



IndustriALL Global Union Shipbuilding-Shipbreaking Action Group Meeting

07-08NOV16

Mandurah, Western Australia

Presentation by the Electrical Trades Union of Australia

AUSTRALIAN SHIPBUILDING INDUSTRY

ETU/CEPU ACTIVITIES IN THE SHIPBUILDING INDUSTRY



Mort's dock and engineering company limited



SITUATION

- The Australian economy - Four economic sectors:
 - Primary sector (agriculture, fishing, and extraction)
 - Secondary sector (manufacturing)
 - Tertiary (services)
 - Quaternary sector (information technology, education, financial planning)

SITUATION

- Australian economy is moving towards a primary, tertiary and quaternary style economy.
- Limited and diminishing manufacturing and heavy engineering.
- Due to Australia being an island continent with much coastal shipping, and government support for exports and non-union employers, there is some commercial (merchant) vessel construction and maintenance.
- Due to effective political and industrial campaigning and notions of “Australian jobs”, there is the potential for ongoing naval shipbuilding of at least 3 different classes of vessels starting next year.

SITUATION

- Because of conservative commonwealth governments and employers, and also in part due to policy torpor and conflicting domestic priorities of the former Labor government:
 - Militant efforts to reduce Australian crewed shipping and unionised shipbuilding
 - Economic policy geared to free market and primary, tertiary and quaternary economic sectors
 - No heavy engineering capacity to build, refit or maintain large merchant ships (>3,000 tonnes and 100 metres (largest slipway in South West Pacific located at Tropical Reef Shipyard in Cairns))
 - Limited heavy engineering capacity to build, refit and maintain LHD, DDGH, FFG, FFH, SSG for RAN (< 30 000 tonnes)

SITUATION

- Resulting in the delayed acquisition of 50 new warships, including 12 submarines, a new class of frigate and 20 offshore combatant vessels; this will follow a looming production gap from 2014 to 2017 (the “valley of death”)

SITUATION

- Current and future acquisitions and construction:
 - Project SEA1000, Collins-class SSG replacement with, probably, 12 DCNS French Shortfin Barracuda (A\$50 billion)
 - Project SEA4000, 3 Hobart-class DDGH AWDs (A\$9.2 billion)
 - Project SEA5000, 9 Future Frigates FFGH to replace the Anzac-class FFH frigates (A\$30 billion)
 - Project SEA 1180, 20 Offshore Combatant Vessels (OCV) will replace 26 vessels across four separate ship classes: the Armidale-class patrol boats, the Huon-class minehunters, the Leeuwin-class survey vessels, and the Paluma-class survey motor launches

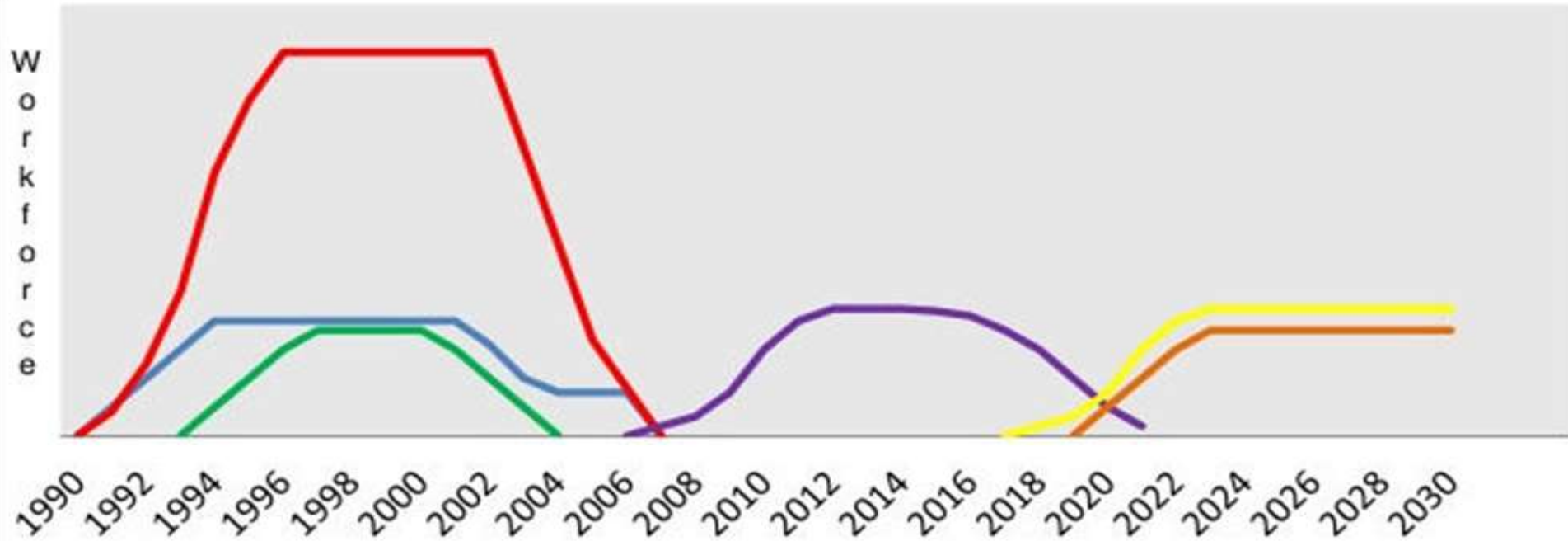
SITUATION

- Current and future acquisitions and construction continued:
 - Pacific Patrol Boat Program (Gen 2), A minimum of 20 replacement patrol boats for the current Pacific-class vessels, an A\$2 billion program (including A\$594 million for construction and A\$1.38 billion for through-life support costs)
 - All these projects, except for the completing AWDs at ASC and the Pacific Patrol Boats awarded to Austal, will require significant political and industrial campaigning to ensure they are built onshore

SITUATION

- All of these projects, except for the completing AWDs at ASC, will require massive investment in skills acquisition, training and infrastructure as a result of the decline the industry has experienced in the valley of death

Peaks and Troughs of Australian Naval Ship Building



SHIPYARDS

- Locations (>1,000 tonnes capability):
 - ASC North; (subs) Osborne, South Australia
 - ASC South; (ships) Osborne, South Australia
 - ASC West; (sub support and repair) Henderson, Western Australia
 - Austal; Henderson Western Australia
 - BAE Systems; Williamstown, Victoria
 - BSE; Brisbane and Cairns, Queensland, Darwin, Northern Territory

SHIPYARDS

- Locations (>1,000 tonnes capability):
 - Cvmec; Hexham, New South Wales
 - Harbour City Ferries; (Balmain Shipyard), Balmain, New South Wales
 - Incat; Hobart, Tasmania
 - NQEA; Cairns, Queensland
 - Thales Fleet Base East; Garden Island, New South Wales
 - Tropical Reef Shipyard; Cairns, Queensland

CURRENT ACTIVITY

- Work closely with the AMWU, as in aviation and rail transport
- Organising projects and efforts
- Award and agreement coverage maintenance
- Government and elected representatives engagement and lobbying
- Industry and defence sector engagement and lobbying
- Employer engagement and lobbying

DENSITY

- Unionised facilities with agreements
 - ASC North
 - ASC South
 - ASC West
 - BAE Systems
 - Cvmec
 - Harbour City Ferries; (Balmain Shipyard), Balmain, New South Wales
 - Thales Fleet Base East; Garden Island, New South Wales

DENSITY

- Non-union facilities (with or without agreements)
 - Austal; Henderson Western Australia
 - BSE; Brisbane and Cairns, Queensland, Darwin, Northern Territory
 - Incat; Hobart, Tasmania
 - NQEA; Cairns, Queensland
 - Tropical Reef Shipyard; Cairns, Queensland

FUTURE INTENTIONS AND ACTIVITIES

- ETU largely organised on electricity supply, electrical contracting and construction, and engineering sectors
- Engineering sector includes manufacturing, rail, aviation, transport, non-ESI infrastructure, defence and shipbuilding
- Engineering sector focus is to organise, organise, organise
- Horizontally and vertically integrated
- Professionalism
- Act in members' and national interest

FUTURE INTENTIONS AND ACTIVITIES

- Establishing an organising focus and culture in everything we do
 - Hostile environment
 - Enterprise agreements
 - WHS
 - Security of employment and continuity of construction in shipbuilding
 - Skills training, acquisition and retention
- Protect and advance ETU members' interests and the interests of members of fraternal organisations
- Continue to work and cooperate with fraternal organisations and to further build alliances of mutual support





