Australian tugboat workers strike as unions work with Labor to head off further stoppages

Martin Scott
7 August 2022

Workers at Svitzer, Australia’s major tugboat operator, stopped work on Friday, ahead of a scheduled Fair Work Commission (FWC) hearing into the company’s bid to tear up their enterprise agreement (EA).

The industrial action, which comprised 24-hour strikes in Melbourne and Brisbane and four-hour stoppages at 11 other ports, was the first by Svitzer workers in almost six months, with the unions holding them back despite the company’s ongoing efforts to void the expired EA, slashing wages by almost 50 percent.

Since acceding to an FWC order to halt industrial action on February 17, the Australian Maritime Officers Union (AMOU), Maritime Union of Australia (MUA) and the Australian Institute of Marine and Power Engineers (AIMPE) have been virtually silent on the dispute, which is now more than halfway through its third year.

Svitzer is using the threat of termination to pressure workers into accepting a proposed EA containing 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.

Workers have been told that annual pay rises would 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 they would 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, and its parent company, Danish-owned multinational Maersk, are raking in stellar profits. In the June quarter alone, Maersk recorded a net profit of $US8.6 billion. The company is expected to record a year-end profit around 60 percent higher than its 2021 result of $18.7 billion, which was the largest figure ever recorded by a shipping company.

Despite these record-breaking profits, the unions have abandoned any pretence of a fight to advance workers’ pay and conditions. MUA assistant national secretary Jamie Newlyn said: “We haven’t asked for a lot at all, all we’ve been doing is contesting the claims of Svitzer… all our claims have gone out the window.”

Newlyn reiterated the bankrupt perspective advanced by the MUA throughout this year, declaring that the union had “arrived at three priorities” on Friday. These were a plea for Svitzer to “return to the negotiating table,” a call for the federal Labor government to ban the termination of EAs, and a renewed call for the Svitzer CEO to “participate and show some leadership and authority.”

The timing of Friday’s strikes, on the last weekday before the planned FWC proceedings, reflected their cynical purpose in the eyes of the unions. The primary function of the stoppages was to promote illusions in both the pro-business FWC and next month’s union-employer “Jobs and Skills Summit” called by the Labor government.

MUA national secretary Paddy Crumlin said last week: “We are confident that the Fair Work Commission will look at the reckless and belligerent behaviour of Svitzer throughout this process and respond to the company’s court action appropriately.”

In a bid to prevent further industrial action, the unions
successfully applied to adjourn the FWC hearings until December and February, saying more time was needed to go through the documents produced by the company.

A central purpose of the delay is to ensure the hearings take place after next month’s “summit,” at which the unions, Labor and employer groups have flagged moves to shore up the enterprise bargaining system, which has been used to slash workers’ jobs and conditions since it was imposed by the Keating Labor government and the unions in the 1990s.

Friday’s stoppages featured a “virtual yard meeting” with Australian Council of Trade Unions (ACTU) secretary Sally McManus. The appearance of the country’s top union bureaucrat, as well as the substantial media coverage allocated to this dispute, which involves fewer than 600 workers, demonstrates the critical importance, for the ruling elite, of preventing a conflict that could spark a wider eruption of working-class struggles.

According to the *Australian*, Workplace Relations Minister Tony Burke will give a speech today in which he will outline plans to prevent employers from terminating EAs in a way that could spark a revolt.

Labor and the unions are concerned that the growth of labour hire, contracting, casualisation, and the “gig economy” has diminished the effectiveness of the enterprise bargaining system as means of suppressing the class struggle. Just 1.66 million workers were covered by current EAs at the end of March, down from 2.2 million in March 2020.

Under conditions of rapidly increasing inflation, the escalation of military preparations toward global conflict and the ongoing COVID-19 pandemic, Labor is tasked with carrying out a major assault on the working class. The financial elite is demanding increased productivity and profits, and the slashing of pay and conditions for the working class, as well as sweeping austerity measures to reduce social spending.

But these same conditions are driving a resurgence of the class struggle, in Australia and globally. In order to shut down workers’ opposition to its wage-slashing agenda, the Albanese government will require the closest collaboration with the unions, whose control over the working class is now a mere shadow of what it was in previous decades.

Tugboat workers, while a small section of the maritime workforce, play a critical and highly specialised role in the operation of ports. This places them in a powerful position to take up a genuine fight for improved wages and conditions. What stands in the way is the trade unions, which have now acted to drag this dispute into its fourth year and continue to insist that the workers’ struggle must be carried out through legal proceedings in the pro-business industrial courts and appeals to the Labor government.

Svitzer workers must take matters into their own hands. This means the formation of rank-and-file committees, independent of the unions, and a fight to mobilise workers throughout the country’s maritime sector and the broader working class.

Through such a mobilisation, workers can take up the necessary fight to tear down Australia’s draconian industrial relations laws, the purpose of which is to isolate workers, ban most forms of industrial action and suppress the class struggle. This will bring workers into direct conflict with Labor, which is responsible for the legislation, as well as the unions, which have continually defended and enforced it.

Above all, what is required is a fight for workers’ governments and socialist policies to place the 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.