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Media Release



25 May 2011

Patrick extends offer to conciliate with Maritime Union

Australian stevedoring company Patrick today confirmed it had extended a formal invitation to the Maritime Union of Australia (**MUA**) to enter into voluntary conciliation and arbitration before the Fair Work Commission.

In a letter issued to the MUA yesterday, the Company appealed to the Union to demonstrate a willingness to reach agreement in good faith by entering a voluntary process of conciliation to ensure a fair outcome for Patrick employees against productivity improvements.

So far there have been 24 meetings between Patrick and the MUA with both parties appearing over 10 times before the Fair Work Commission on a range of enterprise agreement issues. Patrick Director Paul Garaty stated, "After lengthy and significant negotiations between the parties we are still far apart as evidenced by the MUA decision to ramp up its industrial action despite the Company offering a five percent increase partially offset by productivity benchmarks being met.

"The Union is continuing to pursue a six percent pay rise without productivity offsets and a log of claims that would cost the Company \$32 million in the first year of a three year agreement.

"By using the conciliation and arbitration process the merits of each claim can be considered under the framework and guidelines of the Fair Work Act by the independent Fair Work Commission. Importantly the matters can be resolved without further damage to the businesses of Australian agricultural exporters, our retail importers, transport operators and our reputation as a reliable trade partner that will occur as a result of the planned seven days of MUA industrial action.

"We believe entering a voluntary conciliation and arbitration process with the MUA would enable both parties to reach agreement, ensuring a fair and sustainable outcome for our employees balanced against the productivity needs of the Company," he said.

Patrick has indicated that it is seeking a response from the MUA by close of business Wednesday 25 May.

Background:

Impact of Industrial Action by port:

- Brisbane – 6 days of action, 8 vessels and 7,150 containers directly impacted
- Sydney – 7 days of action, 12 ships and 16,400 directly impacted
- Fremantle – 7 days of action, 6 ships and 4,400 containers directly impacted

Patrick Offer:

- Patrick's most recent offer includes a five percent wage increase including one percent at risk if internationally recognised safety, productivity and efficiency targets are met.
- The Company has also offered improved pay and working conditions for its permanent part time employees and increased redundancy from 40 to 52 weeks for all employees.
- Patrick employees currently work on average 35 hours per week or 185 days per year for an average salary of \$100,000.
- The Union's revised claim will cost the company \$32,000 per employee without any change in productivity.
- The cost of the union claims over each of the three years are \$32 million, \$39 million and \$50 million respectively without productivity offsets.

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