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Media Release

Monday 2 May 2011

24-Hour strike action at Port Kembla to impact Australian export steel market

Stevedoring company Patrick today confirmed it has received notification of additional 24 hour strike action by Maritime Union of Australia (MUA) workers at its Port Kembla Bulk and General Stevedoring operation on Tuesday 3 May 2011.

The strike action has the potential to impact Australia's reputation across international export markets.

The news comes after strike action shut down Patrick terminals in Brisbane, Sydney and East Swanson Dock in Melbourne on Saturday 30 April, and today in Fremantle in Western Australia.

Patrick Director Paul Garaty said he was extremely concerned at the MUA's decision to announce further strike action despite negotiations being ongoing.

"After stopping container terminals around the country last weekend, action which significantly impacted Australia's regional importers and exporters, the MUA have now turned their attention to our bulk and general operations at Port Kembla, Sydney.

"Despite this rolling strike action, Patrick remains committed to achieving a fair and sustainable outcome and has written to the MUA repeatedly to request that it return to the bargaining table" Mr Garaty said.

Patrick has also petitioned Fair Work Australia to rule on the company's application to enforce a "cooling off period" so that negotiations can continue in the absence of industrial action.

Patrick has consistently stated that we value the work our people do and rightly expect to pay competitive conditions of employment, however to agree to the MUA's excessive pay claims without any productivity offsets would only serve to undermine the company's ability to compete and deliver job security for its workers in the long term.

The MUA's revised log of claims would increase Patrick's operational costs in its Bulk and General Stevedoring operations by more than fifty percent or nearly \$100 million over the three year period of the agreement, with an increase of more than \$31 million in the first year alone. This is in addition to the MUA's log of claims for Patrick's Terminal operations which will add a further \$120 million to the company's costs over the three year agreement.

For more media information, please contact:

Patrick: Rhianna Fursdon, Ph: 0457 519 289 or Vida Cheeseman, Ph: 0410 597 547

Cato Counsel: Matt Horan, Ph: 0403 934 958



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Union demands include:

Patrick Container Terminals	Patrick Bulk & General Stevedoring
<ul style="list-style-type: none"> • 6 per cent wage increase each year of the three year agreement • 4 per cent increase in superannuation from 9 to 13 per cent • 1 per cent income protection • Six weeks annual leave • Long-service leave increased to 13 weeks after 10 years • Elimination of G2 classification with all G2s increased in pay to G3 and other reclassifications • Extra worker for each shift as safety facilitator • Eight-man minimum per gang • Payout of sick leave at salary rate rather than graded • Work practices that will impact Patrick's ability to service its customers effectively 	<ul style="list-style-type: none"> • 6 per cent wage increase each year of the three year agreement • Increase in superannuation from 9 to 12 per cent • Reclassification of existing employment grades and the reduction of existing Grade 1 to 6 scale to three "Operator Grades" only • Payment of \$5,000 sign on bonus on execution of new agreement • Long-service leave increased to 13 weeks after 10 years • Annual, personal and long service leave for PGE paid at the composite rate (currently paid at Award 35 Hour rate) • Increase in leave and associated costs arising from grant of full annual leave entitlement regardless of hours worked throughout the year • Payment of long service leave for supplementary employees • Union appointed safety delegate appointed per shift • Payment of shift manager allowance for "Person in Charge" on shift • Increase in site sustenance payment
<p>Total cost over three year agreement:</p>	<p>Total cost over three year agreement:</p>
<p>More than 30% increase of total base costs</p> <ul style="list-style-type: none"> • Year one: \$36 million • Year two: \$36 million • Year three: \$45 million 	<p>More than 50% increase of total base costs:</p> <ul style="list-style-type: none"> • Year one: \$31.8 million • Year two: \$29.8 million • Year three: \$35.8 million