To be truly radical is to make hope possible, rather than despair convincing - Raymond Williams No. 165 - 18 January 2019

Branch Report - Industrial Action at Hutchison Ports - BHP and BlueScope to Axe Last Two Australian Iron Ore Vessels- Qube Visit - Port Automation Chronically Overrated - Swedish Dockers National Strike Action - Unfair Dismissal Claim Against BHP - Superman: Super Resolutions - Cartoon Corner

The Week in Review by Bob Carnegie

THE BRANCH THIS week has been heavily involved in a number of areas. Deputy Branch Secretary, Jason Miners along with delegates were in a marathon 10 hour long meeting with management under the auspices of the Fair Work Commission (FWC). Significant progress was made and the parties are meeting again in the FWC at 1600 this coming Monday.

The Hutchison dispute is ongoing with a round of industrial action currently taking place. Relief Official, Anthony Crookall and I were down on the site on Friday discussing strategy with members.

On Wednesday 16 January 2019, Jason Miners and I were in Gladstone. A meeting was held with Smit Lamnalco on casual conversion and the importance of trying to bring some regularity into members lives. Two further meetings were agreed upon. The work of delegates Phil Hansen and Jon Ernst has been simply outstanding and are to be congratulated for their hard work.

Meeting with Rio Tinto

A couple of weeks ago Rio Tinto reached out to me to discuss the possibility of improving our relationship with them and expanding their intra-state fleet.



Deputy Branch Secretary, Jason Miners and I had a very interesting and progressive meeting with two very senior people in Rio Tinto management.

There is a long way to go yet before we break open the champagne, but we are making huge strides forward.

Members will be kept up to date in all of these developments.

Queensland Parliamentary Inquiry into Intra-State Shipping

The Branch and National Research Officer, Penny Howard will have our submission done on time. In my opinion, it is outstanding work thanks to Penny Howard and the AMIEU's Craig Buckley.

It is up to us now to support he public submissions and to attend and demonstrate our desire to have more Australian seafarer participation in the movement of goods by sea in our State.

All members in the coming couple of weeks will be asked to participate. I remember what an old time Canadian merchant seaman told me many years ago. He had gone through the big Canadian Seamen's Union strikes in the late 1940's and had seen his once great union destroyed by the forces of the State, shipowners and a treacherous section of organised labour. He spent two months in a Canadian prison for picketing. Tony said, "Bob, you can't buy militancy," meaning nothing beats men and women on the ground fighting for their union.

Brisbane and Sydney Wharfies to take Industrial Action over Push to Slash Workplace Conditions

WORKERS EMPLOYED BY Hutchison Ports in Sydney and Brisbane have voted overwhelmingly to commence broad-ranging industrial action, accusing the company of launching the most severe attack on waterfront conditions in a generation.

The protected action ballot of Hutchison Ports workers from Port Botany and the Port of Brisbane, conducted by the Australian Electoral Commission, recorded 98.4 per cent support for a series of rolling work stoppages, along with a range of other actions. The first round of industrial action, involving bans and limitations, will commence on Thursday.

Negotiations over a new workplace agreement covering Hutchison Ports workers in Sydney and Brisbane reached a stalemate after the company refused to back away from plans to slash wages and conditions, along with automating some roles and outsourcing other jobs.

The Maritime Union of Australia said the company's demands include: a 2.5 per cent cut to superannuation; reductions to sick and parental leave; cuts to redundancy and long service leave; removal of income protection; wage cuts of up to \$10 per hour followed by a wage freeze; and reductions to safety standards, including the loss of full-time first-aiders and removal of personal protective equipment.

MUA Assistant National Secretary Warren Smith said the attempt by this multi-national port operator to slash the pay and conditions of Australian workers left them with no choice but to take industrial action.

"The world's largest stevedore, the same company that sacked 97 workers by text message in 2015, is now telling its Australian workforce that it wants to slash their wages and conditions," Mr Smith said.

"If Hutchison gets its way, waterfront workers would be left 26 per cent worse off in retirement based on the company's planned cuts to their superannuation entitlements, while redundancy payments would be halved for the average worker, as would long service leave.

"Not content to attack wages and conditions, Hutchison Ports are going after the safety of their workers, with a push to remove the full-time first-aiders who provide potentially life-saving treatment in an emergency, along with taking away basic personal protective equipment.

"On top of that, they want to cut wages by up to \$10 per hour, impose a 12 month wage freeze, with pay rises of just 1 per cent a year after that.

"Our members refuse to sit back and watch as fourdecades of hard-won conditions are stripped away by a greedy multi-national whose only concern is maximising its own profits.

"We will not accept an agreement that rips us off and reduces our standard of living, and the MUA is committed to using every industrial and legal tool at our disposal in our fight to protect conditions and safety standards on the waterfront.

"The actions Hutchison Ports highlight exactly why the Australian union movement has launched the Change the Rules campaign, to challenge the actions of big corporations who are increasingly using the broken workplace laws to attack the conditions of working people."

BHP and BlueScope to Axe Last Two Australian Iron Ore Vessels

THE MARITIME UNION of Australia (MUA) has accused large multinational companies BHP and BlueScope Steel of using the January holiday period to quietly sack nearly 80 Australian seafarers and replace them with \$2 an hour exploited foreign labour on the Australian coast.

MUA National Secretary Paddy Crumlin said the union has been informed that the MV Mariloula and MV

Lowlands Brilliance would be dumped immediately – the last remaining Australian ships that have serviced BHP and subsequently Bluescope steelworks in this country for more than 100 years.



"This is a national disgrace," Mr Crumlin said. "Many, many Australians have known someone who worked on the famous fleet of BHP iron boats, yet the company wants to end more than 100 years of proud trade by sending a couple of sneaky emails in early January.

"One in eight merchant seafarers died defending this country in two world wars and their legacy deserves a lot more than this treacherous, underhanded attempt to dump Australian workers ahead of a federal election."

Mr Crumlin said the two vessels move iron ore from BHP's mining operations in Port Hedland to BlueScope's steelworks in Port Kembla, then run coal to China before returning to Port Hedland and qualify as cabotage trade. The union has written to the company demanding answers.

"It is with great surprise and regret we received notice from BHP informing the impending removal of the MV Mariloula and MV Lowlands Brilliance from freight services contracted to BlueScope and consequently, their removal from Australian coastal and international trade," the correspondence says.

"The decision has the potential to devastatingly affect Australian seafarers and will see BlueScope's supply chain effectively removing Australia labour from the local Australian industry, being replaced by highly exploited foreign crews paid as low as \$2 per hour."

Mr Crumlin said the MUA remains deeply concerned with BlueScope's lack of consultation and discussion prior to the announcement by BHP, as well as the fact BlueScope is planning to shut down a trade that has run successfully for more than 100 years when alternatives are available.

"The union understands there to be considerable availability of Cape Size Bulk vessels suitable for the BlueScope freight task currently performed by the MV Mariloula and MV Lowlands Brilliance," the letter says.

"We urge BlueScope to utilise Australian seafaring labour in its local supply chain. Australian seafarers have

serviced BHP and subsequently Bluescope steel works in this country for more than 100 years."

Mr Crumlin said the MUA had historically worked constructively with both BHP and Bluescope to meet cabotage requirement, including pay freezes during periods of economic downturn.

"This contribution to the company by Australian seafarers deserves ongoing certainty of their employment in BlueScope's shipping supply chain. We note that during the period of wage freeze by workers including seafarers the Company made a \$1.6 billion profit," the letter says.

Mr Crumlin said the move was particularly galling given the current shipping arrangements do not expire between BHP and Bluescope until June this year and that his brief discussions with company management had shed no light on the reasons behind the decision.



The MUA is now requesting a meeting with BlueScope, BHP, maritime unions and the AWU to ascertain the real facts behind BHP's decision to dump current shipping arrangements and to further discuss what will occur between now and June.

Qube Visit



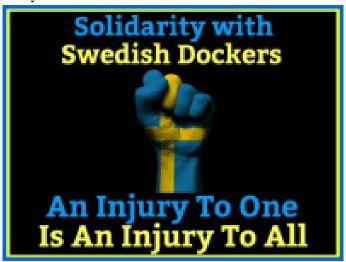
Pre-start at Qube today - members working a Swire vessel

Swedish Dockers National Strike Action

ON WEDNESDAY, JANUARY 23, the Swedish Dockworkers Union (SDU) will initiate nationwide industrial action against the employers' organisation Ports of Sweden, with the aim of establishing a central collective bargaining agreement. The first round includes a total overtime stoppage in the northern ports and strikes

in Helsingborg, Umeå, Karlshamn and Söderhamn. During the upcoming days, we will give further notice of strikes in other ports all over Sweden.

In 2018, the SDU and Ports of Sweden have met on several occasions for negotiations concerning the union's proposal to sign a national CBA identical to the one already in place between Ports of Sweden and the ITF affiliate Swedish Transport Workers' Union (STWU). However, after encouraging and constructive talks this winter, Ports of Sweden finally rejected all proposals that would make the SDU a fully recognized counterpart. As a consequence, the union is now forced into a struggle which risks becoming not only long lasting, but also very costly for all affected stakeholders.



In April last year, Ports of Sweden and its affiliated port operators introduced an exclusion policy against the SDU, modelled on the union busting practices of Maerskowned APM Terminals in Gothenburg's container terminal. The policy states that the union's 1300 members from Piteå in the north to Malmö in the south shall be barred from all information, all negotiations and all day-to-day cooperation in the ports. SDU locals have been evicted from their union offices inside the ports. These drastic moves by the employers have all been attributed to the fact that the SDU is not a CBA stakeholder.

The most pressing urgency driving the fight for a national CBA is however the dramatic decline in workplace safety. Port of Sweden's new policy has deprived over one hundred elected Health & Safety officers throughout the country of their mandates, with the motivation that they belong to the "wrong" trade union. As some ports are 100 % affiliated to the SDU, there are currently no H&S officers present in these workplaces. Concern that preventable serious or even fatal accidents will occur is growing.

Unlike many other Swedish trade unions, the SDU has retained an extensive internal rank-and-file democracy. It is always the concerned members who decide how the trade union shall act in different situations. This applies to everything from local work pattern negotiations to

central decisions. Accordingly, a national membership ballot was held this autumn concerning the rising crisis in the ports. With a powerful 84 % majority, the members gave the national board the mandate to declare the industrial action announced today.

So far, the employers' organisation Ports of Sweden has showed no interest in the needs and demands of SDU members. Instead of a proper contract with identical terms and conditions as the one already existing in the industry – which would ensure democratic representation and labour peace in all ports — Ports of Sweden tries to blackmail the SDU into signing a so-called side letter. A side letter is not a proper contract – it does not include wage scales, benefits, work patterns or rules of procedure. Instead, it is a terse piece of paper simply stating that the SDU is legally bound by all current and future agreements between the Ports of Sweden and the STWU, and that the union relinquishes it's right to strike.

As side letters are almost unheard of amongst unions in the Swedish labour market, it is unclear whether it would give the SDU the right to reinstate it's elected H&S officers and if it would allow leave for elected representatives to perform union work. What is clear however, is that port employers would not have to include the SDU in any future negotiations and agreements. That is, the union would lose the right to take industrial action without being guaranteed the rights of a full contractual party. What would be the point of having a rank-and-file union if it does not have a seat at the negotiating table?

The Swedish port industry needs cooperation and sustainable long-term solutions. This cannot be achieved by trying to force half of the country's dockworkers to dismantle their trade union organization. Enough is enough. The SDU will fight until an agreeable solution is reached and asks all IDC affiliates for practical support and solidarity action in this critical situation.

Even Management Consultants Have Figured Out That Port Automation Is Chronically Overrated

A NEW REPORT INTO port automation by a prominent management consultancy used by rightwing bosses and governments worldwide has shown what unions have known for years – that automation always costs a fortune but rarely delivers forecast profits and productivity gains.

The global survey of port stakeholders by leading right wing management consultancy McKinsey & Co found that container terminals are accelerating their investments, but many are not able to generate projected cost or performance benefits.

Respondents expected automation to cut operating expenses by 25-55 per cent and to raise productivity by 10-35 per cent.

However, in reality, the survey found operating expenses at automated ports fell by 15-35 per cent while productivity actually fell by 7-15 per cent.

Maritime Union of Australia (MUA) National Secretary and International Transport Workers' Federation (ITF) President Paddy Crumlin said workers had known all along that the shift to automation was ideological rather than practical.

"We have been saying for years that the business case for automation doesn't stack up but this time it isn't just unions saying it but right wing bean counters as well," Crumlin said.

"Too often we have seen snakes in suits who think they can remake the waterfront in their own image but ultimately it is workers and company shareholders who pay the price for misguided management adventures on automation.

"I look forward to the next round of consultants' reports recommending that employers actually sit down with workers and their union to see how real productivity can be achieved at container terminals without enormous capital expenditure and failed expectations – but I won't hold my breath.



"Instead the report outlines a race to the bottom – cutting the jobs of hardworking men and women with no regard for the human cost, let alone poor business practice so unions and their members will have to keep up the fight for quality jobs, adequate safety and decent conditions."

The McKinsey report said an anonymous global port operator informed them that the average number of gross moves per hour for quay cranes is in the low 20s, while at many conventional terminals it is in the high 30s.

Poor data quality, siloed operations and the failure of ports to simplify processes before automating them were also factors at ports where automation has not yielded the expected benefits.

"With numbers like these, automation can't overcome the burden of the up-front capital expenditures," the report said.

However, this is not slowing the pace of automation in the ports sector, with 80 per cent of survey respondents telling McKinsey they expect that in the next five years, at least half of all greenfield port projects would be semi or fully automated.

Just over one third of respondents expect the proportion of automated ports will rise above seven in ten.

"Brownfield projects—the total or partial conversion of existing conventional ports—will probably gain

momentum soon: more than half of the participants expect at least 50 per cent of the top 50 ports to initiate retrofitting plans or to add automated equipment during the next five years," the report said.

"But the survey also clearly showed that the return on investment from port automation demands attention from port operators and investors alike. Up-front capital outlays are high.

"We estimate that to justify these investments, the operating expenses of an automated greenfield terminal would have to be 25 per cent lower than those of a conventional one or productivity would have to rise by 30 per cent while operating expenses fell by 10 per cent."

Port Automation Continued

By Mike King

Source: https://www.lloydsloadinglist.com/freight-directory/news/Ports-are-failing-at-automation-McKinsey-study-concludes/73563.htm#.XD1s7pVxkdW

PORTS ARE FAILING to fully reap the productivity and financial gains that automation can generate, according to a new study by McKinsey, with many automation projects actually leading to falls in container-handling productivity.

The consultant found that despite appearing to be ideal environments for automation, the port sector has automated more slowly than comparable industries, including warehousing. And, although the pace of automation is now starting to accelerate, many operators are not generating the improvements they should expect.

Indeed, after conducting a major global survey of port stakeholders, McKinsey concluded that the shortfall between expectations from automation and actual gains by operators remains stark.

McKinsey survey respondents expected automation to cut operating expenses by 25-55% and to raise productivity by 10-35% — expectations in line with McKinsey estimates of what should be possible, especially in fully automated projects. "Our survey indicates that operating expenses at automated ports do indeed fall, but only by 15 to 35%," said the consultant. "Worse, productivity actually falls, by 7 to 15%.

"An executive of a global port operator told us, for example, that at fully automated terminals, the average number of gross moves per hour for quay cranes – a key indicator of productivity – is in the low 20s. At many conventional terminals, it is in the high 30s.

"With numbers like these, automation can't overcome the burden of the up-front capital expenditures." McKinsey's survey found that the barriers to successful port automation were, led by a lack of experienced, well-trained technical staff. "Respondents who had previous experience with automation say that the top problem is filling the specialized technical positions it requires," said the report. "They add that even experienced engineers can take as long as five years to train.

"Many ports have apparently underestimated the challenge of acquiring the needed capabilities, especially in planning and implementation. "Port and terminal operators must therefore step up their efforts to acquire talent and build these capabilities."

Poor data quality, siloed operations and the failure of ports to simplify processes before automating them were also factors at ports where automation has not yielded the expected benefits.

However, this is not slowing the pace of automation in the ports sector. 80% of survey respondents told McKinsey they expected that in the next five years, at least half of all greenfield port projects would be semi- or fully automated. 35% expected the proportion of automated ports would rise above seven in ten.

"Brownfield projects—the total or partial conversion of existing conventional ports—will probably gain momentum soon: more than half of the participants expect at least 50% of the top 50 ports to initiate retrofitting plans or to add automated equipment during the next five years," said McKinsey.

"But the survey also clearly showed that the return on investment from port automation demands attention from port operators and investors alike. Up-front capital outlays are high.

"We estimate that to justify these investments, the operating expenses of an automated greenfield terminal would have to be 25% lower than those of a conventional one or productivity would have to rise by 30% while operating expenses fell by 10%."

McKinsey argues that ports able to overcome the implementation challenges of automation successfully will reap a healthy dividend from their investment.

"In the long run, these investments will lead the way toward a new paradigm—call it Port 4.0—the shift from asset operator to service orchestrator, part of a larger transition to Industry 4.0, or digitally enabled efficiency gains throughout the world economy," said the report.

However, it added, while Port 4.0 will generate more value for port operators, suppliers, and customers alike, that value will not generally be proportionally distributed across ports and their ecosystems.

"Innovative business models and forms of collaboration will be required to realize this vision," concluded the report.

Driver of Runaway Train Files Unfair Dismissal Claim Against BHP

Source: https://www.theguardian.com/business/2019/jan/12/driver-of-runaway-train-files-unfair-dismissal-claim-against-bhp?CMP=Share_iOSApp_Other

Lawyer says sacking was unfair and 'a classic case of blaming the worker, not the system'

THE DRIVER OF a 2km-long train filled with iron ore that derailed in Western Australia in November has filed an unfair dismissal claim against BHP.

Lawyers for the man said his claim was lodged with the Fair Work Commission this week, three weeks after he was sacked.

"We say the decision is unfair for a raft of reasons, not least of which is blaming the worker for the accident when there were significant issues with the systems over which he had no control," Timothy Kucera said. "It's a classic case of blaming the worker, not the system."

The fully laden train was deliberately derailed about 120km out of Port Hedland by BHP's remote-control centre in Perth on 5 November, destroying 1.5km of track and costing the company an estimated \$55m a day until the track was repaired.



Photo: ABC

It had travelled for 92km without a driver after the driver stepped off the train to check one of the carriages and, BHP alleges, failed to properly engage the emergency brake for the entire train.

BHP's Western Australian iron ore asset president, Edgar Basto, said in November that the driver had left the train to disconnect a braking system control cable, which had caused the train to stop.

"Our initial findings show that the emergency air brake for the entire train was not engaged as required by the relevant operating procedure," Basto told Australian Mining magazine.

"In addition, the electric braking system that initially stopped the train automatically released after one hour while the driver was still outside. Due to integration failure of the backup braking system, it was not able to deploy successfully."

BHP confirmed the driver no longer worked for the company and said it could not comment on the unfair dismissal case "out of respect for the individual and their privacy".

Superman



3 New Year Resolutions for Your Super

The New Year is always a time for reflection. It signals a fresh start, a clean slate, so it's no surprise that most people make resolutions around this time. Here are three resolutions you might want to add to your list that can

have a big impact on your super and future lifestyle.

Resolution #1: Top Up Your Super

For most people, employer compulsory contributions alone won't be enough to live comfortably in retirement. You should look into making your own contributions to

boost your super, and the New Year is as good a time as any to get started!

Even contributing just a few dollars a week from your own pocket can make a huge difference when you retire; that's because the magic of compounding returns means that even a small contribution to your super can make a big difference in the long run.

Resolve to:

- try our Retirement Income Calculator to test out various contribution scenarios to see how extra contributions can impact your super down the track
- get free financial advice from a financial planner regarding your contribution strategy call Member Services on 1800 757 607 to speak to a financial planner
- complete the Voluntary contributions form to make additional contributions from your before- or aftertax salary – visit our website to download a copy of the form.

- Resolution #2: Consolidate And Save

If you have several super accounts across different funds, it's worth bringing it together into your Maritime Super account. By doing this, you save on paperwork, and because Maritime Super doesn't charge any establishment, contribution, withdrawal or termination fees, you can also potentially save thousands of dollars in fees over time.

Another bonus is that you can manage your investment strategy more efficiently (since it's all under one roof), which means that your super is working harder for you.

Resolve to:

- use our Online Rollover Tool in just a few clicks, you can consolidate your other super into your Maritime Super account
- watch the 'Keeping your super together' video in the Resources section of our website – in this 1-minute video, learn why it's worth combining your super in one fund and how to go about rolling in super from other funds.

Resolution #3: Meet with a Financial Planner

If you're one of the many people who find it difficult keeping those new year's resolutions, getting help from a financial planner is a smart move. Our financial planners review your situation and help you to formulate a plan to keep your super savings on track.

Maritime Super's financial planners are salaried employees and do not receive commissions, so you can be confident that their advice is based on what's best for you.

Resolve to:

- make an appointment with a financial planner by calling Member Services on 1800 757 607
- watch the 'Financial advice' video in the Resources section of our website in this 1-minute video, see how financial advice can set you on the path to financial freedom.

Learn more

Maritime Super has a stack of resources to help you make – and keep! – your financial resolutions:

- visit the Resources page of our website and try our calculators, read our fact sheets and watch our videos
- get free phone advice from our financial planners regarding your contribution or investment strategy call 1800 757 607 to speak with a financial planner
- Meet with David Zaloudek, Maritime Super's financial planner in Queensland contact David on 0488 072 369 or davidz@maritimesuper.com.au

Cartoon Corner

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