

Australia: How the Howard government set up its bruising 1998 waterfront union showdown

{{The 1996-97 cabinet papers are strangely muted on Coalition government's role in the industrial dispute that reshaped Australia}}

Friday 4 January 2019, by [DAVIES Anne](#) (Date first published: 30 January 2019).

During 1996 and 1997, the Howard government was readying for one of the most bruising industrial relations battles in Australia's history: the 1998 stoush with the Maritime Union of Australia.

The entire workforce of Patrick Stevedores was sacked, a new workforce of mainly ex-military men was brought in to replace them, and month-long pickets slowed movements at all the major ports in Australia.

Australians witnessed unprecedented tactics: guards with dogs removed the unionised workers from the docks; non-unionised labour wearing balaclavas were bussed in and the MUA resorted to an untried tactic of taking action in the federal court as it fought for its very survival.

The union won in the courts, but the waterfront dispute would prove to be a major shift in the balance of industrial relations, away from union power and towards employers.

John Howard's government had come to power in March 1996, promising industrial relations reform. It involved bringing in new laws, the Workplace Relations Act – a precursor to Work Choices – which came into force in 1997.

The Howard government's fight to change Australia's industrial relations also involved targeting the unions regarded as the most powerful and resistant to reform, such as the MUA.

However, the selection of 1996 and 1997 cabinet papers released by the Australian National Archives on Tuesday include little detail either on Howard's industrial relations plans or the waterfront dispute.

The few that have been made available show that planning for a showdown with the MUA began early in Howard's term. Within a month of the election, the transport minister at the time, John Sharp, had drawn up a list of waterfront issues and commissioned a report from the consultants ACIL.

But the union-busting plan, which included encouraging Patrick Stevedores, then owned by businessman Chris Corrigan, to recruit and train an alternative workforce in Dubai, was regarded as so sensitive that it was devised outside the cabinet process by Peter Reith, the workplace minister.

The need to keep the plan under wraps was evident when cabinet met in April 1996 to discuss the problems facing the shipping line ANL. The board of ANL had advised it needed to implement major restructuring to remain solvent, but this was likely to trigger a major strike, in advance of the planned changes to industrial law.

"I have discussed the industrial relations implications of this dilemma with the minister for industrial relations, who indicated that a strike now could be far less manageable than after our industrial legislation is enacted and all other maritime reform issues likely to provoke strike action (eg waterfront) are ready to be dealt with," Sharp said in his cabinet submission.

Appended to the document was a letter from an ANL executive which said the MUA believed "the government was out to get them".

No decision was recorded on ANL.

By mid 1997 Reith's plans were in full swing. He engaged a Liberal operative, Stephen Webster, in June to serve as the intermediary in setting up the covert operation.

But by December 1997, the cat was out of the bag. The MUA had been tipped off a few months earlier about the Dubai plan.

The plan was revealed by the then opposition leader, Kim Beazley, in parliament on 3 December. Reith and Howard answered with as little information as they could. But Labor had a copy of the recruitment advertisement in a defence magazine and, sensationally, the media captured the first group of recruits, complete with military style haircuts, leaving from Tullamarine airport.

On 16 December 1997, cabinet decided that funds would be made available to employers whose workers were made redundant owing "to restructuring and reform of the waterfront" - it did not mention Patrick specifically.

The funds would be made available by way of a loan, and cabinet would consider down the track what form the help would take. The decision was made without a cabinet submission and marked "this cabinet document has had a limited circulation", underscoring the government's continuing attempts to keep the plan under wraps.

On that same day Reith met Corrigan and his business partner Peter Scanlon. He also wrote to the stevedores about the planned redundancy support, as the plan to sack all the union members progressed. At a terse meeting just before Christmas 1997, the MUA said it would not deal with the government again.

The year ended with bad blood. Corrigan denied involvement in the training exercise in Dubai (though he later admitted it). The head of the MUA at the time, John Coombs, and then assistant secretary of the ACTU, Greg Combet, were convinced they were heading for all-out industrial war in 1998.

They were right. On 8 April 1998 Patrick Stevedores dismissed its entire workforce, triggering a major dispute - and arguably changing the face of industrial relations in Australia forever.

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