Hutchison Ports' sackings in Australia and the global restructuring of the docks

By Mike Head
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Behind the current confrontation on the docks in Sydney and Brisbane—over the dismissal by Hutchison Ports of nearly half its Australian waterfront workforce—stands a global conglomerate that is transforming the industry worldwide at the expense of the jobs, conditions and basic rights of port workers.

Hutchison is "rolling out" remotely-controlled automated terminals around the globe, based on computerised cranes unloading mega-ships, with all the operations conducted by console operators in centralised offices.

The company's sacking of 97 of its 224-strong Australian workforce last Thursday, via late-night emails and texts, typifies the ruthlessness with which Hutchison and its global competitors deal with the working class. Dock workers in Jakarta are facing a similar assault at Hutchison's hands, as did its contract workers in Hong Kong in 2013.

In every instance, the attacks have been facilitated by the national and international trade union bureaucracies, which are fully committed to boosting the profitability of the companies and their shareholders—primarily banks and finance houses. This process is intensifying under conditions of world slump, slowing trade growth and intensifying battles for market share.

HPH began operations in Australia, in Brisbane in 2013, and Sydney's Port Botany in 2014. With the help of "greenfields site" agreements struck with the Maritime Union of Australia (MUA), it established substantially automated terminals, featuring automated stacking cranes.

Now, however, the company plans to introduce automated straddles and remotely-operated quay cranes. It is seeking to match the introduction of robot technology by rival Asciano-owned Patrick at its Port Botany terminal this April, and the automation implemented by the third main Australian terminal operator, DP World, at its Brisbane terminal and planned for its Sydney terminal. In each case, the workforce was halved.

According to its web site, Hutchison Port Holdings (HPH), a subsidiary of the Hong Kong-based giant CK Hutchison, has a network of port operations that comprises 319 berths in 52 ports, spanning 26 countries throughout Asia, the Middle East, Africa, Europe, the Americas and Australasia. Worth about $HK433 billion on the Hong Kong stock exchange, CK Hutchison is chaired by Hong Kong's richest man, Li Ka-shing, a billionaire.

Since 1969, when its first flagship operation, Hongkong International Terminals, was established, HPH has become one of the world's largest global cargo handlers, boasting a combined throughput of 82.9 million TEU (twenty-foot equivalent units, or standard intermodal containers) in 2014.

HPH is locked in cut-throat competition with rival networks. Reporting on a 2014 Global Terminal Operators review by the shipping consultancy Drewry, the *Loadstar*, an industry web site, commented: "A new breed of international container terminal operators has emerged over the past few years to challenge established companies which have traditionally dominated the sector."

The *Loadstar* explained that "for almost a decade the container terminal operating industry's four main global players have been ever-present in bidding for new concessions and privatisation opportunities—Hutchison, PSA, DP World and APM Terminals."

PSA is based in Singapore, DP World in Dubai and APMT in Netherlands. Two new entrants were added to the list of global terminal operators last year—French-based Bolloré and China Merchants Holdings International (CMHI).

A June 16 HPH announcement epitomised the pace of the international restructuring. "After a more than two-month-long sea voyage from Shanghai, yet another three giant cranes arrived at the ECT Delta Terminal at Maasvlakte [near Rotterdam], this morning," the media release stated.

"The cranes have a lifting height of 50 metres under the spreader and a reach of 24 containers wide, more than sufficient to handle the very largest container ships of 20,000 TEU and more ['Ultra Large Container Ships']. Furthermore, the cranes can be remotely controlled from the office by ECT's crane operators."

This marked a new phase in the industry, the statement boasted. "When it was opened in 1993, the ECT Delta Terminal was the first fully automated terminal in the world. With the commissioning of the Euromax Terminal Rotterdam in 2008, the next generation of automated terminal was introduced." Now, "remote control by ECT's crane operators takes place in a fully operational terminal."

HPH's "Next Generation Terminal Management System (nGen)," which includes automated guided vehicles and automated stacking cranes, was first developed "in-house" at its Hong Kong terminals. The system was "subsequently rolled-out" at other HPH ports, including Yantian International Container Terminals and COSCO-HIT Terminals in southern China, Gdynia Container Terminal in Poland, Thai Laemchabang Terminal in Thailand and the Oman International Container Terminal. "The system will be gradually introduced to other ports in the HPH network in the coming years."

In this process, HPH is spearheading attacks on jobs and conditions around the world, helped by the trade unions. During 2013, 450 striking outsourced contract workers for HPH's Hongkong International Terminals—dockworkers, crane operators and stevedores—struck for 40 days for higher pay and against their conditions, which include working 24-hour shifts without breaks, no fixed holidays and no formal meal periods.

In May that year, the Union of Hong Kong Dock Workers overturned a workers' vote to reject a paltry wage rise and called off the strike in return for meaningless employer promises to improve some conditions. The union said the outcome was a "real" victory, because it "laid the basis for the union to further engage" the contractors and HPH in the future.

At present, dockers in the Jakarta International Container Terminal face the destruction of jobs after the Indonesia Port Company handed control of the port to HPH for the next 20 years. In Poland, port workers are fighting for improved pay and conditions at Gdansk, where the terminal is owned by an infrastructure fund run by Australia's Macquarie group.

On the US and Canadian West Coast, the dock unions imposed another concession contract on 20,000 dockworkers this May, after years of union agreements that have allowed the workforce to be halved by automation since 2002.

This offensive by huge global corporations can be countered only by a unified struggle by dockworkers, and other workers, worldwide against the capitalist profit system. But the trade union apparatuses that cover maritime and transport workers have a long record of collaborating with the companies. They help pit their members against each other on a national basis, assisting "their" national employers to drive down costs in order to compete for business.

On its web site, the MUA pays lip service to uniting "maritime workers in every corner of the globe, through strategic campaigning and alliances." Token messages of international support are routinely read out to workers' meetings. This "solidarity," however, is with the trade union bureaucracies, not the workers they claim to represent.

For 15 years, MUA national secretary Paddy Crumlin has been a leading figure in the trans-continental union apparatus covering dockworkers, the International Transport Workers Federation (ITF), and he has been ITF president since 2010. Over the past three decades, the modus operandi of the ITF has been to facilitate corporate automation—while demagogically posturing as defending workers' interests—in order to retain its own privileged place in the industry.

Just two months ago, for example, the ITF-affiliated SUTRAMPORCPC union ended a 24-day strike by 650 dockworkers at Callao, Peru's largest port terminal, after reaching a two-year agreement for union coverage with APMT. While supposedly praising the workers for being "united," "resolute" and "resilient," ITF Americas regional secretary Antonio Fritz hailed the settlement as "good for APMT." He stated: "It's the kind of result we like, because the ITF wants prosperous port operations that benefit all—the company, the workers, their families and the national economy."

Likewise, the MUA's main slogans in the Sydney and Brisbane dispute are "automation with negotiation" and "objective and fair negotiated redundancy selection processes." In other words, the union's preoccupation is to assist the endless automation, as long as Crumlin and other officials retain their places at the negotiating tables, and workers can be pushed out the door via "redundancy selection processes" designed to protect union officials and supporters.

The use of advanced IT and logistics technology has revolutionised cargo handling and is streamlining sea transport and trade. However, under capitalism, these major advances in the productivity of labour, rather than lightening the load for workers, translate into bigger corporate profits, the destruction of thousands of waterfront jobs, and even higher levels of exploitation of the remaining workers.

Hutchison workers in Sydney and Brisbane can only defend their jobs and conditions through a conscious political break with the unions and the Labor Party which have presided over three decades of restructuring and job destruction on the wharves and other sections of industry. Independent rank-and-file committees are needed to turn to wharfies and other sections of the working class in Australia and internationally against global giants such as Hutchison.

Such a struggle requires a new political perspective based on the fight for a workers government and socialist policies, including the nationalisation of corporations such as Hutchison under democratic workers control. The reorganisation of society on socialist lines would mean that the most advanced technology could be used to benefit the vast majority of the population and to meet their social needs, rather than to create even greater profits for the wealthy few.