



Rt Hon. Liam Byrne MP
Chair – Business & Trade Committee
House of Commons
London SW1A 0AA

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22nd April 2024

Dear Liam

Evidence session with P&O Ferries CEO Peter Hebblethwaite

As the trade unions who represented the majority of the 786 seafarers summarily dismissed by P&O Ferries on 17 March 2022 in such shocking and unlawful circumstances, RMT and Nautilus International write jointly to your Committee ahead of the scheduled evidence session with P&O Ferries' disgraced CEO Peter Hebblethwaite on 7th May.

In his last appearance before a joint select committee on 24th March 2022, Mr. Hebblethwaite admitted breaking the law and showed a stunning lack of remorse for these unlawful sackings and replacement of our members with exploited agency crew recruited on much weaker terms and conditions. Mr Hebblethwaite also said: "I would make this decision again."

In our view, P&O Ferries and other anti-trade union shipping companies operating in UK waters that pay seafarers below the National Minimum Wage on fatigue inducing roster patterns, are using an exploitative labour model which has no place in a modern and safe shipping industry.

The international crews that replaced our directly employed members are not employed by P&O Ferries but by Maltese registered crewing agent Philcrew. P&O Ferries replaced the previous crewing agent, IFM, who provided agency crew from 17th March 2022, with Philcrew in June 2023. Mr Hebblethwaite will know the savings P&O Ferries made from the exploitative contracts from IFM and Philcrew, which both contained pay rates well below the UK National Minimum Wage for months working 84-hour weeks at sea without shore leave.

In August 2023, Philcrew signed a recognition agreement with Slovenian based organisation the International Seafarers' Union (ISU)¹ for the P&O Ferries vessels working from Dover and Hull, including the two new Cypriot flagged vessels *Pioneer* and *Libertè*. The agreement between Philcrew and the International Seafarers Union

¹ <https://isu-organisation.com/about-us/>

actually includes rates of pay under £4 per hour for the first 8 hours of work for up to 11 months at sea for seafarers in Deck, Engine and Onboard Service (OBS) roles. This the maximum permissible time period a seafarer can work onboard under the ILO Maritime Labour Convention² (MLC) after which a seafarer is legally entitled to repatriation.

The press investigation³ on the second anniversary of the P&O Ferries scandal revealed seafarers employed by Philcrew on P&O's short sea international routes from the UK are paid an average of £4.87 per hour for 17 weeks of 12 hour days. It is our firm belief that ISU is a sham union, it is not affiliated to the International Transport Workers Federation (ITF) or the European Transport Workers' Federation (ETF) which will only accept bona-fide trade unions to affiliate. We believe ISU has been created to give a veneer that P&O Ferries is committed to working with trade unions when in reality it exists to rubber stamp P&O Ferries' exploitative crewing model.

P&O Ferries recently stated its intention to sign the voluntary seafarers' welfare charter. It remains unclear how they will meet the standards in the charter on their current employment model and through recognition with ISU which, at best, reinforces seafarer's minimum rights under the Maritime Labour Convention.

The trade unions, however, are clear that the MLC was not designed⁴ and should not be used to undermine seafarer pay and conditions on ferry or on any international or domestic shipping services from UK ports. To allow MLC international minimum standards to be accepted within the UK labour market would accelerate a disastrous race to the bottom for seafarers' jobs and skills in the UK. Unchecked, P&O Ferries style employment practices will also cause severe damage to the security of our economy and society.

The Committee may note that a month after overseeing a scandalous attack on hundreds of his own staff's jobs, P&O Ferries owner DP World made Peter Hebblethwaite director of another of its UK subsidiaries – P&O Ferrymasters. Mr Hebblethwaite holds thirteen directorships in DP World's P&O subsidiaries. P&O Ferrymasters recently announced a pre-tax profit of over £11.1m for 2022. Far from being removed from post, we believe that Mr Hebblethwaite has received significant bonuses for his role in breaking UK law to maximise profits in Dubai.

In their response to P&O Ferries, the government produced a Nine Point Plan⁵ for seafarers. The unions do not consider these measures as an appropriate or effective response, as we said in a joint statement⁶ with the TUC on the second anniversary of the mass, unlawful sackings of P&O's UK seafarers.

² MLC Standard A2.5.1.

³ <https://www.itv.com/news/2024-03-18/p-and-o-ferries-paying-crew-under-5-an-hour-after-government-pledged-minimum-wage>

⁴ The MLC refers to [article 19](#) of the ILO Constitution, of which Paragraph 8 states:

“In no case shall the adoption of any Convention or Recommendation by the Conference, or the ratification of any Convention by any Member, be deemed to affect any law, award, custom or agreement which ensures more favourable conditions to the workers concerned than those provided for in the Convention or Recommendation.”

⁵ [Nine Point Plan for Seafarers](#) July 2022

⁶ <https://www.tuc.org.uk/news/ministers-have-done-nothing-stop-another-po-ferries-unions-warn-2-year-anniversary-mass>

For example, the *Seafarers Wages Act 2023* extends entitlement to a minimum rate of pay equivalent to the UK National Minimum Wage for seafarers for their work in UK territorial waters on international services which call at a UK port 120 times or more annually. The port is responsible for ensuring compliance with this and, crucially, the Maritime and Coastguard Agency will be responsible for enforcing the regulations, which are still being drafted by the Department for Transport.

The Government extended seafarer entitlement to the National Minimum Wage *on ships working UK-UK routes* to the territorial water limit in October 2020.⁷ This legislation is enforced by HMRC National Minimum Wage Enforcement, based in the Department for Business and Trade.

Legislation from the French Government will reinforce minimum wage rights, and a two-week on, two-week off roster pattern for crew on cross-Channel ferry routes from June. This is more ambitious than the UK Government's legislative response to P&O Ferries. This legislation will likely force P&O Ferries to review its employment model and recognition agreement with ISU for its Dover to Calais operations.

However, the French legislation will only affect routes between the UK and France, it will **not** change P&O Ferries' exploitative crewing model on North Sea routes or any other international route. In response to P&O Ferries' illegal sacking, the UK government committed to 'minimum wage corridors' with neighbouring countries; there has been little to no progress on this. We would also contend that 'minimum wage corridors' are not enough. The government should work with neighbouring countries to enforce collective bargaining agreements with unions either side of the ferry route, that deals with wages and other terms and conditions such as roster patterns.

The UK Government chose not to pursue mandatory seafarer pay and employment conditions in response to P&O Ferries' aggressive law breaking, even though Ministers had the support of other ferry operators and of the trade unions in pursuing that option. We are pleased that the Transport Select Committee and the Labour Party support mandatory seafarer employment conditions as the means of recovering seafarer jobs and skills in the shipping industry.

In an interview given in 2023 with an industry publication, Peter Hebblethwaite said:

"We had tried and failed to find common ground with the British trade unions and it was with no pleasure that we had in the end to take the robust decision we did, but we have now achieved the conditions necessary to be competitive."

That is highly misleading. P&O Ferries under Mr Hebblethwaite had already carried out over 500 seafarer redundancies during the pandemic in summer 2020. We resisted this but the redundancy process was conducted under due process with the recognised trade unions, RMT and Nautilus. Unlike the mass sackings and replacement with agency crew on 17th March which came completely out of the blue.

⁷ [National Minimum Wage \(Offshore Employment\) \(Amendment\) Order 2020](#)

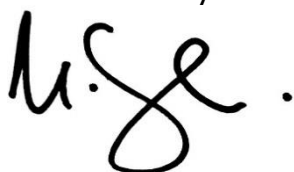
It is also the case that the Coronavirus Job Retention Scheme funds, amounting to over £11m claimed by P&O Ferries early in the pandemic has not been returned to the taxpayer. Has that played a part in this 'return to competitiveness'? It is difficult to judge that, or to gauge the value of the crewing contracts for their ships operating from UK ports because P&O Ferries accounts (for 2022) are, once again, months overdue.⁸

P&O Ferries actions have the potential to act as a catalyst for declining employment standards for seafarers across the British maritime industry. They have brutally exploited international minimums to sack hundreds of UK resident seafarers and cynically exploit crew from abroad, an employment model imposed in similar circumstances by Irish Ferries in the mid-2000s.

Action on P&O Ferries is about much more than one employer, it's about protecting the British shipping industry from unscrupulous employers seeking to exploit both domestic and international loopholes to circumvent collective bargaining and accepted employment norms. This is particularly relevant within a context of all-time lows in UK seafarer jobs⁹ and an entrenched decline in the number of UK registered vessels.¹⁰

We welcome your Committee's inquiry into the labour market and would be happy to contribute further on issues affecting seafarers.

Yours sincerely



Mick Lynch
General Secretary
RMT



Mark Dickinson
General Secretary
Nautilus International

CC Paul Nowak – General Secretary, Trades Union Congress

⁸ <https://find-and-update.company-information.service.gov.uk/company/00237626>

⁹ Chart 9 UK Seafarers in the UK Shipping Industry: 2023, DfT March 2024

¹⁰ Chart 1 Shipping Fleet Statistics: 2023, 6 March DfT