

Corruption seen on the high seas

Foreign companies trying to work in Australia's offshore oil and gas sector face a number of industrial relations demands that do little more than drive up costs for everyone.



Grace Collier

About 200 foreign-owned vessels work in our offshore oil and gas sector each year, operating under an extraordinary set of industrial relations arrangements. These arrangements are invisible to most, yet they significantly impact on our cost of living and our international reputation.

Many companies refuse to undertake work in Australian waters, but those who do, decide to do so on the understanding they must agree to a deal that can more than triple their labour costs. For the duration of their project, in addition to their own workforce, a superfluous and expensive "ghost crew" of Australian union workers will be squatting on board.

Prior to the project beginning, the shipping company owner must begin negotiations with the Maritime Union of Australia (MUA). The company must arrange for a union official to "inspect" the safety of the vessel in its foreign port, most usually Singapore. This means a first-class overseas flight for the union official, with five-star accommodation, entertainment and other "facilitation" so as to attain the tick of approval for the vessel to carry the Australian ghost crew. Once the tick of approval is given by the union official, the ghost crew must be flown overseas to board the vessel.

So, to be clear, if a business owner wishes to bring a ship into Australia, it has to have the union crew on from the last port before Australia and to the first port out of Australia. "Bali is used a lot because it is close and you can have them on for as little time as possible," comments one owner. "When they fly to/from these ports, they often need a rest day or two before starting work after the arduous business-class flight and so you put them up in a hotel and pay them and they also need shopping money!"

The workers who make up the ghost crew are selected in a joint effort between the Australian crew management companies (labour hire firms) and the MUA, who share information about their databases of available workers. The union delegate is the first selected, as the crucial person who will control the crew for the duration of the trip. Union members have told me that anyone who owes the union money, or are out of favour, will not be selected for work. In this way, the union controls the conduct of the workforce at sea as any worker who defies the union delegate will never work again.

Once the crew boards the vessel, the union delegate's first job is often to

immediately compile a list of grievances with the condition of the vessel.

Sometimes, the complaints are legitimate – the water could be rancid, for example – but the vast bulk are manufactured, cobbled-together petty grumbles. The list is referred to as the "hard lying" list and is sent to the union official, who uses it to extract additional funds from the company before the ship leaves the port. If the demands for extra money are not immediately met, the crew swiftly creates "difficulties" on the vessel. They may refuse to perform work for which they are being paid, and there have been accounts of sabotage of equipment and the vessel itself.

Contact with several international companies indicates whilst some are outraged by union demands for business-class flights and other perks for crews of workers they don't need, don't want and shouldn't have to pay for, most simply accept it as "the Australian way". Many

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companies would prefer to "donate" funds to the union's "training organisation" in exchange for not taking an Australian crew on board. Regardless, all additional costs, often over \$1000 per man per day, incurred to the company are anticipated, factored in and passed on to the client.

Why don't foreign companies just say no to these demands? Should any company wish to defy the union and refuse to have a ghost crew, the boat will be crippled. Essential supplies will not leave Australian ports and refuelling procedures will be blocked.

The onshore Australian companies that employ those who load up ships with supplies are at fault here; they don't stand up to workers who are threatening a black ban. There is nothing in law that allows this practice. This is industrial relations management failure. Just because it has always been so, does not mean it should continue.

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