

**New Industrial Relations Procedures and
Work Reform in Australian Shipping
1982 - 1990**

Working Paper 1

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The Australian shipping industry during the 1980s provides something of an exemplar of work reform and institutional change. The Commonwealth and the shipping industry evolved an industrial relations which possessed stronger patterns of exchanges and relationships than had been the case at any period since World War II and its immediate aftermath.

To a considerable extent, these exchanges and relationships had long historical roots. For example, the Commonwealth had figured as a major shipowner since the predecessor of the Australia National Lines (ANL) was established during World War One. The state had also authored much of the 'rules of competition' governing the industry from the colonial merchant shipping acts to the much amended Commonwealth Navigation Act. Such legislation set market shares in coastal shipping and standardised training and recruitment among a range of manpower controls. This traditionally strong corporatist role of the state in Australian shipping was strengthened by the work reforms of the 1980s, greatly increasing the interaction between the state agencies and the shipping industry's management and trade union groups. Indeed, work reform and new industrial relations procedures in Australian shipping during the 1980's were inextricably linked on the agenda.

In part, work practice reform in shipping reflected national phenomena stimulated by general enhanced interest in micro economic efficiency. An industry wide focus also received the official seal of approval when the Accord of the Hawke Government called for

But within the national movement, sea-going trade unions and Australian shipowners, together with their political allies were especially committed to reforms. New demarcation flexibilities, innovative training, trade union amalgamations, new negotiating procedures and qualitative work life improvements were cited as evidence of the unparalleled success of the shipping industry in complying with the government's industrial policy. This paper aims to explain how and why a new industrial relations and its major life support activity of work reform achieved such salience in shipping during the 1980s.

THE WORK REFORM IMPERATIVES: INTERNATIONAL TECHNOLOGY AND MARKETS

Technological and market pressures impacted on the type of work reforms possible. On one hand, shipping lent itself to standardized changes in work practice since whole fleets consisted of similar vessels where common economies of scale and operating practice were possible under centralized direction. On the other hand, there was a critical point where the scope for central control became less efficient. Mixed ship and cargo types created a demand for specialist labour and local work practices requiring different and unrelated work routines.

In general the agenda for the work reforms generated by the new industrial relations in the 1980s had been produced by global factors. Over many years, potentially disadvantaging technological and market trends had emerged which the Australian shipping community had considerable success in insulating itself from.

In the postwar era, advances in ship technology reduced the demand for seafarers and fostered the re-assessment of traditional shipboard work practices and job classifications. These changes began to accelerate on board the new tonnage commissioned into the world's fleets during the 1960s.

Notably, operations and maintenance became less labour intensive. Self-tensing mooring winches lessened the man-handling of ropes at arrival and departure times. Non-corrosive paints applied by spray and roller sped the continuous process of hull and superstructure maintenance. Cargo-handling cranes, relatively easy to prepare and overhaul, replaced cumbersome tackles and derricks. Press button hydraulic hatch covers superseded the apparatus of beams, wooden hatch covers and tarpaulins removed by hand whenever cargo was due for stowing or discharge. The later generation of dry cargo technologies, namely containerisation and "roll on roll off", abolished hatches and onship cargo lifting gear. Similarly, in the engine-room, self-lubricating diesels and marine turbines substituted for labour-intensive plant. The centralisation of control systems also cut out manpower needs. The "unmanned engine room" controlled from the bridge without separate constant monitoring by engine-room personnel became a feature of new vessels. At the same time, on the bridge, the installation of the automatic steering device or "iron mike" dispensed with the round the clock operation of a manual helm. In the gallery and mess, pre-package food and labour saving household equipment reduced catering manpower. Also, as the demand for deck and engine room workers declined, so did the demand for human maintenance provided by cooks and stewards.

Manning reductions first became general in the tanker sector. There are related economic and organisational reasons why such a form of rationalization should be concentrated initially in the oil trade. Firstly, demand for this type of sea transport escalated over the quarter century after 1945 when a tenfold growth in liquid freights occurred. By 1970, crude and refined petroleum represented roughly half the world's seaborne trade. Mass oil shipment augmented the tempo of advance in tanker design and construction. Hull sizes were expanded as far as the availability of properly equipped ports would permit. Concurrently, automated pumping, navigation and propulsion systems incorporated into the new generation vessels broke down the steam age relationship between tonnage, horsepower and crew numbers. The tankers of the largest UK owner were typical. (see Table 1)

Table 1 British Petroleum Standard New Vessel Tonnage and Crew Size

Date	Tanker Tonnage	Complement
1948	16,000	45
1958	50,000	62
1968	210,000	44

Source: BP Tanker Co.

With short time lags, similar changes occurred in the sea transport of other bulk commodities such as coal, ores and gas. In the finished goods and non-bulk dry cargo sector, the downward revision of manning scales also began to gather pace during the

1960s. The example of Japanese shipowners, who obtained trade union and government assent to the reduction of crew numbers from 50 to 32 on new cargo vessels in 1962, was strengthened with the containerization of the world's liner trades beginning in the late 1960s and largely accomplished in the major deep-sea fleets over the next few years.

By the mid 1980s, the behemoth oil/bulk/ore carriers, container ships, and roll-on-roll-off ships under the major maritime flags had experienced progressive reductions in manning which led to typical crew ceilings of 23. A substantial number of vessels in the mercantile marines of Japan, Norway and West Germany operated under both union-management agreements and statutory codes providing for crew of 18. Moreover, prototype crews on later generation vessels had experimentally reduced numbers as low as 8.

The new ship technology was rapidly diffused through the world's oceans. Indeed, the multinational and supranational character of shipping grew as cold war strategic considerations eased in the major maritime nation states. Nationals of different states became more frequently involved in the joint operation of the same vessel through ownership, registration, insurance, chartering, repair and manning. The disregard of shipowners for national regulatory mechanisms and the constraints of their manning codes increased with the technology sharing and internationalization of operations outside the framework of the maritime nations' traditional protectionism.

Technological and organizational characteristics joined market factors to promote severe de-manning in the later post-war period. The decline in the demand for operational tonnage and in freight rates accelerated the long-term reduction in the demand for seamen, especially after the oil crises of the 1970s. By 1982, 11% of world tonnage was laid up. World deadweight tonnage (DWT) on order declined from 75,000,000 in 1981 to 35,000,000 in 1987. The number of new tanker commencements shrank from nearly 700 in 1980 to 260 in 1986. Prices for shipping services tumbled. By 1982, charter rates in many trades were at their lowest in real terms since the inter-war depression. The benchmark Baltic freight rates index halved between May 1985 and August 1986.

A tonnage surplus continued despite wholesale scrapping. The lowering of capital costs through the purchase of ample available second hand tonnage to some extent compensated for the flat freight prices. But shipowners chiefly sought to maintain profitability through tax subsidies, cargo reservation and preference deals, and the reduction of operation expenses. Resort to flags of convenience (FOC) offered tax and wage savings. Throughout the 1980s, tonnage from the established maritime nations was retired or 'flagged out' into the FOCs at a rapid rate. The British fleet declined 60% in tonnage and manpower between 1975-84. The major British shipping unions, the National Union of Seamen (NUS) and the National Union of Marine, Aviation and Shipping Transport Officers (NUMAST) began to supply crews to non-UK flag vessels. In the early 1980s, 40% of West German tonnage was 'flagged out'. Between 1977 and 1986, the number of Norwegian seafarers declined from 40,000 to 24,000 and the number of ships from 1143 to 635. In 1986 alone, 19% reductions in the number of seafaring personnel were recorded for France and Norway, 12% for Denmark and 7% for the UK, Japan and Finland.

The small Australian fleet faced a problem of how to quarantine itself from the worst implications of these trends. Although there had been an expansion from 7 to 21 in the

number of Australian vessels trading overseas, the inter-state fleet had shrunk from 100 to 62 vessels between 1972-82. Only one Australian ship plied the NSW coal export trade in 1982, with the remainder of cargoes carried in foreign vessels of which 50% were flags of convenience. The local industry was far from robust and increasingly vulnerable to pressures for cost reductions in particular from primary producers and other users of shipping services. Crew restructuring provided a potential panacea on the manpower front. It was a measure of labour cost containment to assist in keeping shipowners solvent and competitive. To reduce the number of shipboard berths, which also fed into capital costs, packages of manning reductions accompanied by work practice changes had enjoyed a sporadic vogue across the major fleets for the past two decades. Of the more labour friendly schemes, Spain's Fleet Revival plan appeared to stabilise the numbers of seagoing personnel in the national fleet and avoided further losses. By the early 1980s, de-manning and manpower adjustment figured on the agenda in the boardrooms and trade union committees of the Australian shipping industry. As well as absorbing influences from international sea transport, the Australian shipping community entered the mainstream of 1980s national industrial policy, aimed at transforming the Australian 'productive culture' and its satellite transport infrastructure.

THE INTERNATIONAL SYSTEM OF WORK REFORM

With the advent of work practice reform and re-structuring throughout the Australian industrial culture, the shipping industry's specific work reforms implemented to varying degrees on a global basis 20 years ago come under renewed consideration by local interests. The work practice changes which had emerged since the 1960s were essentially similar in the British, Norwegian, Japanese, West German and Dutch fleets. The basic modification consisted in a functional amalgamation of deck and engine room duties for ratings, bringing to an end the traditional steam age division of separate working departments for deck and engine room. Chiefly for reasons of hygiene, departments of cooks and stewards retained their own exclusive personnel in the most common models of work reform. With the exception of Japan, the amalgamation of deck and engine room functions was restricted to ratings and not extended up the shipboard hierarchy to include watchkeeping officers.

Functional integration through "dual purpose" and "general purpose" (GP) ratings slowly diffused through the world's fleets after the mid 1960s. Experimental GP manning began a limited form of dual purpose manning called "inter-departmental flexibility" (IDF) which stopped short of a complete merger of deck and engine room ratings. By 1975, Esso had rationalized the British Merchant Navy's traditional 38 different engine room and deck rating classifications into 4 dual purpose grades across its UK flag tanker fleet. In 1983 West German manning regulations were amended to allow for a new "ship mechanic" rating to replace the traditional able bodied seamen and engine room hands. Norway integrated the lower deck with ship mechanic ratings in 1986, although the upper deck remained segregated into the two different career paths of navigator and engineer.

Such innovations required a consensus obtained generally outside mainstream industrial relations and management procedures. Maritime work practice reform arose in the most modern sector of the industry, which during the 1960s was the shipping operations departments of the oil majors. The oil trade had been a relatively recent development in shipping pioneered by producers since traditional shipowners were reluctant to venture capital and crews in such revolutionary craft. Oil supply by sea transport was thus organizationally integrated to an unusual degree with the shore based industries which extract, refine and distribute the finished product. From a systems analysis perspective, oil shipping like oil refining and distribution by road transport, came to be viewed by progressive management as a stage in a single continuous process industry. The oil majors promoted "productivity deals" to overcome labour inflexibilities and inefficiencies first in shore based operations and then in shipping. Between 1965 and 1968, Shell, BP and Esso negotiated company agreements for GP ratings in their tanker fleets with the British National Union of Seamen. The vogue for productivity bargaining spread to container ship operations and resulted in a 1969 IDF deal between Associated Containers (Australia) Pty. Ltd. and the seagoing unions covering two new vessels.

By contrast to the earlier "voluntarism" of the company and enterprise level productivity deals, the second generation of maritime work reforms were often negotiated within a framework engineered by government. The rise of the FOCs in the 1970s and 1980s met opposition from "national" shipping interests, government departments and trade unions. The supporters of the traditional flag fleets adopted subsidy and cargo reservation policies which included a manpower dimension. Reform in the West German merchant marine

was promoted by the state funding of research into ship technology, fuel saving, manning safety equipment. Similarly, the Japanese Ministry of Transport revived committees of shipowners, unionists and independent experts to foster the modernization of shipboard work practices in the national fleet. Work practice reform in Australian shipping followed this model. It originated during the Fraser Government whose somewhat ineffective industrial policy had involved sectoral subsidy and attempts at reform which fell short of the more ambitious association of the state, employers and unions of the Hawke era in most Australian industries. However, in shipping with its unique international exposure and traditional regulatory pattern a new corporatism pre-empted the Accord.

THE DEFENSE OF THE NATIONAL FLEET AND WORK REFORMS, 1982-1984

The proposals for crew reductions, new negotiating procedures and the legal frameworks for work reform in Australian shipping crystallised during 1980-2 in the Committee on the Revitalization of Australian Shipping. Under the chairmanship of the economic mandarin Sir John Crawford, this body of government, shipowner and trade union representatives mobilized support for a policy of financial incentives in which work practice reforms were a key element.

Crawford did not canvas user oriented policies of deregulation to generate lower freight rates through foreign competition. Instead, it linked investment concessions for new Australian ships to approved manning scales. The aim was to encourage modern additions to the Australian fleet with reduced crew complements and labour costs comparable to other OECD fleets.

Tabled in the House of Representatives in February 1982 by the Coalition Minister for Transport, the Hon. Ralph Hunt, the Crawford Report obtained bipartisan political support. Shipowners were encouraged in planning for new tonnage after the endorsement of the Report by the National Committee of Management of the Seamen's Union of Australia (SUA), the largest sea-going union and the strongest potential source of opposition to manning and work practice changes.

The Crawford proposals became established shipping policy. A few trade unionists regretted the spectre of job reductions and the absence of commitment to national flag cargo reservation. But the central recommendations gained acceptance among coastal shipowners, government departments and trade union officials as a visible defense against further decline and the 'carping criticism' of the uncompetitive nature of Australian shipping by the National Farmers Federation, the Australian Mining Council and the Australian Shippers Council. After the 1983 election of the Hawke Government, the Crawford proposals became translated into the 'structural change' which the Ministry of Transport was required to promote as shipping's contribution to the national industrial policy of the Accord. Building on an already substantial inheritance, the new shipping industrial relations acquired definitive characteristics.

Company and vessel level joint negotiating committees were promoted as the Hawke Government formulated the Crawford recommendations into legislation. Amendments to the Income Tax Assessment Act in 1983 aimed to subsidize the shipowner's burden of debt servicing and reduce labour costs. But although ostensibly tax legislation, workplace agreements between employer and unionists were at the heart of the new measures. Crucially, Section 57AM required shipowners to man their vessels in accordance with a manning notice issued by the Department of Transport in order to obtain eligibility for depreciation concessions. The procedure established for the issue of manning notices required prior agreement over manning arrangements between shipowners and trade unionists. Decentralized collective bargaining over manpower was driven by tax subsidies rather than impulses from within the shipping industrial relations system.

Twelve new manning notices were issued in the first full year of the scheme's operation, indicating that substantive determinations by the joint committees now covered about 11% of the Australian fleet. In October 1984, the scope of negotiations was widened by the

removal of original guidelines requiring respect for traditional demarcations and other work practices sanctioned in existing awards.

By 1985, major units of the fleet were brought into collective agreements by section 57AM and additional guidelines governing the manning committees. The largest private shipowner, Broken Hill Propriety (BHP) Marine Division, commissioned three new bulk carriers with negotiated crews of 26; a 19% reduction from the 32 men crews currently in operation on similar tonnage.

In shipping, the Accord era reformist activities of tripartite reform and negotiating bodies dealt with individual vessels and small groups of technologically similar ships before generalizing change at company and industry levels. Although original 'guidance' came from the centre, one of the features of the new shipping industrial relations was the mobilization of consent for changes in work practices at local level.

The showpiece new company level negotiating body originated in the state's ownership stronghold and was the Australian National Lines (ANL) Shipboard Practices Committee set up under the independent chairmanship of the former Federal Secretary of the Waterside Workers' Federation, Charlie Fitzgibbon, in the context of a 'corporate plan' for the Commonwealth shipowner. The initiation of a form of enterprise level tripartite bargaining by the first Hawke Government's Minister of Transport Peter Morris led to the May 1983 Memorandum of Agreement. In the emerging pattern, new investment and cash flow was linked to employee and trade union acceptance of job reductions, managerial and work practice reform. After the reduction of ANL shore based office and management staff by 20%, the SUA Committee of Management with stopwork meeting support specifically "agreed" to reductions on a number of vessels. The seeking of formal mass consent to central directives became a hallmark of the new industrial relations in Australian shipping.

However, not all was plain sailing. Despite the emphasis on public consent, by early 1984, the ANL Shipboard Practices Committee began to flounder over demarcation and manning problems. The tendency developed in the Committee's brainstorming sessions for maritime unions to recommend reduced manning and job function changes for members of unions other than their own. The most vulnerable shipboard workers were the SUA ratings who did not possess the more secure professional and craft identities conferred by navigational, engineering and catering qualifications on the members of the Merchant Service Guild, the Institute of Marine Engineers and the two unions representing shipboard catering personnel. Because of this vulnerability the SUA rejected further manning reforms on existing tonnage but put forward an alternative up-skilling work rationalization policy which set out to avoid the possible wholesale attrition of its members. The union accepted work function reform on new tonnage underwritten by "a training programme that will allow SUA members to progress to their fullest potential". In this way, the SUA were able to secure upgrading opportunities for the membership by tapping into the general rhetoric of job re-training and education which pervaded the 'productivity-culture' of the Hawke era.

But despite some enterprise or vessel specific attributes, in shipping more than most industries, job qualifications and classifications, hiring and work practices, were set and administered by central institutions reflecting national strategic considerations and mercantilist traditions. Common rule extended with award and statutory backing

throughout the industry and had been in place since colonial times. A major overhaul of jobs and training became possible only in 1984 when a new industrywide grouping was sponsored by the Ministry of Transport to seek a work reform consensus applicable throughout the Australian fleet. The initial pilot experiments had lent a credibility to the corporatist reformers and provided the model which the central strategists hoped to generalise throughout the industry.

THE MARITIME INDUSTRY DEVELOPMENT COMMITTEE, 1985-1986

The next stage awaited an industry level committee affirming the close linkage in the new industrial relations between 'procedural' and 'substantive' reform and moving shipping further away from the mainstream industrial tribunal relationships. In a familiar pattern, also introduced in the industries under the umbrella of the Department of Industry, Technology and Commerce, its origins rested in the Australian Maritime Industry Mission formed as a 14 member strong study group which visited North America, Europe and Japan during 1985. Led by a senior first assistant secretary of the Department of Transport, the Mission consisted of senior representatives of the sea-going unions and shipowner organizations. The terms of reference covered the study of manpower, training and work practice reform in the OECD maritime economies. The Mission's Report called for consensus as a pre-requisite for change and noted the pervasive trend in OECD shipping toward smaller crews coupled with changes in shipboard occupational structure and job classification on new OECD tonnage.

In 1989, the overseas study group was reconstituted as the Maritime Industry Development Committee (MIDC) under the chairmanship of the same First Assistant Secretary from the Department of Transport. The membership and advisory associates were also the same identities or other senior trade union officials and shipping company executives. Without the sponsorship of the Ministry for Transport, the organizational impulse for the MIDC would have been too weak. Shipping became one of the first active examples of a new industrial relations in the Hawke era. The state in effect created the framework for a new type of extra-arbitral industry and enterprise level bargaining. Once established, the new body developed momentum of its own, recommending self-continuation as an agent and monitor of industrial change. As the strategic centre for work reform, it represented a new phase in which the tripartite association of state, unions and employees consolidated and generalised its influences.

The rule making of the new body was also primed from the state's strategic centre. The MIDC's hidden agenda concerned investment allowances. Although the government did not lay its offers directly on the table, the parties understood that agreement over new manning scales was a pre-requisite to legislative action for the renewal of tax concessions for new tonnage. Although 10% of the Australian fleet had been renewed with a 20% cut in crew, no new vessels had been ordered since the previous tax subsidy scheme had expired in June 1985. The MIDC determinations over manning and work practices were in effect examples of tax driven "integrative bargaining" where all parties stood to gain. The MIDC set work practices and manning in new vessels within an industrywide standard. The integrated benchmark was the bulk carrier on voyages of several days duration. Dispensations for specialised craft including roll-on roll-off ferries and container vessels were acknowledged. The central adjustment called for was a further reduction in typical bulk carrier crew complement from the post Crawford standard of 26 to 21. Work reform and its immediate spin off issues provided the whole agenda for sectoral corporatism in shipping.

The blueprint for even smaller crews required the modification of demarcated job classifications and functions. Crucially, deck and engine room ratings were to be integrated into a single classification replacing in time the traditional deck and engine room 'craft' identities. At the same time work practices were to be simplified. Continuous engine-room shifts or watches were to be abandoned, thus economizing on labour utilized

in purely routine monitoring functions. Similarly, housekeeping arrangements of a less labour intensive type were required under the new MIDC rules. On new tonnage one restaurant or mess would cater for the whole crew, amounting to a substantial innovation in the social regulation of Australian crews. However, the retention for the time being of segregated smoking and TV lounges for ratings and officers maintained traditional status distinctions in the shipboard collectivity. The new manpower adjustments did not plan for the displacement of existing working arrangements on ships already in service. Avoiding potential resistance on that score, the MIDC engineered consent to a new round of "greenfield" tax/new ships/new jobs/work practices swaps on top of the post Crawford package through the sponsorship of extensive management and shopwork meetings, coupled with the dissemination of what by previous standards in the shipping industry was elaborate publicity literature.

The implementation of the MIDC deal at first proceeded smoothly enough. Cabinet endorsed the MIDC plans in December 1986 and the legislation to provide renewed financial incentives was passed as the Ships (Capital Grants) Act 1987, without amendment before the end of the financial year. By a different route than the general run of manufacturing and transport industries under the tutelage of the industrial tribunals, flexibility and re-structuring impacted on the shipping workforce.

Although the union most affected by the MIDC proposals, there was virtually no intra-organizational conflict within the SUA. Executive level and rank and file stopwork meetings rallied membership support for re-structured manning and work function integration. Union officials participated in an MIDC Sub-committee which drew up a curriculum for integrated rating (IR) training. The retraining of existing deck or engine room ratings and the training of new entrants to the industry as mono-classification IR ratings began in September 1987 at the Australian Maritime College, an institution which offered both 'professional' and 'trade' qualifications in the offshore industries. In March 1988, the first MIDC crewed vessel entered service in the coastal alumina trade between Western Australia and Portland, Victoria on the understanding that when industrywide agreements over new rates for IR ratings were reached, these would be retrospectively applied to the crew. Unlike the Builders Labourers Federation (BLF) in the mid 1980s, the SUA reconciled itself to 'technocratic corporatism', although sporadic strikes and political embargoes against nuclear warships and foreign shipowners continued militant anti-employer and anti-state traditions. At the same time, the introduction of job re-structuring prior to formal agreement over levels of financial compensation represented a significant departure from former 'low trust' industrial relations. It may also be indicative of the general inability of Australian workplace trade unionism in the 1980s to effectively challenge 'top-down' work reform as suggested by significantly reduced levels of strike activity compared with the 1970s.

THE DEREGULATIONIST CHALLENGE DEFEATED, 1986-1989

However, the vogue for new enterprise and company level deals soon met challenges. The rationalization of work practices through tripartite planning and the cumulative but piecemeal implementation of change under a tax subsidy umbrella attracted critical assessment in the light of the traditional alternative policy option in shipping debates, namely the deregulation of monopoly trading power. Shipping services user groups backed a range of politicians across the parties, lobbyists became vocal in 1986 about the high freight costs in Australian flag shipping and the only limited impact of the post-Crawford and MIDC reforms. The shipowners' divided, as the 'internationalist' Chamber of Shipping supported the deregulation of the Australian trades. Pro-MIDC employers established the Australian National Maritime Association under the chairmanship of ANL's chief executive to defend the "Morris shipping policy" against the growing campaign to sell off the Commonwealth ANL and to repeal Australian flag provisions in the Navigation Act. Unlike the UK during the late 1970s, when the intensification of foreign competition became a major threat, in Australia the linkage between trade union power, high wages, full employment and widely recognised decline in international economic effectiveness did not sound the death knell for the corporatist association of trade unions, employers and the state.

But a further phase of industrial policy involved anti-protectionist and de-regulatory measures difficult to construe as anything but problematic for trade unionists emerged to threaten sectorial corporatism. As employers explored tactical plans for the option of restructuring market participation rules and freight costs, the Hawke Cabinet appeared to lend support by calling in December 1986 for an information reference from the Industrial Assistance Commission (IAC) concerning Australian shipping. This was against strenuous objections from the sea-going unions and the MIDC, since the IAC's deregulatory prescriptions and adverse comments on Australian shipping costs in previous inquiries into the phosphate, sugar, and iron and steel industries had provided ideological ammunition for the advocates of cheap foreign competition in the Australian shipping market.

The sea and air transport deregulation campaign in Australia was sharpened by a further 'liberalisation' of the international transport industries. On the world scene, maritime unions, public sector shipping interests and the promoters of national fleets appeared powerless to prevent the accelerated migration of shipowners to flags of convenience. The formerly nationalized British Petroleum tanker fleet was transferred to the Bermudan FOC Registry and placed under the control of a private ship management agency. In an unprecedented institutional development, established national ship registries moved partially offshore. In 1986, the Norwegian International Ship Registry came into being to compete with traditional FOC flags. The new fleet offered competitive de-manning with near single digit and single digit crew numbers on deep-sea vessels.

Between mid 1986 and 1988, the local shipping deregulation campaign gathered momentum. The pro-MIDC Minister of Transport was replaced in 1987 by an advocate of deregulation and privatisation, Senator Gareth Evans, as Minister for Transport and Communications. At the campaign's peak of penetration into previously inhospitable territory, the Draft 1988 ALP Federal Conference Platform on shipping weakened previous commitments to the absolute protection of the national industry by proposing in apparent contradiction to 'promote' Australian shipping and also 'competition' in Australian trades.

Trade unionists and 'national' shipowners made the inference that 'competition' meant foreign flag participation in the Australian coastal trades rather than technological modernization and work practices reform.

But the impact of the Draft IAC Report was also dulled by information overload. In addition to five post-1982 bureau and committee reports, it was also competing with six still-in-progress official inquiries and studies of the waterfront and maritime industries. All recommended different mixes of reform on a continuum from negotiated rule-making to the by-pass of consensus change through the unilateral introduction of new competitive players. The welter of proposals made policy choices more difficult to assess.

As the first cab already off the rank, the MIDC programme appeared relatively secure in view of the risks and conflicts attached to the policy alternatives. Integrated ratings (IR) schemes were progressively introduced during 1988 after company negotiations into West Australian stateships and ANL vessels. Pro-MIDC management and labour united to check the deregulationist proposals before their translation into policy and legislative amendment. The SUA, which now represented all ratings after amalgamation with the Marine Cooks and Federated Stewards, accelerated its "Expand Australian Shipping" campaign. Shipboard groups were mobilized to lobby politicians, the media, shipowners and primary industry trade associations (such as the Tasmanian Farmers and Graziers Association) on behalf of MIDC policy. The sea-going unions sought ACTU support in opposing the IAC reference as an attack on the trade union movement generally. When the IAC report was finally released in April 1988, maritime unions and the ANMA jointly published a rebuttal of its central proposal to open the Australian coast to foreign competition.

In part, because of the vigour of the MIDC and the agenda of work reform, shipping deregulation was dropped as a major policy option for the near future although cabotage regulations permitting greater access to the Australian coastal trades for foreign flag vessels were relaxed from 1 March 1990. Indeed, rather than the price cutting wars offering quick relief to shipping users, freight rates began to rise in the late 1980s global sea transport market. The slump of the early and mid 1980s had discouraged speculative new ship construction and slimmed global tanker and tramp tonnages. Rising demand from manufacturers, importers and wholesalers for just-in-time deliveries had prompted an expansion in shipping services offering sophisticated cargo-tracing systems and prompt delivery rather than cargo moving price reductions. The trend away from low freight rates as the key issue in the shipping economy was also assisted by the generally rising volume of world trade and the emergence of new client shippers encouraged by the end of the Iran-Iraq war, the easing of East-West tensions, the movement towards the single market EEC and the industrialization of SE Asia. Given the changing world shipping economic framework, aggressive marketing and the streamlining in operations through work reform and other measures retrained their appeal as more productive policies than price competition.

The deregulation campaign stalled. In the by now time-honoured tradition, Cabinet responded to the Final IAC Report by establishing in November 1988 yet another tripartite committee. This shipping industry restructuring "Task Force" of 11 members included shipowners, union and government. But in a modest departure from the usual tripartite "corporatist" composition, it also incorporated shippers as a concession to the call for lower freight rates by the consumers of maritime industry services. As a successor body

to the MIDC, the Task Force handled general industrial policy and negotiated over new industrywide wage agreements for IR seamen in 'employer-employee' meetings convened after the main policy sessions. By 1989, participants considered this body to be the main forum for substantive determinations in industrial relations with industrial tribunals merely ratifying the "formalities". This was accomplished by the 1989 Maritime Industries Modern Ships Award for the radical new IR classifications and by the 1989 Maritime Industry Seagoing Award which endorsed the relatively minor flexibilities needed to qualify for the national wage re-structuring increases applicable to the traditional job classifications still in use on old tonnage.

For the foreseeable future, the shipping 'workplaces' of Australia appeared likely to experience work practice reform as the principal substantive industrial relations development while this 'revolution' in classification and work organization would be dealt with largely by extra-arbitral processes. The new authors of change beyond the arbitration system were the MIDC and its successor Task Force. Unlike the institutions in the old arbitration anchored industrial relations, both bodies could be viewed as sponsored clients of the Department of Transport with a common denominator of interests in work reform.

CONCLUSION

Work practice reform in shipping during the 1980s was the product of declining demand, technology and competitive de-manning in the international maritime economy coupled with the industrial re-structuring policies of successive Australian governments. The post-Crawford and MIDC reforms locked in new job classifications and manning scales. By comparison the previous generation of 'productivity bargains' in shipping during the 1960s had proved temporary and localized in their impact to a handful of vessels. Moreover, the integrated rating (IR) reforms could claim to represent a more fundamental rupture with past work practices than the usual run of effort/pay bargains in national wage movements.

These reforms, which amounted to the abolition of the old 'craft' classifications, were facilitated by the absence of forced conversion and the harnessing of generational change to the new multi-skilled shipboard manual occupation. Existing able seamen and engine room hands continued to ship out on the old tonnage remaining in the Australian fleet. However, by 1987, along with volunteers from the old disciplines, all new non-catering rating entrants to the industry were trained as IR seamen. The legitimacy of the reformed job classification was promoted by formal training and a certificate, in effect the new currency of the lower deck labour market.

The reforms were accomplished without major turbulence. The MIDC acquired control over the manning levels and job classification re-structuring process. This ascendancy was not seriously challenged by any other group in the industry. In fact, under the umbrella of the MIDC, the major national employers and the sea-going unions negotiated a range of compromises. The exchanges avoided the win all/lose all syndrome of past dealings. By the late 1980s, the MIDC had become an exemplar of the new productivity and micro-reform oriented industrial relations. To an unprecedented extent, shipping industrial relations was now focussed beyond the orbit of conventional arbitration.

Worth noting is the relationship of the MIDC reforms to such 1980s workplace industrial movements as 'Just In Time' and Quality Circles. The IR scheme involves union consultation and agreement, coupled with the voluntary participation of employees. Another hallmark shared by JIT and IR is the "concern for working life". The MIDC re-organization aimed to improve the caste-like shipboard social environment by the partial desegregation of management and worker living quarters. Another parallel with major JIT experiments of the era was MIDC reliance on government resource and education support. The public sector carried major administrative costs in the shipboard work practice and manning levels reforms over and above its own role as a shipowner.

In some respects the MIDC Task Force reforms represented the first accomplishment of a new industrial constituency. The reforms emerged because the plight of Australian shipping was perceived to require measures outside straight trade-offs in wages and work. Traditional strike activity and arbitration lost their appeal to major players as the connected problems of ageing tonnage, investment disincentives and over-manning remained unsolved. Both management and labour united to shed their 'inefficiencies' for tax concessions and future jobs.

However, as the controversy over the IAC reference indicated, shipping's new industrial relations and its reforms are liable to de-stabilization from policy change such as deregulation and the entry of new shipowners. Internally, the reforms also face possible

corrosive factors. The traditional demarcation of disciplines survives on the upper deck to provide a visible inconsistency in shipboard organization. Moreover, the smaller and de-specialized lower deck crews may create new costs and inefficiencies. The implications of IR manning for work related stress, labour turnover and operational safety remain for future evaluation as does the performance of the new negotiating committees. It is clear though that these bodies have moved the organisation of shipping industrial relations largely outside the boundaries of traditional tribunal formalism into the domain of a new patron, a Minister's Department. What is less clear is how committed future governments of the day will be to this form of industrial relations sponsorship.

Indeed, the state role in shipping industrial relations during the 1980s did not represent a total triumph for the new arrangements. The older institution of 'arbitration' survived with the constitutional proprieties of the "award-system" observed through the certification of the new wage and manning agreements as awards of the Industrial Commission.

Shipping's new industrial relations was also obliged to suffer in small measure the greater participation of foreign shipowners in the Australian coastal trades as a concession to clients eager for the international freight rate bargains triggered by the tonnage glut of the early and mid 1980s. However, the cosmetic changes to the cabotage provisions left intact the national shipping cartel and its closed shop trade union backers, now organized on a more regular basis through the MIDC and Shipping Reform Task force.

Decentralisation associated with work reform also ostensibly posed a threat to the ascendancy of industry-level control through the new negotiating committees. However, vessel level bargaining over manning scales and job classification was done with the participation of the central negotiators. More importantly, local bargaining at enterprise level did not infringe on central control over industry recruitment, training, grading and wage-fixing powers. Shipping's new industrial relations of the 1980s if anything expanded the tradition of industrywide regulation supported by the Commonwealth Navigation Act through new institutions of negotiation and their economically significant agenda of work reform.

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