

# An Appeal to Reason

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## Where is the MUA heading as a union?

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**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 Patricks 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 permanents 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 anti-monopoly 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

mention of the requirement for the employer to comply with health and safety statutes and regulations... It is a negative 'blame the victim' approach. It ignores the fundamental design problems in the workplace...

"DuPont system emphasizes safety problems and almost completely ignores health problems..."

It should be noted that the DuPont system is already rampant in the offshore oil and gas industry and in sections of the shipping industry.

## A left-wing union?

### Since the 1990s the union's routine response to all challenges has been damage-limitation.

The old Waterside Workers' Federation and Seamen's Union were considered bastions of the left, and the MUA is still reputed a "left" union.

In the broader labour movement, the MUA these days operates as a junior partner of the Australian Workers' Union (AWU), traditionally the mainstay of the right wing in the movement. The MUA votes with the AWU in the ACTU.

There is a formal MUA/ AWU alliance for the offshore industry, but relations go much further than that. They could go as far as the MUA merging into the AWU. Despite charging its members very high union dues, the MUA has rarely run an operational surplus since amalgamation in 1993. With a top-heavy official machine, it has steadily eaten up the large reserves of money and property assets it inherited from the amalgamation.

All this would be routine for a traditional right-wing union. But the MUA has a reputation and a history as left-wing. Its leaders probably still think they are communists.

Many of the old MUA officials joined the Socialist Party of Australia, a more strictly pro-Moscow split-off from the Communist Party of Australia, in their youth.

In 1983 the SPA split. The prominent union leaders who were members objected to the political leadership of the SPA giving them instructions to oppose the union/ government Accord promoted by the Hawke Labor government. They continued to organise in the unions, most substantially and durably through a group called the Maritime Unions Socialist Activities Association.

MUSAA published a quarterly journal until the mid-1990s, and occasional leaflets. It organised caucuses to plan for key union meetings.

Originally it included a number of rank and file activists. Over time it became more and more a group of officials. It no longer carries out any public activities, but apparently it still exists as a secretive club of union officials which suitable newly-elected officials can be asked to join. It appears to have friendly relations with the rump continuation of the SPA (today called the CPA). In its press the CPA applauds the MUA leadership.

Paddy Crumlin and a number of his associates in the MUA leadership come from a MUSAA background.

*Their youthful adherence to an addled Stalinist form of socialism which saw the winning by socialists (themselves) of leadership positions in unions or in government as the key to progress seems to have mutated into a view in which they see their own hold on leadership positions as in itself left-wing, socialist, or communist, regardless of what they do.*

The report in the MUA Journal of Autumn/ Winter 2011 of the West Australian MUA conference illustrates how the

MUA leadership sustains itself and seeks to draw in or neutralise new officials, like WA MUA secretary Chris Cain, who come from a non-MUSAA, more left-wing, background.

The MUA Journal reports that Paddy Crumlin told the conference that Chris Cain was "one of the country's great trade unionists, and a great internationalist".

Chris Cain is reported as saying that: "Workers are looking for leaders, leaders like Paddy. Looking for them, crying out for them".

An international guest speaker is cited as saying: "Brother Paddy Crumlin, you define what's best about the working class. Chris [Cain], you are a true champion. You have shown us what the essence of organising is all about".

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

## Contact me

<http://bob2011mua.wordpress.com>

0439 478 996  
PO Box 738, Stones Corner Q 4120

[ishmael1819@gmail.com](mailto:ishmael1819@gmail.com)