Svitzer Australia drops bid to tear up tugboat workers’ enterprise agreement

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Tugboat operator Svitzer Australia has announced that it has discontinued its bid to terminate the enterprise agreement covering around 600 workers. The move would have forced workers on to the minimum industry award, potentially slashing pay by as much as 47 percent and destroying hard-won working conditions.

The Maritime Union of Australia (MUA) hailed this decision as a “union victory,” allowing negotiations to “move forward constructively” with a return to “good faith bargaining before the Fair Work Commission.” In other words, the MUA bureaucracy will be able to return to the business of cooking up a back-room sell-out deal with Svitzer management.

The MUA’s declaration cannot be taken at face value. Svitzer workers should recall the last “victory” proclaimed by the union bureaucracy in this long-running dispute. In November, the MUA, along with the Australian Institute of Marine and Power Engineers (AIMPE) and the Australian Maritime Officers Union (AMOU), hailed the decision of the Fair Work Commission (FWC) to suspend all industrial action at Svitzer, stripping workers of any right to fight for their wages and conditions.

The industrial tribunal’s November ruling came in response to Svitzer’s threat to lock out its entire workforce, which would have effectively shut down almost all of Australia’s ports. Under Australia’s draconian industrial relations laws, the FWC is empowered to ban industrial action by all parties if there is any suggestion that it may cause “economic harm,” even if that action is initiated by the company itself.

Svitzer’s lockout manoeuvre was deliberately engineered to take advantage of these laws and shut down even the limited industrial action planned by workers as part of a four-year enterprise bargaining dispute.

The company has offered workers—whose wages have not increased since January 2019—a nominal pay rise of just 1.5 percent, a massive cut in comparison with the official inflation rate of 7 percent, which is itself a significant understatement of the skyrocketing cost of living.

Svitzer, whose parent company, Danish-owned multinational Maersk, reported record profits in 2022 of US$29.3 billion, is also seeking to impose sweeping changes to working conditions. These include 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’s discontinuation of its enterprise agreement termination bid does not represent any weakening of these attacks, but merely a tactical shift. Threatening to tear up the agreement was intended to help the union bureaucracy convince workers they had no choice but to agree to the rotten offer on the table. With workers refusing to accept this proposition, Svitzer is now seeking instead to take advantage of new “intractable bargaining” laws introduced late last year by the federal Labor government.

The “Secure Jobs, Better Pay” bill included “intractable bargaining” measures that will allow the FWC to shut down long-running industrial disputes and demand that they are settled through closed-door arbitration, behind the backs of workers. These laws, which come into effect in June, increase the powers of the industrial tribunal to impose enterprise agreements that slash wages and conditions in line with the demands of big business and government.

While the official communication from the MUA makes no mention of these laws, a Facebook comment from the union’s Western Australian Deputy Branch Secretary, Doug Heath, noted that Svitzer is “still seeking to destroy hard won conditions through arbitration of an ‘Intractable Bargaining Dispute’ when the new laws come into effect in 2 months time.”

This is precisely the sort of back-room deal that Svitzer and the maritime unions have been working towards throughout the four-year dispute. But the intransigence of Svitzer workers has rendered the bureaucracy unable to ram through a sell-out and demonstrated the need for Labor's industrial relations reform.

Labor's "Secure Jobs, Better Pay" legislation was a response to concern among the political establishment that the union apparatus would not be able to hold back workers' opposition amid surging inflation. The central purpose of the laws is to eviscerate workers' already limited rights to strike and deliver the massive cuts to real wages and working conditions demanded by the financial and corporate elite.

The MUA leadership, along with the rest of the Australian union bureaucracy, agrees completely with the FWC and the anti-worker laws it enforces. Demands from workers to fight the Fair Work Act are quickly diverted into illusions that stuffing the FWC with union lawyers is all that is required to resolve any problems with the "independent umpire."

The reality is that the pro-business character of the FWC is not a product of the individuals appointed to it, whether by Labor or the Liberal-Nationals. It exists for the purpose of shutting down workers' struggles and delivering the demands of big business.

The FWC and Fair Work Act were established by the Rudd-Gillard Labor government in 2009 as the continuation of anti-strike laws introduced by the Hawke-Keating Labor governments between 1983 and 1996, starting with the Accords. These brought harsh cuts to real wages and working conditions as well as the introduction of enterprise bargaining and the limitation of strikes to bargaining periods.

The Accords also enshrined the relationship of the union bureaucracies with finance capital through the introduction of compulsory superannuation.

In every case, these measures were developed with the full collaboration and support of the union bureaucracy.

The key role of the unions in enforcing the deepening assault on workers' rights poses the urgent need for workers to build their own organisations of struggle, independent of the well-heeled bureaucracy. Rank-and-file-committees, democratically controlled by workers themselves, are the only means through which the working class can take up the necessary political struggle against Labor, the unions and the industrial courts which all exist to defend capitalism and serve the interests of the wealthy elite.

Labor's harsh new industrial relations laws are part of a global drive to suppress mounting working-class opposition to increasingly intolerable conditions. This highlights the need for a turn to the broadest layers of workers, not just in Australia, but internationally. Such a mobilisation cannot be built through the maritime union bureaucracy.

Last month, the MUA published a full-page advertisement in *Jyllands-Posten*, a Danish financial newspaper, "warning" Maersk shareholders that Svitzer Australia's "negotiating tactics are reckless and risk your company's social license to operate their monopoly tug service in Australian ports."

In other words, the MUA was appealing to the very sections of the Danish financial elite who profit directly from Maersk's assault on the wages and conditions of its workers, not just in Australia, but throughout the world.

Throughout the dispute, the MUA bureaucracy has sought to channel workers' anger into similar bankrupt appeals to the company itself, on the basis that the local management was failing to adhere to Maersk's "core values."

Based on the phoney pretext that the attack on pay and conditions was confined to Svitzer Australia, this was aimed at shutting down workers' demands for strikes and, above all, for a unified struggle by Maersk employees around the world. In fact, Svitzer's actions in Australia are just one expression of the global assault on workers being carried out by Maersk and throughout the shipping industry.

The maritime industry, an inherently global sector, demonstrates the need for a unified struggle by workers internationally. The relentless cuts to jobs, wages and conditions in the sector, spearheaded by some of the most powerful financial forces in the world, similarly points to the necessity for a socialist program that rejects the subordination of this key sector to the profit demands of a tiny corporate elite.