers "legitimate businesses" are those that use the unions to police their workforces and impose their dictates.

The TWU, and other unions, are at odds with Amazon not because of its highly exploitative work regime but because the company tends to exclude the unions as its enforcers. Kaine was reassuring FedEx that the union will impose whatever concessions management demands from workers to ensure the company is not "overtaken or undercut" by Amazon.

Kaine's appeal for a joint campaign to push governments for "regulatory solutions" means the union is leading the charge to defend the interests of the multi-billion dollar Australian trucking companies against their international competitors. This is aimed at lining workers up behind the Australian trucking companies and dividing them from overseas logistics workers with whom they share common class interests.

To take forward the fight for decent wages, safe working conditions and secure, permanent jobs, FedEx workers should reject the union and its sell-out deal and turn to the construction of independent rank-and-file committees at every workplace. These committees, connected with similar rank-and-file groups across the trucking industry and the working class, nationally and globally, will oversee and conduct a genuine industrial and political campaign to defeat the company's attacks.

This fight must 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.