

Australia: Svitzer steps up pressure on workers to accept cuts to wages and conditions

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Svitzer, Australia's largest tugboat operator, is stepping up its campaign of intimidation to force workers to accept a new enterprise agreement (EA) that would slash wages and conditions.

The company, part of the Danish-owned Maersk international shipping group, has made clear it is determined to drive through regressive changes across its Australian operations, which involve more than 100 tugs.

Svitzer's proposed EA covers 540 workers who are members of the Maritime Union of Australia (MUA), the Australia Maritime Officers Union (AMOU) and the Australian Institute of Marine and Power Engineers (AIMPE).

During negotiations that have dragged on through 50 meetings since the old EA expired in 2019, the company has maintained its aggressive position. Last month, even as he claimed Svitzer was "bargaining in good faith," managing director Nicolaj Noes declared he was "not prepared to agree to a new EA that replicates legacy terms which had been agreed more than 22 years ago, in a completely different market." Noes added: "We are looking to secure an EA which reflects the current market and meets our customers' demands and expectations."

In other words, what little remains of working conditions fought for and won by previous generations must be dismantled to ensure that the lives of employees are ever more tightly bound to the company's demand for increased profits.

Svitzer management and the maritime unions have provided little detail about the 30 changes being demanded by the company, which include slashing full-day minimum shift lengths for casuals, abolishing fixed crewing levels and an end to any say from the unions in relation to hiring.

The proposed agreement would deliver pay increases of just 1.5 percent per annum this year and next. This paltry pay "rise" is well below the current inflation rate of 3.5 percent and far short of the 4.5 percent rise over the last 12

months to the cost of non-discretionary goods and services such as food, fuel, housing and health care. Moreover, as the current EA expired in 2019, workers did not receive a pay rise in 2020 or 2021.

After workers voted down Svitzer's proposed EA by a massive 92 percent, the company applied last month to the Fair Work Commission (FWC), Australia's pro-business industrial tribunal, to terminate the existing EA. If Svitzer's FWC application is granted, the workers would be pushed onto the minimum industrial award, with far lower wages and greatly diminished working conditions.

Svitzer is ruthlessly pursuing this cost-cutting agenda although its parent company saw a 55 percent increase in revenue to \$US61.8 billion in 2021. Maersk's earnings before interest, taxes, depreciation and amortisation tripled to \$US24 billion and its free cash flow stood at a massive \$US16.5 billion.

In 2020, Svitzer made 18 tugboat operators at its Geelong base redundant, claiming it was preparing to wind up operations at the Victorian port. In fact, the sacked employees were replaced with fly-in-fly-out labour hire workers.

The company has only been able to step up its intimidation because the maritime unions, with the MUA in the lead, have systematically worked to contain and isolate the dispute. The workers, increasingly frustrated with the interminable negotiations, voted overwhelmingly last year for a campaign of industrial action to oppose Svitzer's demands and to defend their wages and conditions.

The unions, however, have consciously worked to undermine any genuine struggle, restricting all opposition to limited and sporadic stoppages and ineffectual work bans to ensure minimal disruption to Svitzer's operations. The aim has been to "let off steam" and gain time for the unions to continue working behind the scenes to broker an outcome in line with the company's demands, but which could be palmed off to workers as the best outcome possible.

Responding to Svitzer's move to terminate the current EA, MUA assistant national secretary Jamie Newlyn complained that the company was abandoning "the flexibility and productivity that the enterprise agreement provides" and was "making it all but impossible for round-the-clock operations at Svitzer tugs to continue."

As in recent MUA sell-outs at Qube and Victoria International Container Terminal, the union's overriding concern in the Svitzer dispute is not to defend the jobs and conditions of its members, but to maintain its position as an industrial police force for management.

Putting further pressure on the Svitzer workers, the MUA this month "brokered peace" with Patrick Terminals in a two-year dispute in which limited industrial action was repeatedly shut down by the union. The recent union-management "in-principle" agreement includes wage rises far short of the rapidly increasing cost of living, grants the company complete control over hiring and firing, and delivers it "much-needed flexibilities."

Like Svitzer, Patrick had applied to the FWC to terminate the previous agreement covering workers. The MUA's deal with Patrick demonstrates the union's readiness to utilise the threat of minimum award conditions to beat down workers' resistance and impose a sell-out.

The unions have blocked any unified action between the Svitzer workers and their counterparts at Patrick or at tugboat operator Smit Lamnalco, which serves Gladstone, the largest multi-commodity port in the state of Queensland. In December, that company also applied to the FWC to terminate its EA covering marine engineers and members of the AMOU and AIMPE.

Last week, the AMOU, which covers master drivers on Svitzer's tugs, informed the company it was calling a series of 48-hour work stoppages staggered over the ports in Brisbane, Sydney, Fremantle and Newcastle between February 17 and 25.

Far from the beginning of a counter-offensive by the unions against Svitzer's increasing attacks, the purpose of these stoppages is to contain and hose down the growing anger among workers to allow the unions to continue their behind-the-scenes negotiations with the company.

Announcing the stoppages, AMOU executive officer Mark Davis proclaimed tugboat masters to be "a responsible group of workers with little previous intention to take strike action," but said "the behaviour of the company has so exasperated them that they have had to withdraw their labour." Even as it announced the stoppages, the union assured Svitzer there would be exemptions, including for "emergencies, defence or threat to life and property."

The Svitzer workers face a concerted attack by the company, which has the complete support of the Australian

political establishment. The Liberal-National federal government has made clear in recent months it is completely on board with the demands of business to restructure working conditions across the waterfront and the whole logistics sector.

Asked in December whether the government would intervene to prevent strikes at Patrick Terminals, Prime Minister Scott Morrison declared: "I can assure you that the government will take action, if needed, to protect the Australian economy from serious harm."

While the MUA denounced Morrison's statement, their actual response was to ensure no industrial action was taken at Patrick in the lucrative pre-Christmas period.

The company is also assured of Labor's backing. The FWC, with its extensive powers to terminate agreements and industrial action, together with the draconian industrial laws it enforces, were introduced by previous Labor governments with the full support of the trade unions.

The deepening assault on jobs and conditions across the ports, and the working class more broadly, is only possible because the unions have, for decades, suppressed any genuine opposition among workers. Amid growing anger over the "let it rip" pandemic policies, and the accompanying assault on wages and conditions, the unions are doing everything they can to prevent a breakout of the class struggle and any independent political action by workers.

Tugboat workers who, unlike Svitzer executives, are essential to port operations are in a powerful position to wage a genuine fight for improved wages and conditions and to win the support of major sections of the working class.

But to do so requires a break with Labor and the corporatised unions and the construction of new organisations of struggle, such as rank-and-file committees, across the ports, logistics and the working class more broadly, to organise an industrial and political fight against big business and all its representatives.

This struggle must be based on the fight for a workers' government and socialist policies to place ports, logistics and all essential industries under public ownership and the democratic control of the working class, to be operated for social need, not private profit.



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