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MS23-004744



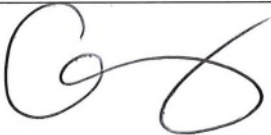
Australian Government

**Department of Infrastructure, Transport,
Regional Development, Communications and the Arts**

To: The Hon Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government (for information)

Subject: Covering brief for Letter from the Maritime Union Australia (MUA) Assistant National Secretary, Mr Jamie Newlyn, regarding the WA Shipping and Supply Chain Report

Critical Date: Routine. Please action after the schedule strategic fleet announcement on 6 November 2023.

| | |
|---|-------------------------------|
| Recommendation/s: | |
| 1. That you note the information contained in this brief. | Noted / Please Discuss |
| 2. That you sign letter to the MUA Assistant National Secretary, Mr Jamie Newlyn, regarding the WA Shipping and Supply Chain Report. | Signed / Not Signed |
|  The Hon Catherine King MP | |
| Comments: s47C | |
| Date: 7 Dec 23 | |

Key Points:

1. The MUA has written to you regarding the recently released Western Australia Shipping and Supply Chain Taskforce Report (the WA Report) (**Attachment A**). The Department is aware the Treasurer, the Hon Dr Jim Chalmers MP, and the Hon Brendan O'Connor MP, Minister for Skills and Training, have received the same letter from the MUA.
2. Minister O'Connor has responded separately to the MUA on workforce matters, whilst the Treasurer has referred his letter to you. The response drafted by the Department acknowledges the Treasurer's referral.
3. The MUA endorses the recommendations of the WA Report and advocates for the Commonwealth to work with the WA Government to implement its recommendations, including establishing a jointly funded pilot program for the first strategic fleet vessel.

Alignment between the WA Report and the Strategic Fleet Report

4. A number of the findings of the WA Report are consistent with the Strategic Fleet Taskforce Report. The two reports identify a clear role for the strategic fleet and coastal shipping more generally to strengthen supply chains, develop Australia's maritime

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- workforce and support sovereign industry. There are also consistent findings regarding broader maritime skills issues and workforce shortages.
5. Both reports recommend partnership opportunities between the Commonwealth and the states be explored, and for governments to consider opportunities to establish and leverage partnerships with private companies.
 6. The WA Report and Strategic Fleet Report both recommended funding an Australian flagged fleet and training programs through a mix of levies, subsidies, and tax reform. Similarly, both reports recommend reviewing the maritime regulatory environment, to ensure Australian shipping is attractive and competitive.
 7. The Government Response to the Strategic Fleet Taskforce Report agrees or agrees-in-principle to the recommendations with similar intent as those in the WA report including:
 - a) Government support to bridge the cost gap between Australian and foreign vessels
 - b) a cadetship or similar scheme to address workforce shortages
 - c) review of the regulatory settings for Australian shipping, and
 - d) partnership opportunities.


Kimberley pilot program

s47B(a), s47C



10. On 30 June 2023, the WA Premier, the Hon Roger Cook MLA wrote to the Prime Minister, the Hon Anthony Albanese MP with a similar proposal for a pilot program in the Kimberley. The Prime Minister's response advised the Premier to engage with you regarding the proposal. The Department has not had any further engagement from the WA Government on this matter.

s47B(a), s47C



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Financial impacts: N/A**Legal/Legislative impacts:** N/A**Stakeholder Implications:**s47C
**Consultation:** N/A**Media Opportunities:** N/A**Attachments:**

Attachment A: WA Shipping and Supply Chain Report

Cleared By: Andrew Johnson

Position: Assistant Secretary, Strategic Fleet

Division: Surface Transport, Emissions and Policy

Mob: s22(1)(a)(ii)

Cleared Date: 6 November 2023

Contact Officer: s22(1)(a)(ii)

Section: Strategic Fleet Policy

Mob: s22(1)(a)(ii)

Instructions for MPS: N/a**Do you require a signed hardcopy to be returned:** No**Responsible Adviser:** s22(1)(a)(ii)**PDMS Distribution List:** Jim Betts, Marisa Purvis-Smith, Paula Stagg, Andrew Johnson, s22(1)(a)(ii)
s22(1)(a)(ii), s22(1)(a)(ii)

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Additional Information:*The WA Report – background*

1. The WA Shipping and Supply Chain Taskforce was announced by the WA Government in March 2022. The WA Taskforce was asked to examine the state's shipping and supply chains with the east coast and international markets.
2. Major flooding in South Australia 2022 severed rail freight between WA and the east coast, leading to shortages of groceries, household goods, and industrial and agricultural inputs. This flooding event was the impetus for the formation of the WA Taskforce.
3. Further flooding in January 2023 compromised freight operations in the Kimberley, costing up to \$40 million in freight kilometres. The Kimberley floods are mentioned in the MUA letter.
4. The WA Taskforce delivered the 'WA Shipping and Supply Chain Taskforce Report' to the Hon David Michael MLA, the WA Minister for Ports, Local government, and Road Safety.
5. The WA Taskforce was comprised of:
 - The Hon Kyle McGinn MLC (Chair)
 - The Hon Jessica Stojkovski MLA, Parliamentary Secretary to the Minister for Transport, Planning, and Ports (Chair)

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The Hon. Catherine King MP
Minister for Infrastructure, Transport and Regional Development
GPO Box 6022
Parliament House
CANBERRA ACT 2600

20 October 2023

Dear Minister King,

WA Shipping Taskforce Recommendations have national implications and requires national action

I write in respect of the Western Australian Government's recent shipping taskforce report recommendations published this week by the WA Minister for Ports, David Michael MLA.

The recommendations of the WA Shipping Taskforce go to the heart of the underlying policy imperative which has driven the Federal Labor Government's own Strategic Fleet Taskforce's work and Australian Labor's long held commitment to establish a strategic fleet of Australian flagged and crewed vessels, operating in the national interest to secure our supply chains during times or crisis, conflict or global instability.

The Western Australian Shipping Taskforce report makes recommendations on shipping policy and regulatory reforms which would improve commercial conditions for Australian-owned shipping lines competing for domestic sea-freight work while also identifying ways in which shipping could be used to relieve supply chain weaknesses in Northern Australia and in remote WA communities.

The Maritime Union of Australia applauds this early work of the WA Government and endorses the recommendations of the report but we are keen to ensure that tangible actions and outcomes are now delivered in line with the political commitments made over many years to seafarers and people dependent on secure domestic and global supply chains to improve our sovereign shipping capacity and national resilience.

As you would be aware, in the Kimberley region – when the north-south and east-west roads are cut – we see food security become a very real issue for people in remote Aboriginal communities; that is they have no food or stores at all. While it is tempting to see the issue of the present lack of Australian shipping capacity as a global trade matter, securing these domestic supply chains are an absolute moral and social imperative for governments at every level. Recent events and disasters both at home and overseas have shown that we cannot depend on international shipping to deliver these essential services around and throughout our own nation.

Now is therefore the time to begin the important national conversation about the importance of a domestic shipping capacity within the framework of a sovereign, strategic fleet of Australian-flagged and crewed vessels, along with the budgetary commitments to facilitate this.

The Maritime Union of Australia and its branches in every state endorse the recommendations of the WA Shipping Taskforce report and seek your commitment to facilitate the outcomes the report seeks Commonwealth assistance in delivering upon.

An important step towards this would be partnering with the Western Australian State Government on a 50 / 50 basis to invest in the first Australian flagged and crewed vessel to demonstrate the importance and feasibility of further future investments in Australian shipping. Your colleagues in the Western Australian Government are eager to act on this vitally important issue. We implore you to join them and us in advancing this cause with new Australian flagged and crewed vessels put into service as soon as possible.

Yours sincerely

Jamie Newlyn
Assistant National Secretary



The Hon Catherine King MP

Minister for Infrastructure, Transport, Regional Development and Local Government
Member for Ballarat

Ref: MS23-004744

Mr Jamie Newlyn
Assistant National Secretary
Maritime Union of Australia
Level 2 365-375 Sussex Street
SYDNEY NSW 2000

via: S47F

Dear Mr ~~Newlyn~~ *Jamie,*

Thank you for your letter of 20 October 2023 regarding the Western Australian Government's Shipping and Supply Chain Taskforce Report (the WA Report). I understand you have also written to the Treasurer, the Hon Dr Jim Chalmers MP. The Treasurer has asked me to respond on his behalf, as the matters you have raised fall primarily within my portfolio responsibilities.

The Australian Government is committed to establishing a strategic fleet of up to 12 privately owned Australian flagged and crewed vessels. The Government expects the strategic fleet will enhance our capacity to respond to natural disasters, such as recently occurred in the Kimberley.

On 8 November 2023, I released the Strategic Fleet Taskforce's Final Report (the Strategic Fleet Report) and the Government's response to its recommendations. The Government has agreed or agreed in principle to 12 of the 16 recommendations in the report, and has committed to further exploration of the remaining four recommendations.

As you noted, the WA Report has recommendations that intersect with the Government's responsibilities and strategic fleet initiative, including proposed regulatory reform to make Australian shipping more competitive and attractive. The Strategic Fleet Report similarly recommended reviewing maritime regulations, to ensure they support the establishment and ongoing operation of the strategic fleet.

The Government's response outlines our current position on these matters. Both documents can be accessed on the Department of Infrastructure, Transport, Regional Development, Communications and the Arts' website at www.infrastructure.gov.au/infrastructure-transport-vehicles/maritime/maritime-strategic-fleet-taskforce.

The Strategic Fleet Report highlighted that the cost gap between Australian and foreign vessels is the primary reason vessel operators choose not to register in Australia. Whilst Government investment will be aimed at addressing the cost gap, operating on commercial routes will reduce reliance on Government assistance, and deliver greater value for money.

The next stage of implementing the Government's strategic fleet commitment will be developing specific measures to address the issues identified in the Strategic Fleet Report. This will include more detailed consideration of the areas where strategic fleet vessels will provide significant benefits and the capabilities required to effectively deliver these benefits. Exploring how the strategic fleet can be used by both the federal and state and territory governments will be a key part of this next stage.

The proposals in the WA Report are examples of these situations and of ways that the federal and state and territory governments could use the fleet. My department will hold discussions with the states and territories to canvas how inter-governmental partnerships could support the strategic fleet.

The WA Report and Strategic Fleet Report both identified similar skills and training challenges and include recommendations to address these issues. I understand you are member of the Board for the Transport and Logistics Jobs and Skills Council (JSC), Industry Skills Australia. As outlined in the Government's response, the JSC workforce plan will inform the Government's decisions on addressing the skill shortages in the Australian maritime industry. I understand my colleague, the Hon Brendan O'Connor MP, Minister for Skills and Training, has written to you separately responding to a similar letter from you.

The implementation of the strategic fleet will include opportunities for stakeholder consultation with my department. I encourage the MUA to participate and look forward to continuing to work with you to deliver this important policy and strengthen the broader maritime industry.

Thank you for taking the time to write to me on this matter.

Yours sincerely



Catherine King MP

7 / 12 / 2023

cc The Hon Dr Jim Chalmers MP, Treasurer

From: [STAGG, Paula](#)
To: s22(1)(a)(ii) ; s22(1)(a)(ii)
Cc: [PURVIS-SMITH, Marisa](#); [SCOTT, Megan](#); [Werner, Stephanie](#)
Subject: DP World NCM - 12 November [SEC=OFFICIAL:Sensitive]
Date: Sunday, 12 November 2023 2:46:20 PM

OFFICIAL:Sensitive

Hi s22(1)(a)(ii) and s22(1)(a)(ii)

s22(1)(a)(ii)

They also flagged the industrial action planned for this week as a further complicating factor. We will ask for the Fair Work Commission and DEWR to attend tomorrow's NCM to explore what can be done to minimise the impact of industrial action until the backlog is cleared. We will also ask for the ACCC to be there to ensure the maximum allowable level of cooperation is occurring, including issuing a temporary exemption from certain competition laws to enable great cooperation (we did the same during AdBlue successfully).

We will also be seeking to understand how time sensitive cargo will be prioritised and timeframes to clear the backlog

Cheers

Paula

s22(1)(a)(ii)

ment of
the Arts

s22(1)(a)(ii)

Department of Infrastructure

- Questions:
 - Looking at supply chain and any action required to keep it moving ^{s47C} and if we should be looking at alternative for getting supply chains working again?
 - *DP world – some things ongoing at the moment, working with competitors so any vessels due to call at DP World can be moved to alternative facilities to keep cargo flowing. Looking to subcontract some of those vessels.*
 - *Once open IT pipeline and cargo can flow across terminal gates. At that point will operate at capacity, don't expect shortage of trucks to operate every slot available. No capacity to open more slots and gates, will operate at capacity.*
 - *Some gradual scaling, but will go quickly to maximum capacity*
 - Time to clear the backlog once operational?
 - *Drain the bathtub while filling. Currently have very full yards which makes it harder to operate at high level of productivity. Once up and running, expect a couple of hard working days, hinges on when fully operational and if fully operational at that point.*
 - *Have industrial action ongoing, another variable struggle to predict impact on clearing the backlog.*

s22(1)(a)(ii)

s22(1)(a)(ii)

OFFICIAL:Sensitive

From: SCOTT, Megan
Sent: Monday, 8 January 2024 9:15 AM
To: STAGG, Paula; [REDACTED]; [REDACTED]
Cc: [REDACTED]
Subject: RE: Embargo Media release - 6am Monday 8 January - information - DP World Media Release Re: Ongoing Industrial action [SEC=OFFICIAL]

OFFICIAL

Thanks Paula, good to have had this come through.

[REDACTED] / [REDACTED], I can confirm that our colleagues in DEWR flagged DP World's intention to release this analysis with us late on Friday and advised that this release was likely to go out early this week (however they were unable to share a version with us at that point). I understand that Minister Burke's office also engaged you on this last week.

We will keep in close contact with DEWR over the coming days and let you know if we hear anything else.

Regards

Megan

OFFICIAL

From: STAGG, Paula
Sent: Monday, 8 January 2024 7:20 AM
To: SCOTT, Megan; [REDACTED]; [REDACTED]
Subject: FW: Embargo Media release - 6am Monday 8 January - information - DP World Media Release Re: Ongoing Industrial action [SEC=OFFICIAL]
Importance: High

OFFICIAL

Morning Megan, [REDACTED] and [REDACTED]

Assuming you all received this directly, but forwarding just in case.

Cheers
Paula

OFFICIAL

From: s47F [redacted] <[redacted]@dpworld.com.au>
Sent: Sunday, 7 January 2024 6:00 PM
To: Undisclosed@domain.invalid; "recipients:"@domain.invalid
Subject: Embargo Media release - 6am Monday 8 January - information - DP World Media Release Re: Ongoing Industrial action
Importance: High

Re: Ongoing industrial action at DP World terminals

Dear all,

I am writing on behalf of DP World regarding the ongoing protected industrial action being undertaken by the Maritime Union of Australia (MUA) at our container terminals.

As outlined in our media release (attached), DP World has estimated that the industrial action has already cost the Australian economy over \$1.34 billion since it began in October last year, with losses of \$84 million per week. Key industries like meat, agriculture, retail and logistics are being severely impacted through millions in lost sales, spoiled produce and supply chain issues.

Specifically, DP World's analysis has found:

- \$344 million worth of trade is disrupted each week
- This represents 0.7% of weekly Australian GDP
- Meat exports alone, worth \$13 billion annually, are being affected due to impacts on just-in-time supply chains
- Over 44,000 containers are currently stalled at ports, and the backlog will take 2-8 weeks to clear depending on when industrial action ends
- Shipping lines are prioritising loaded containers over empties, stranding thousands and costing transporters millions

Contrary to claims, DP World remains committed to good faith negotiations. However, the MUA appears focused on economically destructive tactics rather than bargaining. By constraining supply chains, the union is severely harming the Australian economy and jeopardising many jobs and livelihoods.

Urgent government intervention is now needed to encourage a resolution and prevent further escalation of costs. We again urge parties to promptly return to substantive talks at the bargaining table. Your support in facilitating this outcome would be greatly appreciated, to avoid greater damage from protracted disruption. DP World is committed to trade-enabling investment, but resolution is critical.

Please call me directly should you wish to discuss the economic impacts or Industrial action.

With thanks

s47F

s47F



s47F

W

s47F

SAFE TOGETHER



SAFE TOGETHER

Media Release: DP World Calls for Government Intervention as Industrial Action Costs the Nation \$84 Million Per Week

Sydney, Australia, 8 January 2024: DP World Australia is calling on the Australian Federal Government to intervene in its industrial dispute with the Maritime Union of Australia (MUA), warning that ongoing industrial action threatens to severely damage trade-reliant industries across the country.

Following consultation with an external economist, DP World has determined the cost of loss of output resulting from the MUA's industrial action, involving work bans and stoppages at Australia's major port terminals, is now exceeding \$84 million per week. The MUA's protected industrial action has therefore already cost the nation an estimated \$1.34 billion since it began in October last year.

DP World Oceania Executive Vice President, Nicola Noes says key export industries like meat and agriculture, as well as retailers and logistics companies are bearing the brunt of millions in lost sales, spoiled produce and supply chain breakdowns.

"The economic consequences have reached crisis point. Urgent action is needed before irreparable harm is done to Australian jobs and livelihoods," Mr Noes said.

DP World estimates \$344 million worth of trade is disrupted each week that industrial action is occurring, representing 0.7 per cent of weekly Australian GDP. Meat exports alone are worth an estimated \$13 billion annually and rely on just-in-time supply chains, which have been severely impacted by the work bans and stoppages imposed by the MUA.

Mr Noes says the MUA motivated stoppages are crippling the nation and disrupting the flow of an estimated 44,000 containers, many of which are stacked at the nation's ports. At this point in time, the backlog will take two to eight weeks to clear. The longer the industrial action continues, the time to clear will only increase, compounding the impact on Australian businesses.

In response to the continued industrial action, shipping lines are prioritising loaded containers, leaving thousands of empties stranded. Rising queues are costing transporters millions to store and shift empty boxes.

DP World is now calling on affected industries to make representations directly to the relevant MPs or industry bodies in a bid to motivate potential intervention.



DP WORLD

The MUA abandoned negotiations with DP World in December demanding a 27.5% pay rise on approximately \$130,000 salaries.

— END —

If you have any immediate questions, please contact s47F, Corporate Affairs – s47F or s47F.

About DP World

Trade is the lifeblood of the global economy, creating opportunities and improving the quality of life for people around the world. DP World exists to make the world's trade flow better, changing what's possible for the customers and communities we serve globally.

With a dedicated, diverse and professional team of more than 106,500 employees spanning 73 countries on six continents, DP World is pushing trade further and faster towards a seamless supply chain that's fit for the future. In Asia Pacific, DP World employs more than 7,000 people, and has ports and terminals in 18 locations.

We're rapidly transforming and integrating our businesses -- Ports and Terminals, Marine Services, Logistics and Technology -- and uniting our global infrastructure with local expertise to create stronger, more efficient end-to-end supply chain solutions that can change the way the world trades.

What's more, we're reshaping the future by investing in innovation. From intelligent delivery systems to automated warehouse stacking, we're at the cutting edge of disruptive technology, pushing the sector towards better ways to trade, minimising disruptions from the factory floor to the customer's door.

WE MAKE TRADE FLOW
TO CHANGE WHAT'S POSSIBLE FOR EVERYONE.

From: STAGG, Paula
Sent: Monday, 8 January 2024 12:55 PM
To: SCOTT, Megan; [REDACTED]; [REDACTED]
Subject: FW: Briefing note: DP World Australia's Stance on Partial Work Bans and Ensuring Supply of Critical Goods re: Industrial Action [SEC=OFFICIAL]

OFFICIAL

OFFICIAL

From: [REDACTED]
Sent: Monday, 8 January 2024 12:34 PM
To: Undisclosed@domain.invalid; "recipients:"@domain.invalid
Subject: Briefing note: DP World Australia's Stance on Partial Work Bans and Ensuring Supply of Critical Goods re: Industrial Action

Dear all,

We hope this email finds you well.

We are writing to inform you of an important announcement regarding DP World Australia's stance on partial work bans amidst the ongoing industrial dispute.

Effective Friday 12 January 2024, DP World Australia will no longer tolerate partial work bans. As a result, employees participating in these actions will not be entitled to any payment until they are ready and willing to perform all of their normal duties. This decision comes after exhaustive negotiations with the Maritime Union of Australia (MUA), with the assistance of the Fair Work Commission.

This is a necessary step to address the detrimental effects of the industrial action on vital industries such as meat, agriculture, and retail. The livelihoods of countless individuals are at stake, and we must take action to curb economic losses and stabilise port operations.

We want to assure you that DP World Australia remains fully committed to resolving the dispute while protecting our business interests and the broader economy from the impacts of the industrial action. Our Executive Vice President, Nicolaj Noes, emphasises that finding a fair and sustainable solution remains our top priority.

Amidst this challenging situation, we want to emphasise our unwavering commitment to ensuring the supply of critical goods and medicines. Throughout the industrial action, DP World Australia will prioritise the handling of vessels carrying perishable foods, medical supplies, and humanitarian aid. We have put in place procedures to ensure swift and efficient processing of these essential goods, minimising any disruption to vital supply chains.

We understand the importance of these critical goods and medicines, especially during this period of industrial action. We are fully aware of the impact that any disruption in the supply chain can have on individuals and communities. Rest assured, we are working diligently to ensure their timely and uninterrupted delivery.

We would like to take this opportunity to express our gratitude for your continued support and understanding during this challenging time. We value our partnership with you and remain committed to providing the highest level of service despite the ongoing industrial dispute.

If you have any questions or concerns, please do not hesitate to reach out to us. We appreciate your patience and cooperation as we navigate through this situation.

Thank you for your attention

Sincerely,

s47F





s47F



s47F



SAFE TOGETHER

From: s22(1)(a)(ii) @MO.infrastructure.gov.au>
 Sent: Wednesday, 10 January 2024 6:11 PM
 To: SCOTT, Megan <Megan.Scott@infrastructure.gov.au>
 Subject: Fwd: MUA and DP World Industrial Action [SEC=OFFICIAL]

OFFICIAL

OFFICIAL

From: s47F
 Date: Wednesday, 10 January 2024 at 2:58:01 pm
 To: s22(1)(a)(ii) @MO.infrastructure.gov.au>
 Cc: s22(1)(a)(ii) @MO.infrastructure.gov.au>
 Subject: MUA and DP World Industrial Action

Hi s22(1)(a)(ii)

Happy New Year – I hope you had a lovely break

This week as you would of course already realise the industrial action between DP World and the MUA is escalating. This is of great concern to the ALC, our member companies and Australia's end to end supply chain industry given DP World manages 40% of Australia's import and export trade.

The track record of prolonged industrial negotiations (2-3 years for the last round of enterprise agreements) means that by June 31st we could see all major stevedores in the same position; 86% of Australia's container throughput would be implicated in industrial negotiations.

To mitigate this risk to Australia's supply chain resilience an intervention (under section 424 of the Fair Work Act) by the Australian Government is required as arbitration by Fair Work Australia is only possible 9 months after the expiry of the current EBA (i.e., July 2024 for DP World).

As you know, each point of the supply chain relies on all others so a lock out or a union work ban on Friday (which appears likely) means trucks and trains won't be able to drop off or collect any container from DP World across the country. All import reliant businesses and exporters relying on DP World plus their freight forwarders, transport companies, warehouses, cool storage facilities etc will be impacted. Its export season for Australia's major horticultural exports and exporters are worried. So are retailers and manufacturers relying on the summer peak. And we are concerned about the reputation damage for Australia's exporters.

The ACCC Container Stevedoring Monitoring Report 2020-21 concluded that the stevedores' enterprise agreements contain some of the most restrictive work practices in Australia. Given the ALC's mission is to build supply chain productivity, resilience, and sustainability for our country we are concerned about conditions for example that inhibit any business adopting automation or technology innovations and advancements that change the status quo in terms of labour.

The short-term risk is an escalation of the ongoing supply chain disruptions and associated costs increases on Friday through a lock out or a work ban at DP World terminals Australia wide.

The mid-term risk is another 6 months of industrial action until July 2024 when DP World can seek Fair Work Australia intervention. By that time Patrick and VICT will be commencing their negotiations meaning 86% of Australia's container throughput could be subject to ongoing industrial action. At the Port of Melbourne all three stevedores will be involved in EBA negotiations at the same time. 100% of Melbourne's container freight is a big bargaining chip.

The long-term risks could be:

1. The stevedores don't acquiesce, and the industrial action continues for years (per stevedore) in line with the historical pattern of the last 3 years. s47C

s47C

2. The stevedores acquiesce which includes a 27.5% pay rise over three years adding to the cost of living. Further you can see from the ACCC Report case study below the types of conditions that may result – none of which support supply chain resilience, productivity or sustainability.

And I wonder how many other industries in Australia and the western developed world would ever accept a 70% control on recruitment (with 40% family and friend appointments!). From a diversity, inclusion perspective and an Australian 'fair go' perspective I am personally astonished that the boys club (in a thoroughly male dominated industry) has been institutionalised in this way.

And I recommend you read the report especially 6.2 for other restrictive practices that entirely limit efficiency, productivity and sustainability.

Box 6.1: Case study – restrictive provisions in Hutchison's Enterprise Agreement

In July 2021, after 3 years of negotiations, Hutchison signed an EA agreement containing the following provisions.²²⁴

- 8.4 *No employee shall be made redundant due to the implementation of automation and/or technology or mode change.*
- 10.1 *Vacancies, including promotional and permanent level appointment opportunities as they arise, will be filled by trained and suitable people within the business, where available.*
- 10.4 *Appointment of positions covered by this agreement will be undertaken on the basis of:*
 - 10.4.1 *40% of appointments from family and friends of employees covered by this agreement*
 - 10.4.2 *30% appointments from the MUA*
 - 10.4.3 *30% appointments from Hutchison.*

These provisions limit Hutchison's ability to automate, reduce costs and control its recruitment decisions. By definition, automation is a creation and application of technologies to produce goods or services with minimal human intervention. Yet, provision 8.4 prohibits Hutchison from automating in a way that would reduce the level of its employees.

Provision 10.4 gives significant control to the MUA and Hutchison's employees in employee appointments, severely limiting Hutchison's ability to recruit the most suitable and qualified people for its company.

§22(1) - thanks for your interest and support.

We have a major supply chain challenge so industry and government working together is essential.

Please let me know if we can help in anyway.

Kind regards

§47F

§47F

§47F [@austlogistics.com.au](mailto:§47F@austlogistics.com.au)

s47F

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Released under the Freedom of Information Act 1982 by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts

From: STAGG, Paula
To: s22(1)(a)(ii)
Cc: SCOTT, Megan; s22(1)(a)(ii)
Subject: FW: DP World [SEC=OFFICIAL:Sensitive] [SEC=OFFICIAL]
Date: Friday, 12 January 2024 8:05:49 AM

OFFICIAL

Fyi – Megan will update you as advice comes in from the other DP World Ports.
P

OFFICIAL

From: SCOTT, Megan
Sent: Friday, 12 January 2024 7:53 AM
To: STAGG, Paula ; s22(1)(a)(ii)
Cc: s22(1)(a)(ii) ; s22(1)(a)(ii)
Subject: Fwd: DP World [SEC=OFFICIAL:Sensitive]

OFFICIAL:Sensitive

Morning Paula and s22(1)(a)(ii), further to discussions earlier this week the escalation of industrial action at DP World terminals has commenced, with no operations happening in Sydney and very limited in Melbourne (advice on others still to come).

PM&C confirmed with us yesterday that DEWR will lead on DP World issues, but that any assistance we can give checking data, linking in contacts and working with OSCR on supply chains would be appreciated. We will keep in contact with DEWR today and through the weekend as needed. DP World advice to us yesterday was that the backlog of 51k+ containers would double after the weekend if operations cease and the knock on is that their impact mitigations become less effective every day.

Will keep you posted.

Megan

OFFICIAL:Sensitive

From: s22(1)(a)(ii) <s22(1)(a)(ii)@dewr.gov.au>
Date: Friday, 12 January 2024 at 7:37:26 am
To: s22(1)(a)(ii) <s22(1)(a)(ii)@infrastructure.gov.au>, "SCOTT, Megan" <Megan.Scott@infrastructure.gov.au>
Cc: s22(1)(a)(ii) <s22(1)(a)(ii)@dewr.gov.au>, s22(1)(a)(ii) <s22(1)(a)(ii)@dewr.gov.au>
Subject: DP World [SEC=OFFICIAL:Sensitive]

OFFICIAL: Sensitive

Good morning s22(1)(a)(ii) and Megan

DP World has just been in touch and advised that

- Employees at its Sydney operations have attended the port but are refusing to work due to the company's refusal to accept partial performance of duties. At this stage no work will be performed in Sydney.
- Employees at the Port of Melbourne have attended work but not all of them are participating in partial work bans. At this stage one crane is operating so ships will be able to be worked, albeit at limited capacity, however, no trucks will be loaded or unloaded, again due to the company's refusal to accept partial performance of duties.

I will be in touch when I have heard about developments at Brisbane and Fremantle and also

when I hear back from the MUA.

Please feel free to call me on s22(1)(a)(ii) to discuss.

s22(1)(a)(ii)

Assistant Director

WR Stakeholders | Bargaining and Industry Policy Branch

Safety and Industry Policy Division

Australian Government Department of Employment and Workplace Relations

s22(1)(a)(ii)

dewr.gov.au

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From: [STAGG, Paula](#)
To: [SCOTT, Megan](#)
Subject: RE: DP World [SEC=OFFICIAL:Sensitive] [SEC=OFFICIAL]
Date: Friday, 12 January 2024 6:13:43 PM

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Thanks Megan

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From: SCOTT, Megan
Sent: Friday, 12 January 2024 6:00 PM
To: STAGG, Paula ; s22(1)(a)(ii)
Cc: s22(1)(a)(ii) ; s22(1)(a)(ii)
Subject: FW: DP World [SEC=OFFICIAL:Sensitive] [SEC=OFFICIAL]

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s22(1)(a)(ii) /Paula

Latest update from DEWR (below) is that the MUA has withdrawn most of their action to de-escalate the situation at DP World terminals. Hopefully this will stabilise the situation over the weekend and into next week.

We have a meeting with DP World and OSCR on Monday at 11.30am and then another with PM&C, DEWR and OSCR in the afternoon, Treasury are now also in the loop. I will let you know what comes out of those two meetings.

Regards

Megan

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From: s22(1)(a)(ii) <[s22\(1\)\(a\)\(ii\)@dewr.gov.au](mailto:s22(1)(a)(ii)@dewr.gov.au)>
Sent: Friday, 12 January 2024 5:51 PM
To: s22(1)(a)(ii) <[s22\(1\)\(a\)\(ii\)@infrastructure.gov.au](mailto:s22(1)(a)(ii)@infrastructure.gov.au)>; SCOTT, Megan <Megan.Scott@infrastructure.gov.au>
Cc: s22(1)(a)(ii) <[s22\(1\)\(a\)\(ii\)@dewr.gov.au](mailto:s22(1)(a)(ii)@dewr.gov.au)>; s22(1)(a)(ii) <[s22\(1\)\(a\)\(ii\)@dewr.gov.au](mailto:s22(1)(a)(ii)@dewr.gov.au)>
Subject: Re: DP World [SEC=OFFICIAL:Sensitive]

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Good afternoon all

The MUA has just been in touch to advise that it has withdrawn all forms of action for which the company has stated it will not accept partial performance. It believes that this will de-escalate the situation

It has left in place a ban on covering managers while they are on leave.

I'll provide further updates as they come through.

s22(1)(a)

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From: s22(1)(a)(ii)
Sent: Friday, January 12, 2024 9:50:03 AM
To: s22(1)(a)(ii) <[s22\(1\)\(a\)\(ii\)@infrastructure.gov.au](mailto:s22(1)(a)(ii)@infrastructure.gov.au)> <[s22\(1\)\(a\)\(ii\)@infrastructure.gov.au](mailto:s22(1)(a)(ii)@infrastructure.gov.au)>; Megan.Scott@infrastructure.gov.au <Megan.Scott@infrastructure.gov.au>

Cc: s22(1)(a)(ii) @dewr.gov.au>; s22(1)(a)(ii) @dewr.gov.au>

Subject: RE: DP World

Hi again

I have just spoken with s47F from the MUA who advised that:

- Employees have turned up to work in Brisbane, Sydney and Melbourne (s47F is yet to hear about Fremantle)
- Different bans are in place in different ports so the current situation varies:
 - In Melbourne, 21 employees have been told that they will not be paid due to the company not accepting partial performance of duties, all other employees are performing work.
 - There is currently a ban on receipt and delivery (road transport)
 - In Brisbane and in Sydney all employees have been told that they will not be paid due to the company not accepting partial performance of duties
 - There is a ship in Brisbane and in Sydney ready to be worked, with employees available and prepared to work the ship, but for the non-acceptance of partial performance

s22(1)(a)(ii)

- Further bargaining meetings are scheduled for Part B (site specific arrangements) over the next two weeks, and Part A (nationally consistent conditions) on 29 and 30 January 2024. Industrial action will be suspended while the meetings occur.

I asked about how things are likely to play out from here. s47F reiterated s47F previous comments that 'the union will not let the company hold the Australian public to ransom' s47F stated that s47F believed that the company was seeking to escalate the dispute in the hope that an application would be made to terminate protected industrial action under s424 of the FW Act. Please let me know if you require anything further on this.

s22(1)(a)(ii)

s22(1)(a)(ii)

s22(1)(a)(ii)

From: s22(1)(a)(ii)

Sent: Friday, January 12, 2024 7:37 AM

To: s22(1)(a)(ii) @infrastructure.gov.au; Megan.Scott@infrastructure.gov.au

Cc: s22(1)(a)(ii) @dewr.gov.au>; s22(1)(a)(ii) @dewr.gov.au>

Subject: DP World

Good morning s22(1)(a)(ii) and Megan

DP World has just been in touch and advised that

- Employees at its Sydney operations have attended the port but are refusing to work due to the company's refusal to accept partial performance of duties. At this stage no work will be performed in Sydney.
- Employees at the Port of Melbourne have attended work but not all of them are participating in partial work bans. At this stage one crane is operating so ships will be able to be worked, albeit at limited capacity, however, no trucks will be loaded or unloaded, again due to the company's refusal to accept partial performance of duties.

I will be in touch when I have heard about developments at Brisbane and Fremantle and also

when I hear back from the MUA.

Please feel free to call me on s22(1)(a)(ii) to discuss.

s22(1)(a)(ii)

Assistant Director

WR Stakeholders | Bargaining and Industry Policy Branch

Safety and Industry Policy Division

Australian Government Department of Employment and Workplace Relations

s22(1)(a)(ii)

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