As Papua New Guinea government prepares to privatise

Air Niugini sacks engineers

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Air Niugini retrenched its entire 96-strong engineering workforce at the end of last month, again focusing public attention on safety problems in Papua New Guinea's national air carrier. The sackings came as the new government of Prime Minister Mekere Morauta prepared to announce far-reaching privatisation plans covering state-owned assets, including Air Niugini.

On July 29, the airline dismissed 38 engineers for taking part in a sit-in protest over the non-payment of a promised 5 percent pay increase. The next day the remaining 58 engineers walked out in a show of support and were sacked that afternoon. The government said it would only pay the increase "when the funds became available".

Air Niugini claims it sacked the engineers because they failed to hold a secret ballot, and had not given the required seven-day notice before striking. However, the workers have accused the company of carrying out a cost-cutting exercise to slash staff numbers and force them onto individual contracts with reduced working conditions.

The airline's chief executive Andrew Ogil immediately declared all engineering positions vacant, and began to advertise for the jobs to be filled. At the same time management issued eviction notices to all the sacked engineers living in company accommodation.

The engineers have launched a series of demonstrations to draw attention to the sackings and to warn the public of the heightened risk to safety. Last week they campaigned in front of the PNG Trade Union Congress office, waving placards drawing attention to the dangers.

Air Niugini has dismissed charges by the Aircraft Engineering Association (AEA) that the sackings have compromised safety, claiming it is still maintaining "normal operations" by using a staff of 35 engineers, consisting of contract workers and engineering management.

Acting aircraft maintenance manager Edward Matane admitted that the engineering operations had been downgraded. The skeleton workforce is concentrating on line maintenance only, while the more serious technical aspects, known as block maintenance, are being contracted out overseas at a cost of up to 142,000 kina ($US50,000) per aircraft.

Willy Ambiangai, one of sacked engineers, sent a letter to the media slamming the management claims. Ambiangai said he had evidence that maintenance was not being carried out to the approved standards set out in Air Niugini's instruction manual.

One breach involved a F28 passenger aircraft, which had developed a crack in one of its turbine blades. It was being monitored through weekly boroscope inspections. Ambianga pointed out: "The approved personnel performing this vital task are all sacked. Since then, this inspection has not been complied with." The letter said cleaners and engineers' assistants were being used to perform tasks for which they were not qualified.

In November 1997, the previous prime minister Bill Skate set up a parliamentary task force into air safety in response to growing public concern. The task force report listed a multitude of problems—ranging from an aging fleet and the poor state of air traffic services, to inadequate rescue and firefighting facilities, navigation aids and airport maintenance. Little has been done to implement the report's recommendations.

In February 1998, a major petroleum company, Chevron Niugini, was so concerned over safety standards that it cancelled all business with Air Niugini. At the same time, Air Niugini workers, covered by the AEA and National Airline Employees Association (NAEA), threatened to walk off the job because they "could not guarantee the safety of the travelling people".

A major issue was the lack of finance for spare parts. AEA president Desmond Nicholas said: "This is particularly so in the case of F28s which are being phased out worldwide. This means in some cases, patchwork repair is done just to keep planes flying."

Air Niugini has a long history of financial problems, which came to a head in February 1998 when it sought government assistance to pay wages after the PNG Banking Corporation (PNGBC) refused to extend it any further credit.

At the time, the airline owed a total K150 million in debts, including K25 million to PNGBC. The bank extended another K8 million only after the airline agreed to place control of its operations and finances in the hands of the bank. Investigative accountants were then called in to look for areas to cut expenditure.

Now as the government prepares to privatise Air Niugini the cost cutting will only intensify. The sacking of the engineers is a warning that the airline will not hesitate to use the same measures against other sections of its workforce in order to slash staff numbers, cut back on pay and conditions, and employ cheap, contract labour.

Many other public sector workers may well face a similar onslaught as the Mekere government prepares to privatise Halla Cement, Habours Board, Ramu Sugar, Government Stores, Niugini Insurance Corp, PNG Banking Corporation and Telikom.

It is significant that the PNG Trade Union Congress president is a member of the government's newly-appointed Privatisation Commission. While the PNGTUC claims to defend the engineers, its president is sitting alongside the governor of the Bank of PNG, the Executive Director of Port Moresby Stock Exchange and the President of PNG Chamber of Commerce, deciding how the airline and other government bodies are to be restructured and sold off. The PNGTUC is yet to mobilise any other workers in support of the sacked engineers.