

# Maritime unions ram through wage-slashing deal at Svitzer Australia

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**18 June 2023**

Australia's largest tugboat operator, Svitzer Australia, announced on June 10 that a slim majority of its almost 600 workers had voted in favour of a new enterprise agreement that will lock in real wage cuts for the next five years.

The company's managing director, Nicolaj Noes, welcomed the deal, saying it "finds the right balance of productivity and competitiveness improvements essential to the success of our business while continuing to provide rewarding and fulfilling roles for our colleagues on the tugs."

The agreement will deliver a 5 percent nominal pay rise, backdated to April, followed by increases of 2–5 percent in January 2024 and 2–4 percent in each of the following three years. Because the nominal pay increases are linked to the consumer price index (CPI) but capped, the deal is a guarantee that real wages will continue to decline for the next five years, unless inflation falls below 2 percent.

Workers will receive a one-off signing bonus of \$2,500, which does not even make up for the shortfall between current inflation and this year's pay increase, let alone the real losses workers have incurred since their last pay rise in January 2019.

In terms of conditions, the maritime unions are not claiming any improvements, merely that they have blocked the company's sharpest attacks, maintaining existing rights for casual and part-time workers.

The unions have hailed a clause on outsourcing, omitted from the agreement workers voted on but appended through an undertaking by Svitzer to the Fair Work Commission (FWC) on June 9. This measure provides minimal protection against workers being permanently replaced with external labour, blocking outsourcing for only the first year of the agreement.

The time-limited ban is, the unions claim, because the government's planned "Same Job, Same Pay" reforms will achieve the same aims once they come into effect. The scope of Labor's still-unwritten proposal is extremely limited and the government is already engaged in talks with business about further restrictions, meaning it is likely the legislation will have no impact on Svitzer's plans.

The outsourcing question is by no means a hypothetical one. In 2020, Svitzer sacked the entire workforce at its Geelong base, replacing them with workers covered by individual workplace agreements with inferior conditions to those

contained in the existing enterprise agreement.

The agreement comes after a four-year dispute, involving hundreds of instances of work bans and dozens of stoppages across the country and one of the most significant attacks on Australian workers' rights in the past decade. The sudden wrapping up of this struggle by the Australian Institute of Marine and Power Engineers (AIMPE), the Australian Maritime Officers Union (AMOU) and the Maritime Union of Australia (MUA) can only be described as a sellout.

The three unions signed off on an in-principle agreement last month, and all initially encouraged workers to approve the deal in last week's ballot. The AIMPE was the most emphatic, telling workers that, while the agreement was "far from perfect," it was "time to accept the pay settlement and at least claw back some of the cost-of-living increases."

While officially adopting a "neutral" position, the AMOU nonetheless gave its endorsement, telling workers the deal was "likely to be the best it can get."

The MUA reversed its position, calling for a "no" vote just two days before the ballot opened. The union claimed to have only noticed at the last minute problems with the wording of two clauses in the agreement, around outsourcing and changes to port operating procedures. This, the union said, would allow "Svitzer managers to make unilateral changes at their will during the life of the agreement."

The MUA's position was the height of cynicism. Does anyone really believe that the union, after months of negotiations, was unaware of various clauses in the deal? Instead, the MUA was conscious of substantial opposition to the sell-out among workers. It did everything it could to force through the agreement and then, at the last minute, tried to distance itself from the rotten deal that it had helped broker.

Even after the supposed turnaround, the MUA worked to impose the sellout. It made clear to workers that if they rejected the deal, the agreement would likely be settled through Fair Work Commission (FWC) arbitration, under Labor's new "intractable bargaining" measures.

This was also the scenario outlined by the FWC in a May 31 recommendation addressed to Svitzer workers. Commissioner Bernie Riordan, a former state secretary of the Electrical Trades Union, wrote, "The parties have the option of either voluntarily

entering into an EA or having the FWC arbitrate the EA,” which would take “another 6–12 months,” and “deliver what I believe will be an inferior result.”

In other words, far from promising a “fair” outcome, the FWC, falsely promoted by the unions as an “independent umpire,” was plainly declaring that it would deliver a deal even more favourable to management than the wage-slashing offer already on the table.

Having told workers resistance was futile, assuring the passage of an agreement it had previously said would mean “our members can be replaced with labour hire—without any recourse,” the MUA responded to the vote by declaring “we respect the democratic process.”

With the unions either overtly urging a “yes” vote or sending a clear message to workers that there was no way for them to fight even if they voted “no,” the fact that only 63 percent of workers voted in favour of the agreement reflects substantial opposition to the deal.

More than a third of the Svitzer workforce is not only hostile to the wage-slashing deal, but determined to continue the fight. This is of no consequence to the union bureaucracies. Through a four-year campaign to block and minimise industrial action taken by workers, the unions have finally managed to wear down enough workers to narrowly slip the agreement through.

The denouement of this sellout operation paints a clear picture of the collaboration between Svitzer, the unions, Labor and the industrial tribunal. The in-principle agreement was hastily put together in FWC bargaining sessions on May 10-11, just days before a six-month ban on industrial action was due to expire.

The ban was put in place by the FWC in November after Svitzer threatened to lock out its entire tugboat workforce, which would have effectively shut down Australia’s major ports.

This was a deliberate manoeuvre by the company to take advantage of Australia’s draconian anti-strike laws under which the FWC can terminate or suspend all industrial action in a dispute based on potential “economic harm.” Even if, as in this case, that “harm” would be caused by the company’s action, such a ruling means workers are stripped of the right to strike, while the company is free to operate as usual.

The anti-democratic ruling was hailed by Svitzer, the Labor government and the unions, which claimed the six-month suspension was a “victory” because the company was angling for a complete termination.

But it was clear from the outset that workers would not be allowed to play any further part in their own struggle. Management’s gambit having been rewarded, it was certain that any call for renewed strike action after the ban elapsed would have again been met with a company lockout and the intervention of the FWC.

To avoid the necessity for a repeat performance, Svitzer and the union bureaucracy timed the in-principle agreement to

cover the brief window between the end of the strike ban and the coming into effect of the FWC’s “intractable bargaining” powers on June 6.

These laws, part of the industrial relations reforms Labor rushed through parliament in the final sitting week last year, empower the FWC to proactively intervene in disputes, shut down strikes and directly impose the demands of management without the need to show that there is potential for “economic harm.”

This experience provides an object lesson for workers at Svitzer and more broadly that the fight for decent wages and conditions requires a political struggle against Labor and the industrial courts.

No such fight can be taken up while workers remain shackled to the union apparatus, which is tied by a thousand strings to Labor, enforces the authority of the pro-business FWC, and which has worked hand-in-hand with successive Labor governments to impose and strengthen Australia’s harsh anti-strike laws.

Instead, workers need to build rank-and-file committees in every port, factory and workplace. This is the means through which workers can take the power back from the well-heeled union bureaucrats and begin to democratically discuss, prepare and carry out a fight for their own interests.

The attack on Svitzer workers is part of a global process, as governments and corporations, including the multi-national shipping giants, seek to derive ever-increasing labour output from workers to boost profits and finance the vast expansion of the military in preparation for war.

Equally universal is the collaboration in this operation of the unions, which have long ceased to be workers’ organisations in any form and are instead a thoroughly corporatised industrial police force, enforcing the demands of governments and big business.

On the west coast of the US, maritime workers are currently being urged to “quickly ratify” a wage-cutting union-management agreement brokered with the aid of the Biden administration. The International Longshore and Warehouse Union has kept the 22,000 workers on the job in the year since their contract expired, through a no-strike pledge to management.

This underscores the need for workers to mount a global counteroffensive against the assault on their jobs, wages and conditions. The Socialist Equality Party urges Svitzer workers to form rank-and-file committees and seek affiliation with the International Workers’ Alliance of Rank-and-File Committees, as the first step in building this fight.



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