Where is the MUA heading as a union?

By Bob Carnegie

The Maritime Union of Australia is a union of immense potential power, organising the workforce in the ports through which the economic lifeblood of Australia flows. Merchandise trade runs at 38% of GDP in Australia, as of 2010, up from 25% in 1968, and compared to 19% in the USA and 22% in Japan. Australia is an island continent; with its big cities scattered at large distances from each other round a long coastline, with relatively poor internal freight links, the big-city ports are strategic economic points which cannot be bypassed.

Most of the bulk terminals, increasingly important with Australia’s minerals boom, are either non-union or are organised by the AWU or CFMEU. The largest bulk terminal organised by the MUA is Newcastle.

The MUA is a small union, with about 13,000 members, mostly wharfies, but also including about 1000 merchant seafarers engaged mainly in coastal trade and about 3000 or 4000 workers on offshore rigs.

But the membership of the MUA has been growing, from 10,000 in 1993 to 13,000 today, with the expansion of ports and of the offshore oil and gas rights. The West Australian branch of the MUA has grown from 1100 to 3600 members in the last seven years.

At its peak the Waterside Workers’ Federation had maybe 27,000 wharfies, and the Seamen’s Union of Australia, which merged with the WWF in 1993 to form the MUA, maybe 6,000 seafarers. The industry changed drastically with containerisation, from the 1960s. But since the 1970s there has been no radical technical change to shrink the workforce. Many ports still use cranes dating back to the 1970s.

Challenge of automation

The union is not using its strategic power. The result is many adverse changes since the 1998 waterfront dispute, and a union ill-prepared for the challenge facing it with the decision of DP World to automate its Brisbane container terminal as a test run for automating other terminals across the country.

Automated terminals are already in operation in some other ports. In Rotterdam, the Euromax Terminal opened in June 2010, with a capacity of five million TEU [twenty-foot-equivalent units] handled by a workforce of 900 spread over 84 hectares. The busiest port in Australia at present is Melbourne, handling about two million TEU. The Port of Brisbane does about one million TEU per year.

In Brisbane, DP World plans for automation to bring a 65% cut in the workforce within 18 months. In negotiations currently under way for a three-year Enterprise Bargaining Agreement, the union’s response is to ask for better redundancy deal (four weeks’ pay for every year of service).

A confident and militant union would respond differently. It would demand that the benefits of automation not be monopolised by the bosses, at the expense of the workers. It would demand a shorter working week, longer leave, better work conditions, and a comprehensive deal on automation across Australia rather than a separate deal for Brisbane.

Offshore

The MUA now has three or four thousand members involved in the offshore oil exploration and construction industry, mostly off Western Australia. Pay is often high, but work conditions and safety regulations are often circumvented by the employers. The union gives an illusion of strength because of the high wages in the industry. As regards organisation, however, delegates are often less than militant.

Seafaring

The coastal seafaring membership of the MUA is now less than one thousand. It has steadily declined since the Keating government removed depreciation allowances for Australian shipowners in the early 1990s.

There are now only 27 Australian-registered ships. The Weipa-Gladstone route, shipping bauxite from Weipa, for example, is now operated by seven ships: two Australian ships, two British second-registry ships, and three British-registered ships with Ukrainian officers and Filipino crews on nine-month contracts earning about one-fifth of Australian seafarers’ rates.

The numbers are set to decline even further, since many of the Australian-registered ships are very old.

The union is relying on a prospective deal with the Gillard government which will offer shipowners a second registry, lower taxes, no requirements to employ Australian crew except for senior officers, a sweetheart deal with the union,
and the chance to pay Australian seafarers lower wages because the government will compensate by exempting them from income tax.

It should instead be pushing for a law like the Jones Act in the USA, which guarantees vessels trading between American ports on a permanent basis have to employ American nationals and be built in the USA. In Australia, the union should be arguing for the same rate for the same job, irrespective of seafarers’ origins.

A key problem here is that the union dare not use its strength in ports and on tugs as a lever.

Tugs are unionised in all Australian ports except Dampier. Tug workers used to be the most militant part of the seafaring workforce, and are still better-paid, and get better conditions, than most other seafarers. Since a reorganisation of the industry in 1991, the tug workforce has become more conservative, and older. Crews are smaller now, with each tug being operated by only three workers, so one-third of the tug workforce are captains, one-third engineers, and one-third MUA members.

**Turning points in the ports**

**Ports were rebuilt, and terminals moved - Brisbane's main wharves, for example, to Fisherman's Island - in the 1970s. The union retained its strength.**

That changed in the 1990s, and especially with the deal done by the union leaders to settle the lock-out staged by Patrick in an attempt to break the union in 1998. The union leaders claimed that outcome as a victory, since the MUA was still "here to stay"; but in fact many things changed for the worse.

Before 1992, there were no casuals in the ports. Now the workforce at many terminals is between 30% and 49% casuals. Patrick has an agreement under which permanent workers must be at least 51% of the workforce, but in a number of terminals it pushes the casual percentage right up to the 49% maximum.

The union leaders attempt no fight against casualisation. It is not that it is impossible; at Patrick Port Botany, for example, the workers have ensured that there are no casuals (although problems remain with the conditions of the different grades of permanent workers).

Before 1992, all wharfies were paid at the same rate. Then grading and different pay rates were introduced.

Since 1998, at Patrick Port Botany for example, bonuses are a big part of pay for many workers, and differentials are large.

The gangs who work on the ships get a $3 bonus per container moved above a certain number, and can routinely get $240 bonus in a working day. Yard workers have a different bonus system. Lashing teams, who have the hardest jobs, get no bonus and no overtime rates, so wharfies’ pay can vary between $60,000 and $130,000.

The system is divisive and unsafe. Gangs compete to get the most modern cranes; yard workers drive straddle carriers as fast as they can to maximise the bonuses.

Well-organised workforces can resist. At Patrick Port Botany there is now an agreed roster for the use of the newer cranes. The union has demanded that the bonus payments be pooled and divided equally among the workforce, but the employers reply that they won’t be told how to use their money.

Even for the workers who get big bonuses the system is not good. They buy big houses or big cars on the basis of the bonuses, and then find themselves crippled by debt when bonuses fall off.

At DP World Port Botany, the workforce is graded into no fewer than four tiers, from permanent full-time down to casual. Patrick Port Botany shows that division and casualisation can be fought, but also the limits even where the union has resisted. The workforce of 450 there is divided into 320 permanent full-time workers and 130 permanent part-time (Permanent Guarantee [PGE]) workers, with no casuals. The permanent full-time workers have rosters which they know well in advance, but the PGE workers can have their shifts changed by text message with only a few hours’ notice.

Until 1998 each gang used to include a first-aider. Now almost all terminals contract out first aid. Patrick Port Botany is the last terminal with directly-employed first-aiders (two per shift).

In smaller ports casualisation is usually much worse. The MUA Journal of autumn/ winter 2011 reports that in Albany, Western Australia – not the smallest of ports – there were until recently only two permanent full-time port workers, three part-timers, and lots of casuals. Then Patrick, the port operator, wanting the whole workforce casual, made the two permanent full-time workers redundant.

**The owners**

**The nature of the owners has changed, too.** Patrick was bought out in 1996 by Toll, a logistics multinational which in its turn had been bought out by its own management in 1986 and then re-listed as a public company in 1993. To satisfy antimonopoly regulations, Toll has separated itself into two companies, with Asciano, owner of Patrick and Pacific National rail, at arm’s length from the main Toll business.

P&O, the other main stevedoring employer, an outgrowth of the P&O shipping company, was bought out by Dubai-based DP World in 2006. In December 2010, 75% of DP World’s Australian operation was bought out by a Wall Street financial firm, Citi Infrastructure Investors. Though DP World continues to provide management staff, the business is now controlled by financiers dedicated to moving money wherever it makes the quickest buck.

The Hong Kong based multinational Hutchinson Whampoa, which also owns the “3” mobile phone business and operates in five of the seven busiest container ports in the world, handling 13% of the world’s container traffic, is constructing terminals in Brisbane and Sydney. The Brisbane terminal will have a total area of 26 hectares, and is due to become operational in 2012-2014. The Sydney terminal is due to be completed in 2012, with 46 hectares of yard. It is not yet clear whether Hutchinson intends to operate these as automated terminals.

Supervision has become harsher and less contested. At Patrick Port Botany, for example, bosses are trying to impose a DuPont safety system (based on the model of the US chemicals corporation DuPont). The Canadian Auto Workers’ union points out that this system “sees safety as a set of management practices making rules for workers with which they should comply...”

“When DuPont mentions safety committees, they are referring to exclusively management committees with no worker participation. In the DuPont system there is no...
The West Australian MUA conference illustrates how the left they see their own hold on leadership positions as in itself key to progress seems to have mutated into a view in which leadership come from a MUSAA background.

SPA (today called the CPA). In its press the CPA applauds still exists as a secretive club of union officials which suitable no longer carries out any public activities, but apparently it Over time it became more and more a group of offici union meetings.

The report has much more of self-congratulation of that sort than of honest information on what it decided or on problems the conference debated, or should have debated. Many of the MUA leaders have fallen in love with the trappings of union-leadership power. They sit on the boards of super funds; they hobnob with the elite; they spend time in the Qantas chairman’s lounge: they award themselves higher pay and more perks than leaders in richer unions; without a qualm, three years ago they transferred $1 million from the union’s fighting fund into the general fund, to sustain their expenses; and, almost as a natural consequence, they routinely resort to capitalist answers to social problems which have only socialist solutions.

They no longer make any attempt to create a new generation of activists in their image and on the basis of their ideas. They still have some base of support in the rank and file. A number of seafarers actively support the incumbent leadership, partly because they know that being in favour with the leadership can help them get jobs. On the wharves, there are some activists who defer to the supposed expertise of the union leaders and will argue in support of their policies.

The strength of the leadership is not really its thin and desultory layer of rank and file support. It is that, despite widespread discontent on the wharves, there is no self-aware, cohesive, conscious opposition to the leadership. There is now a new generation of wharfies, neither tied to the existing leadership by long years of habit as some older ones are, nor demoralised by the setbacks in 1998 and after as some other older ones are. The development of the MUA into a union able to make proper use of its strategic economic power depends on the development from among that generation of a new wave of activists with a fresh outlook.

The next edition of the “Appeal to Reason” will discuss the recent MUA election

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