

Svitzer seeking to slash Australian tugboat workers' pay as part of global assault

John Wilson, Martin Scott
14 April 2022

Svitzer, Australia's largest tugboat operator, is proceeding with a campaign to slash wages and conditions in a new enterprise agreement (EA) covering at least 540 workers. In a move intended to intimidate workers into accepting the rotten deal, the company has applied to the Fair Work Commission (FWC) to have the existing EA terminated, which would force workers onto the minimum wage industrial award.

The Maritime Union of Australia (MUA), the Australia Maritime Officers Union (AMOU) and the Australian Institute of Marine and Power Engineers (AIMPE) have been entirely complicit in the company attacks throughout the protracted dispute. While workers have overwhelmingly voted against the regressive offer and demanded strikes, the unions have confined workers' opposition to limited industrial action, minimising disruption to operations and profits.

The attack on Australian tugboat workers is part of a global offensive by Svitzer, a subsidiary of the Danish-owned Maersk International shipping group, which recorded profits last year of \$24 billion.

Svitzer workers at Teesport in the UK have held two strikes since the beginning of March, after their wages were frozen in October 2021. Rather than make an appeal to broader sections of workers, Unite, the union covering the tugboat workers, called for shipping companies to boycott the port. Unite this week shut down a third strike planned for the Easter long weekend. The union claims the company has proposed an improved deal, but has not published details of the new offer.

In the Netherlands, Svitzer has established a new company that is refusing to enter into collective bargaining with the existing workforce. Svitzer carried out a similar operation in 2020 at Geelong, Victoria, smashing collective bargaining by making all workers

redundant and replacing them with a new workforce on individual agreements.

The international assault by Svitzer demands an international response. Every successful attack by the company, wherever it occurs, will become a blueprint to be followed around the world. Workers at Svitzer, and throughout the international maritime industry must take up a unified struggle for secure jobs and genuine wage increases.

This is impossible within the nationalist, pro-capitalist framework of the trade unions, which function as an industrial police force, enforcing the demands of management for ever-increasing cuts to working-class jobs, pay and conditions.

Workers must take matters into their own hands, and form new organisations of struggle, rank-and-file committees, completely independent of the unions. Through a network of such committees, Svitzer workers in Australia can link up with their counterparts around the world and start to plan and discuss a global response to the deepening assault.

In Australia and globally, unions have met the company's attempts to slash wages and conditions by shutting down strikes, promoting illusions in the anti-worker industrial courts and attempting to divert workers' struggles into appeals to the "moral values" of Svitzer and its parent company.

Last month, Svitzer global CEO, Kasper Friis Nilaus, visited Melbourne for discussions with local management. MUA national secretary Paddy Crumlin published a statement saying Nilaus' refusal to meet with the union "sullies the reputation of Maersk." The union is promoting an online petition penned by the International Transport Workers Federation (ITF), of which Crumlin is president. It pleads for Svitzer "to live up to Maersk Group's values, recognise tug

workers' efforts, and engage with our unions.”

The reality is, like any other capitalist institution, the only “values” Svitzer or Maersk are concerned with are those listed in the finance pages. The unions' moral appeal is a dead end, designed to divert workers' anger and suppress their demands for a genuine industrial fight.

The agreement that Svitzer is determined to ram through in Australia contains pay increases of just 1.5 percent per annum this year and next, well below the nominal inflation rate of 3.5 percent, and a wage cut in real terms. Moreover, as the current EA expired in 2019, workers did not receive a pay rise in 2020 or 2021. Svitzer is also seeking sweeping changes to working conditions, including reductions to manning levels and increased workplace flexibility through the use of casual labour.

The ongoing dispute takes place in the context of an inquiry by the federal government's Productivity Commission into Australia's maritime logistics system. In its submission to the inquiry, Svitzer complained of “overt and covert industrial action” and said the “significant reduction in productivity in Australia compared to Europe highlights our inability to flex our crew costs in line with reduced activity levels, as a result of the inherent restrictions within our current enterprise agreement.”

In other words, the company is demanding further restrictions on the rights of workers to strike, in order to remove any impediment to its plans to slash full-time staff and vastly increase its use of casual and contract labour.

Peak industry body Shipping Australia, in its submission, called for a change to the Fair Work Act to increase the notice period for protected industrial action from 3 days to 64 days. In response to this frontal assault on the right to strike, MUA assistant national secretary Jamie Newlyn told the *Australian* the move was unnecessary, pointing to the “record volumes and record productivity” at the ports, effectively boasting of the union's role in giving companies exactly what they wanted.

Australia already has the most restrictive workplace laws in the OECD. The most significant measures restricting workers' rights were passed under Labor governments with the backing of the trade unions, including the Fair Work Act implemented by the Rudd

Labor government in 2008. This has led to the lowest level of strike activity since records began over 100 years ago.

Fair Work followed on from the critical role played by the Hawke-Keating Labor governments and the unions in the 1980s, with the Prices and Incomes Accords. The purpose of the Accords was to slash wages, allow for massive restructuring of working conditions and destroy all independent forms of workers' organisation. This has resulted in heightened financial insecurity for Australian workers, who face some of the highest housing costs in the world and whose wages continue to decline in real terms. The recent increase in global inflation and interest rates is also expressed in Australia and is thrusting growing numbers of workers into the class struggle.

The overwhelming votes by Svitzer workers against the company's offers and for strike action reflect the growing opposition of the workers. Tugboat workers at the ports serve a critical function in the modern economy and 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. Such committees are the only means of organising a genuine 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.

Authorised by Cheryl Crisp for the Socialist Equality Party, Suite 906, 185 Elizabeth Street, Sydney, NSW, 2000.



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact