

Svitzer Australia continues attack on tugboat workers' wages and conditions

Terry Cook
3 August 2022

Svitzer, Australia's largest tugboat operator, is continuing its aggressive campaign to force over 540 workers across the country to accept a new enterprise agreement (EA) that slashes wages and conditions. This is in line with a global offensive by Svitzer's Danish-owned parent company Maersk.

Svitzer is persisting with an application to the Fair Work Commission (FWC) to have the existing EA terminated, which would force the workers onto the minimum industrial award with vastly inferior wages and conditions. This provocative move is intended to intimidate workers into accepting the company's proposed agreement, which they have previously voted down by a massive 92 percent.

The pro-business FWC is armed with extensive powers to enforce the draconian "Fair Work" industrial laws implemented by the Rudd Labor government in 2009 with the full support of the unions. These anti-worker laws allow the tribunal to shut down industrial action under a broad range of pretexts, including the possibility of significant industrial harm to the employer or damage to the Australian economy. The FWC is also empowered to terminate EAs at the behest of an employer.

Svitzer claims the existing (expired) EA contains provisions that are "restrictive and inhibit productivity" and place it at a "competitive disadvantage."

The new agreement that Svitzer is determined to impose contains a wage increase of just 1.5 percent this year, far below the official Consumer Price Index (CPI) increase of 6.1 percent over the past 12 months. Moreover, as the current EA expired in 2019, workers did not receive a pay rise in 2020 or 2021.

Workers have been told that annual pay rises will be tied to the CPI in 2023–2025, but the massive cut to real wages this year, after two years with no pay increase at all, means that workers will be left substantially worse off.

Svitzer is also demanding sweeping changes to conditions, including reductions to manning levels, increased workplace flexibility through greater use of casual labour and the slashing of full-day minimum shift lengths for casuals.

Svitzer is only able to carry out this attack on workers because the three unions involved in the dispute, the Maritime Union of Australia (MUA), the Australia Maritime Officers Union (AMOU) and the Australian Institute of Marine and Power Engineers (AIMPE), have worked from the start to contain and undermine their members' opposition.

The unions allowed negotiations to drag on through 50 meetings beginning in 2019, even as the company made clear that it had no intention of improving its measly wage offer or backing away from its other regressive demands.

When the frustrated and angry workers overwhelmingly endorsed a campaign of industrial action including strikes in late 2021, the unions contained the dispute to limited and sporadic stoppages designed to let off steam while minimising disruption to Svitzer's operations.

After the AMOU called off scheduled work stoppages by tugboat masters in February, bowing to a FWC directive, the three unions suspended all industrial action. Since then, they have called no further stoppages and have buried the dispute in a drawn-out legal challenge in the FWC to Svitzer's termination application.

The May election of a federal Labor government has been used to promote the bankrupt perspective that workers can defeat the assault on their wages and conditions through appeals to big business parliamentarians. On Tuesday, MUA officials and union delegates from Svitzer sites joined other Australian Council of Trade Unions (ACTU) bureaucrats in lobbying members of parliament to "cancel" section 225 of the Fair Work Act, which provides for the termination of EAs.

In fact, Prime Minister Anthony Albanese's Labor

government, to which these appeals are addressed, has made clear that it is prepared to carry out the demands of the corporate elite for the slashing of wages and conditions as well as harsh cuts to social spending. A primary function of the government-employer-union summit next month will be to “reform” industrial relations law in line with the demands of big business, further eroding workers’ rights.

Meanwhile, with the workers straitjacketed by the unions, the company has been free to continue its operations unhindered and to rake in profits.

Svitzer’s application to the FWC is in line with similar ploys used in one dispute after another to stifle workers’ resistance and provide the unions with ammunition to ram through a sell-out deal on the basis that the only alternative to accepting the company’s offer is reversion to the industrial award.

In February, the MUA signed off on a sell-out agreement with Patrick Terminals offering workers wage rises far short of the rapidly increasing cost of living, granting the company complete control over hiring and firing, and delivering it “much-needed flexibilities.” The two-year dispute was ended and the union-management deal rammed through after Patrick sought to terminate the previous EA in the FWC.

Svitzer workers should be warned, while the unions instruct them to sit on their hands and await a ruling from the FWC, a similar deal is doubtless being worked out behind the scenes in union-management negotiations.

In an attempt to blind workers to this sordid operation, the unions are keeping up the façade that they are conducting some kind of struggle through toothless petitions and condemnations of the company. This pantomime includes moral pleading for Svitzer “to live up to Maersk Group’s values, recognise tug workers’ efforts, and engage with our unions.”

Last month, the ACTU, which has not organised a single industrial action by its affiliates to back the tugboat workers, passed a resolution containing a similar bankrupt appeal to Maersk “to respect the collective bargaining process and direct the management of its Svitzer Australia subsidiary to uphold the stated Maersk Values.”

In reality, Maersk is directing the vicious cost-cutting operation of its Australian subsidiary, along with similar attacks on Svitzer workers’ in the UK and the Netherlands, as part of its global drive to bolster the only “values” that concern it, shareholder values. In 2021, Maersk recorded a net profit of \$US18.7 billion, the largest figure ever recorded by any shipping company.

This has been facilitated by the unions in all three countries, which have prevented Svitzer workers from mounting a unified international struggle against the assault.

With the assistance of the Unite union, Svitzer was able to impose a regressive deal on workers at Teesport on the UK’s northeast coast. The union-management agreement included a pay increase of just 5 percent on the base rate, far below the inflation rate of 9.4 percent, after a year-long wage freeze.

Like their counterparts around the world, Svitzer tugboat workers serve a critical function in ports and in the supply chain, using their expertise to bring huge cargo ships and other vessels safely to dock. This means they 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 for a unified industrial and political struggle.

To carry this out, workers must reject the unions’ campaign of suppression and threats and take matters into their own hands. This requires the formation of new organisations of struggle, rank-and-file committees completely independent of Labor and the corporatised trade unions, which serve as an industrial police force for employers, shutting down strikes and imposing the anti-worker directions of the industrial courts.

For this struggle to go forward and be sustained it must be based on the fight for workers’ governments 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.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact