



# QUEENSLAND BRANCH NEWS

NEWSLETTER of the QLD Branch of the MARITIME UNION of AUSTRALIA

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## Hutchison's deliberate losses and the "shock doctrine"

HUTCHISON SAY they have been losing money on their Australian container terminal operations. Whether this is true or not, we don't know. Multinational corporations can tweak accounts so that profits appear wherever in the chain best suits them for tax or other reasons.

When challenged on why it had paid no corporation tax in Britain, Starbucks claimed that its business in Britain had always run at a loss. (What? They ran all their coffee shops just out of charity?)

Hutchison estimated in advance that they would spend \$200 million on setting up the Brisbane terminal. According to a study in Port Technology magazine ([bit.ly/crane-s](http://bit.ly/crane-s)), cranes are usually depreciated over 20 years. That seems long: the cranes can physically last 20 years, but they may be obsolete before that. The US Bureau of Economic Analysis reckons 16 years for materials handling equipment.

Say 20 years. The study's illustrative figures assume a 6% interest rate. That makes \$16 million a year for depreciation on \$200 million. About \$1.3 million a month.

The Port of Brisbane's accounts report \$50 million a year in wharfage charges. About \$30 million of that is per-teu charges. So, about \$20 million is wharf leasing charges, or maybe \$3 million for Hutchison's two berths.

Add on \$1 million a year for management and security, minimal maintenance, and other charges which Hutchison have to pay even if they move not a single container. Just having the terminal brings Hutchison fixed costs of around \$20 million a year before they pay a cent in wages for operations. A bit less if they can write off crane 4 and get the insurance money; a bit more if they depreciate over fewer than 20 years.

Portside crane 4 is unusable because of damage. Cranes 1 and 2 lack essential safety features. Until Hutchison fixes cranes 1, 2, and 4, they have only crane 3. That limits throughput, maybe not as much as you'd think because other limits are set by poor layout of the terminal, a WiFi system with inadequate coverage, and the capacity of the Automatic Stacking Cranes. Say they could do 50,000 teu a

### Follow and promote the campaign on social media

UP TO THE MINUTE reports and pictures on the "Hutchison Ports - Stop Union Busting" Facebook page, [on.fb.me/1PajABU](https://on.fb.me/1PajABU)

year, tops. Even at \$200 per teu, that's a loss of \$20 million per year.

They are certainly worse off than that now. They have given away customers to other operators, and have to pay those operators more than they have received from the customers.

### In short:

HUTCHISON MAY or may not have made losses before, but they are sure to make losses by running the terminal as it is now with a reduced workforce.

They are making big losses now as a result of their own decisions.

They won't walk away. That would mean writing off \$700 million invested in starting up in Australia, and trying to get out of long-term leases.

They must have a plan to return to profit.

They could negotiate with the union to re-equip and remodel the terminal and expand the workforce under good conditions.

They have chosen instead to go for a scorched-earth, shock-doctrine policy which can work only by relaunching with labour costs slashed.

We can force them onto the other road: expanding in negotiation with the union and the workforce.

Workers have rights. Workers are not earth to be scorched.

Have we got the figures right? Probably not, not in detail anyway. Hutchison should open their books and let us examine their figures in detail.

### The shock doctrine

“THE SHOCK DOCTRINE: the rise of disaster capitalism” is a 2008 book by Naomi Klein which examines how capitalist corporations and governments inflate and exploit crises to stun people into “disaster mode” and get away with more than they could in quiet times. One example is how the floods in 2005 in New Orleans were used to privatise schools and destroy public housing. Is Hutchison trying the same sort of thing? [bit.ly/shock-d](http://bit.ly/shock-d)

## Report from Smit towage, Brisbane

WE IN TOWAGE have been in the Port of Brisbane for 12 years, and in this time we have had a few different owners of our tugs, Hutchison being one of them.

They were here for one reason, that was to be a third operator in the ports of Australia. Once they achieved this, they sold their towage operations.

We work in this industry on average 84 hours per week and are always facing change and different company views. We challenge these companies all the time and we stand strong.

We are always being threatened with lay-offs and have stood strong during these hard times.

We as workers understand the challenges that these multinational companies impose on the workers of this great nation of ours. We as union workers must always stand together to stop this continuous attack on our way of life and culture.

The hideous way that union members at Hutchison have been dealt with, being texted about their sackings, just shows us all the greater need to stick together to fight the inhumane ways that these unscrupulous companies treat their workers in towage, shipping, wharves, and all industries.

This dispute at Hutchison shows us all that mateship and comradeship is so important to us all for a better and well-deserved lifestyle for all workers, as this is our country and we should be the ones to be in control in negotiations with these multinational capitalist corporations, so that the future for all is fair and just.

All companies have a social and moral obligation to their workers as well as for safety. We, the workers of this great country of ours and of the world, must unite and fight for peace and prosperity for all, as only we can control, as has been proven many times, through the struggles of workers everywhere to stand united against dictatorship and harassment from the corrupt corporations of this world.

So, Hutchison MUA, we stand with you. MUA, here to stay!

## The Fair Work Commission

THE FAIR Work Commission hearing on Monday 10 August finished that evening without a decision. It will resume on Wednesday 12th.

Hutchison emailed workers on Monday evening 10 August about an “updated interim order” to stop industrial action. But the interim order was already a week old. There was nothing substantive new from the Commission.

Orders to stop industrial action? No-one has refused to go in to work. Workers have insisted on the right to work safely, with their workmates, dignity, and on agreed terms. The terminal’s operation has been damaged not by workers but by Hutchison turning away customers and sacking workers.

The union also has a case in the Commission, to say that the terms of the industrial agreement have been broken by the sackings on 6 August.

## Solidarity

CURTIS PITT, Queensland state Treasurer, spoke to the community assembly on 10 August to bring us support from Annastacia Palaczuk’s Labor state government.

John Battams, president of the Queensland Council of Unions, and Grace Grace, former QCU secretary and now a state Labor MP, also spoke. John Battams said that the QCU would mobilise to ensure the community assembly is sustained 24/7.

On Tuesday 11 August we received messages of support from dockworkers in Barcelona, Spain, and Tilbury, UK.

## Branch Officials’ details

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### Join the community assemblies! Show solidarity!

Brisbane: Curlew Street, Berth 11 Fisherman Island.

Sydney: Gate B150 Sirius Rd, Port Botany (access via Foreshore Rd)

The assemblies will run 24/7, so come any time.