



Wednesday September 2, 2015

MUA Condemns ALCOA's Cowardly Move

Another 40 seafarers are facing long-term unemployment after American-based, multi-million dollar corporation ALCOA decided they wanted to replace its crew with foreign workers who will be paid as little as US\$2 an hour.

In adding insult to injury, the crew only found out about their impending sacking through the media, when a spokesperson from the company told the Portland Observer that its ship - the MV Portland – would finish up next week.

Maritime Union of Australia Assistant National Secretary Ian Bray said he knew the company had intended to scrap the ship but ALCOA has not approached the union to sit down and discuss the future of the ship, the crew or the future shipping task for this industry.

“We were told the ship would be finishing up in January, despite it not being scheduled for its major dry dock for another 12 months” Mr Bray said.

“There may be an argument for discussing the short, medium and long term future of the ship and ALCOA's shipping task, however there is no argument for not chartering an Australian-crewed ship, or replacing the MV Portland with a new build.

“This is solely a domestic trade, it is no different from a truck carrying alumina between Western Australia and Victoria, only it does it more cost-effectively than a truck because it would take hundreds of trucks to transport the vast amounts of bulk cargo we're talking about.”

Currently the MV Portland sails between Fremantle and Bunbury in WA and then discharges alumina to the Portland smelter in Victoria.

In 2013 ALCOA announced that it would be removing its other Australian ship – the MV Lindesay Clarke and its crew – from service.

Mr Bray said at that time, the company consulted with the union and outlined the reasons why the ship could not be sustained. The MUA accepted that with the closure of Geelong's Point Henry smelter and with the high Australian dollar, there was no business case to retain the ship. As a result, the union worked in cooperation with ALCOA.

The discussions at the time focused on ALCOA's needs to restructure its shipping task on the basis that Point Henry would close. The company agreed to investigate replacing the Lindesay Clarke should the ALCOA's business outlook improve.

“The Australian dollar has plunged and the company is back in the black – pocketing \$268 million in profits last year, some of those millions made off the back of Victorian taxpayers via its generous energy subsidy scheme,” he said.

“Subsidy which will now see, without discussion, nor consultation, forty people consigned

to the unemployment scrapheap.

“It’s a disgraceful act, which is even harder to stomach knowing the Federal Government is actively allowing this to happen, through the granting of a Temporary License.”

The ship is due to dock in Portland on Monday morning.

ENDS

Background

- The Coastal Trading Act dictates that ships trading between Australian ports must be Australian flagged and Australian crewed. Exemptions can be made but the shipper must apply for a Temporary License from the Department of Transport and Regional Affairs. Once granted the shipper is able to use a foreign ship with a foreign crew but must pay a Coastal Trading payment to the crew in line with the Australian award while engaging in Australian trade.
- The intent of Temporary License system was to give reprieve to shippers engaged in international trade but calling into more than one Australian port, however the system is flawed and under-regulated, there have been many instances of the Coastal Trade allowance not being paid.
- ALCOA has exploited a loop-hole in the Temporary License system because the MV Portland was solely engaged in domestic trade.
- Amendments to the Coastal Trading Act are currently before parliament. It has passed the House of Representative and is due in the Senate next week.
- The US\$2-an-hour figure is calculated by using the International Labour Organisation guideline for minimum wage for an able seaman. However, there is no legal obligation to pay the minimum and many seafarers calling into Australian ports do not receive this minimum.

Media Contact: Ashleigh Telford, 0424 375 160

Comment Contact: Ian Bray,