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Port strikes threaten to cripple Christmas

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Furniture, televisions, electronics, toys, sporting goods and food are facing months of delays as port strikes across the country, triggered by a worsening dispute over union demands for more pay and control of hiring workers, threaten to cripple imports ahead of Christmas and further strain supply chains in the middle of state lockdowns.

The Maritime Union of Australia has this week escalated already damaging industrial action at Patrick Terminals and notified that hundreds of wharfies will strike for 48 hours in Sydney's Port Botany this weekend and for 12 hours every Monday, Wednesday and Friday in Melbourne for the whole of October.



Patrick CEO Michael Jovicic, dockside at the Port of Newcastle, says the MUA has “completely lost the plot”. **Darren Pateman**

The strike will disrupt Melbourne and Sydney ports already experiencing [unpredictable shutdowns caused by the coronavirus](#), with Victoria International Container Terminals (VICT) forced to close for more than three days last week due to four cases among its workforce.

Patrick’s Fremantle wharfies downed tools for 48 hours on the weekend while Melbourne wharfies stopped work for 24 hours over the same period, in time for the AFL grand final. Every terminal including Brisbane also has to deal with various work bans, including on overtime and shift upgrades.

Freight companies say the strikes are causing huge stress for retail businesses already hurting from months of lockdowns and international supply chain interruptions.

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Patrick Terminals said the port disruption follows some [12 months of industrial action](#), totalling almost 200 notifications, that have cost it more than \$15 million in revenue and decreased its market share from 48 per cent to 43 per cent.

Chief executive Michael Jovicic said the MUA had “completely lost the plot” with its latest move and was “clearly embarking on a major pre-Christmas industrial campaign”.

“How can they commence a campaign of rolling strikes until the end of October when one third of Melbourne’s container terminal capacity has been impacted by COVID-19, with VICT closure due to COVID-19 outbreaks?” he said.



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“It seems that the union is trying to starve the Melbourne public of Christmas presents after all that Victorians have gone through over the past 18 months – it is truly mind-boggling.”

The industrial action has to date forced container ships to wait up to 18 days to berth in Sydney, nine days in Melbourne, eight days in Brisbane and three in Fremantle.

Patrick says it has also experienced record absenteeism on top of the industrial action, with employees failing to come to work more than 7500 times.

The wharfies, who in Sydney are paid an average \$172,000 on a 35-hour roster and work less than 200 days a year, are understood to be striking for increased union control over manning levels and hiring.

MUA national assistant secretary Jamie Newlyn said Patrick's "chief exaggeration officer" was applying corporate spin to the situation.

"Despite claiming a loss of market share, Patrick are recording record profits by price gouging through terminal access charges and other shipping fees, which are adding to the cost of goods for customers and Australian consumers," he said.

Patrick wharfies in Melbourne are set to walk off the job every second day in October. **Peter Rae**

"Productivity is at a high and protected industrial action is a last resort to finalise an agreement that is almost 18 months past expiry."

He said Patrick's claim it wanted a roll-over of the union agreement was false and that the stevedore was insisting on changes that the workforce would not accept.

"Patrick employees are rightly frustrated at corporate tactics to deny a modest pay rise and remove agreed conditions on secure jobs," he said.

Melbourne and Brisbane wharfies have already reached an in-principle agreement but are understood to be striking to support their colleagues in Sydney and Fremantle.

Mr Newlyn said “had the CEO not intervened in the Port Botany bargaining, agreement would have been reached locally”.

Enrica Centorame, founder and director of Global Forwarding, said the industrial action, on top of domestic border closures, had led to freight backlogs of four to six weeks and the escalation meant she was now facing eight to 12 weeks of delays.

“This is a cancer on the economy,” she said. “We’re in the middle of a pandemic. A lot of businesses are on their knees – they need their stock and their stock is stuck in port.”

She said she had recently taken an angry call from a cash-strapped retailer who had ordered sporting goods in the hope to boost Christmas sales and recover from lockdown.

“He refinanced his home to pay for stock, hoping to sell between November and December, and there’s no way we’re going to be able to get his stock out to him by the end of November,” she said.

“If this keeps going on for too long it will cripple the economy.”

Shipping Australia chief executive Melwyn Noronha said the disruption was costing a typical container ship almost \$140,000 for every day of delay and would have repercussions for many everyday Australians.

“Many Australians are unable to work because of lockdowns. And it is now, during these times of a twin health and economic crises, that the maritime union seeks to try to cripple the waterfront?” he said.

The escalation comes [almost a year to the day](#) after the union agreed to suspend all its industrial action at Patrick’s Port Botany terminal ahead of potential stop orders from the workplace tribunal due to the alleged threat to the economy. At the time, industry figures said the congestion at the port was the worst they had seen in decades.

Subsequent bargaining, which has now been going on for 19 months, has failed to reach a resolution and Patrick told the union in August that it had reached an impasse.

The stevedore has made a “final” offer of 2.5 per cent a year pay rises for four years, no forced redundancies from automation and caps on casual labour. It wants changes to Port Botany’s agreement to recruit a certain number of supplementary workers and “efficiently deploy labour as and when required to meet our customer needs”.

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Paul Zalai, director of the Freight & Trade Alliance, said if the latest action got to the point experienced last October “then it will have devastating impacts again”.

“Throw the COVID situation on top of protected industrial action, on top of the challenges we’re facing in international shipping and a high volume time in import and export commodities – we just can’t afford to have stevedores shut down every few days.”

Patrick says it has been forced to subcontract about 46,000 container lifts and 22 vessels during the 12 months since the start of industrial action. More than 60 vessels have been forced to bypass ports as a result.

The stevedore said it was currently negotiating contracts with major customers but the protracted union negotiations were undermining the talks.

The strikes come as VICT was forced to shut its automated Webb Dock terminal for deep cleaning last Monday night due to a positive case of coronavirus and then again from Wednesday night to Sunday morning. It has reopened on restricted operations.


The previous week DP World was forced to isolate more than 100 staff at its Port Botany terminal, including 36 employees for two weeks, due to a positive coronavirus case.


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