DP World threatens to sack 10 percent of its Australian workforce during industrial action

By Noel Holt
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After two weeks of limited rolling strike action by 1,800 workers at DP World Australia container terminals, the company last week provocatively announced that it intends to reduce its workforce by 10 percent.

The Dubai-based trans-national plans to axe 100 dockworkers' jobs at its Sydney and Melbourne terminals, in addition to another 47 jobs already being slashed at the Melbourne terminal this week.

The timing of the announcement—during ongoing industrial action over an enterprise bargaining dispute—marks a new offensive by employers to further slash jobs, basic rights and conditions on the waterfront and throughout the working class as a whole.

Since February, when the previous enterprise bargaining agreement expired, DP World management has demanded the scrapping of limits on casual and contract employment, the abolition of a union-operated income protection scheme and other cuts to conditions. It also proposes a pay increase of just 2.6 percent per annum, well below the real cost of living.

Earlier this month, DP World dockworkers walked off the job for two- and three-day stoppages in Brisbane, Melbourne, Sydney and Fremantle, Western Australia. The strikes indicate a determination by waterside employees to fight back against decades of job cuts and the continual erosion of conditions, enforced by the companies, successive Labor and Liberal-National governments and the trade unions.

Union members expressed their frustration and growing militancy over stalled negotiations in March. In a ballot, 98 percent (1,286) of the participating DP World workers approved strike action, along with a variety of work bans at all DPWA's terminals.

However, the Maritime Union of Australia (MUA), a division of the Construction Forestry Maritime Mining and Energy Union (CFMMEU), is continuing to try to contain the anger of DP World workers and strike another deal with the company.

The MUA complained that the job cut announcement was made through the media without consulting the union, yet the union's press release made no statement about fighting the latest jobs cuts, any more than the 47 already eliminated via so-called voluntary redundancies.

MUA assistant national secretary Warren Smith said DP World's sacking of workers to achieve an industrial outcome was an extreme act. "This situation, where a massive multinational company is showing total contempt for Australian workers and their families, shows once again how broken our country's workplace laws are."

Smith's reference to "broken" laws is an attempt to keep alive the union bureaucracies' phony "change the rules" campaign that failed dismally during the May 18 federal election campaign.

Australia certainly has some of the most draconian industrial relations laws in the world's developed economies. The legislation prohibits industrial action outside of "bargaining periods" when an employer and unions are negotiating a new enterprise agreement. But these laws were introduced by the last federal Labor government in 2009, with the full support of all the unions, and the unions have willingly enforced them ever since.

DP World is clearly confident that the MUA will quash workers' resistance to the job cuts, just as the union has done for decades. In 2015, the MUA ended a week-long strike by workers at Hutchison Ports after the company sacked 97 workers via text message. The union eventually imposed a sell-out agreement that eliminated over 60 full-time positions, introduced a longer working week, and lower rates of real pay.

Such betrayals have a long history. In 1998, the MUA struck a deal with the Howard Coalition government and Patrick Stevedoring to end a six-week waterfront dispute over major restructuring in Brisbane, Sydney, Melbourne and Fremantle. That sellout was rapidly followed by the elimination of more than 650 jobs—almost half the company's permanent workforce

That MUA deal opened the way for years of enterprise agreements featuring further casualisation, sackings and restructurings involving ever-greater automation. In 2007, Patrick launched the world's first automated straddle carrier terminal and the world's third automated container terminal.

This month, the MUA called the rolling stoppages after a three-month "truce" with DP World. The union organised the walk-offs to occur at different times at each of the company's four terminals in order to minimise damage to the company's profits.

DP World unsuccessfully applied to the federal industrial tribunal, the Fair Work Commission (FWC) to ban the strike action on the grounds that it would cause "significant disruption." However, the commission ruled that work bans which disrupted container movements and delayed ships were illegal as they did not take place within the time limit for "legally protected action" under the industrial laws. The MUA said it would appeal the decision.

During strike action in March the union gave a clear indication that it was willing to negotiate a sell-out deal with the company. Within 48 hours of commencing a week of rolling strike action on March 28 the MUA agreed to enforce a ban on industrial action for three months, ending this month, while negotiations restarted.

However, management used the time to put pressure on employees by threatening mass sackings. The MUA was compelled to restart strike action this month in response to members' growing concerns over the possible mass loss of jobs through automation. DP World is seeking to emulate its competitors, which, with the crucial assistance of the MUA, have automated large parts of their operations over the past decade, axing hundreds of jobs.

While DP World is denying it has the capacity to provide any improvement in pay, and claims to be "struggling financially," its global profits increased 10 percent last year to $1.29 billion.

DP World operates 78 marine and inland terminals supported by over 50 related businesses in 40 countries across six continents. It recently signed a $US1.2 billion green-field agreement with Indonesian conglomerate Maspion Group for the development of a new container terminal for Eastern Java.

As the MUA's record since 1998 demonstrates, this relentless global restructuring offensive cannot be fought through national-based trade unions, which are based on a perspective of collaborating with employers to make "their" national economies globally competitive.