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For Immediate Release

General stevedoring strikes will cost jobs

"In the last four days, we have witnessed serious stoppages at the facilities around Australia operated by P&O Automotive and General Stevedoring (POAGS) under the Fair Trade Australia's protected industrial action as well as other stoppages planned for later this week", Llew Russell, CEO of Shipping Australia said today.

"There must be a better way of settling these disputes rather than hurting those indirectly involved; the importers of Australia.

"POAGS has stated that if the union demands were met, there would be a 29% increase in their costs with no productivity offsets. This would result in added costs to our manufacturing and project sectors and eventually have a detrimental impact on the competitiveness of our export sector", he said.

"Shipping lines have taken action to reschedule sailings including changing ports of discharge in Australia which severely inconveniences our customers and disrupts their supply chains.

"Furthermore, there are additional bunker costs (which are very high) to try and regain some sailing schedule integrity. This is in addition to the daily cost of vessels suffering congestion, missed voyages due to arriving back at load ports overseas after year-end, delayed deliveries of cars meaning they will most likely be registered in 2012 rather than 2011 and ongoing congestion at the Fremantle ports laydown area.

"In addition, some cargo which would have reached receivers before the Christmas shut down, now has to go into storage for two to three weeks at a very high cost.

"The economic cost of these disputes often lies hidden in the indirect cost impact but takes no account of the jobs lost down the line as a result.

"Australia is no longer the desired destination for international shipowners given this wide-spread industrial arrest. We have already seen the closure of a line recently, OPAL which was a break-bulk carrier."

"In the end it will mean consumers have less choice and inevitably this leads to poor service options and higher costs for everyone.

“Surely it is time for the Federal Government to intervene given the economic damage that is being caused”, Mr Russell said.

“SAL is looking forward to participating in the Federal Government’s review of the Fair Work Act next year and hopes a better industrial regulatory system and environment will evolve”.

Editor’s note:

For additional information please contact Llew Russell, CEO on 0414 958 247.