

# Australia: Unions collaborate with Qantas to slash wages and conditions

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With the assistance of Australian airline unions, Qantas, the country's largest carrier, is pushing through a fundamental restructure of its operations to slash wages, dismantle longstanding working conditions and impose ever-greater levels of workplace "flexibility".

Earlier this month the Australian Licensed Aircraft Engineers Association (ALAEA) leadership brokered a deal with Qantas, reducing the union's original pay claim and delivering substantial concessions on rostering and the use of contractors. That the deal represented a total capitulation to the company's demands did not stop ALAEA federal secretary Wayne Vasta claiming it to be "a win for our members". The union, he said, was "happy with the outcome".

The four-year agreement gives engineers, who must sign off all aircraft before the planes enter service, a pay rise of just 3 percent annually, backdated one year, with an additional 1 percent paid as part of the employer's contribution to superannuation. The deal is below the 5 percent originally sought and does not compensate for the current official 3.5 percent inflation rate, which is predicted to rise by the end of 2008.

In addition, the ALAEA leadership has given management complete control of rostering, which will adversely affect engineers' penalty rates and allow the company to impose rosters of 9.5, 10.9 and even 12 hours to meet the traffic schedules of Qantas's new A380 fleet. All roster changes had to be negotiated with the union under previous agreements.

The agreement also lifts restrictions on the employment of fixed-term contract workers and accepts changes demanded by Qantas to increase the number of part-time and casual workers and dictate where they can be used across the company's operations.

Qantas chief executive Geoff Dixon hailed the agreement, declaring it would "provide Qantas

Engineering with the workplace co-operation, flexibility and efficiencies it needs to meet cost and competitive pressures". In other words, Qantas will enhance its competitive position and boost profits directly at the expense of its licensed engineering staff.

While Dixon claimed the agreement was the result of "intense negotiations in recent weeks", the truth is Qantas had threatened the licensed engineers with a strikebreaking operation if they persisted in commencing overtime and other bans on January 9 as part of a campaign to win the original pay claim.

At the end of last December it was revealed that Qantas had engaged an Australian-based labour hire company to recruit alternative engineers for strikebreaking. The hire company had already begun to approach former licensed engineers, including some of the engineers Qantas had made redundant just one year ago. The hire firm offered a six-month contract with a total salary of \$100,000, almost double the pay of existing staff.

The ALAEA, rather than develop a campaign against the strike-breaking threat and turn to other airline workers for support, dropped its threatened bans and rushed into closed-door negotiations with the company, scheduled to drag on at least until early February.

The timing of the ALAEA decision was significant. It came just days before Flight Attendants Association of Australia (FAAA) members were to vote in secret ballots on January 12 on a union-brokered agreement for long-haul cabin crews that slashed the wages and conditions of new starters and locked current crews into a 3 percent pay increase annually for five years.

The deal allowed Qantas to hire 2,000 new crew members, paying them just \$55,000 a year, including allowances, or 25 percent less than the current long-haul staff. At the same time, the new recruits will have

to work for 30 percent longer or 250 hours across an eight-week roster. In effect, hourly wages for new starters have been cut by more than half.

Like his ALAEA counterpart, FAAA International Division Michael Mijatov hailed the wage-cutting deal with Qantas, claiming that it would “enable an unprecedented positive and secure future” for long-haul crews. The agreement actually does the opposite, with the new two-tier wage system exerting constant downward pressure on wages. Qantas will ruthlessly exploit this in future agreements.

When current crew members leave or retire they can be substituted with new recruits on the inferior conditions negotiated by the FAAA. In fact, the 2,000 new starters are essentially replacing the jobs of 1,500 full-time long-haul staff eliminated in previous downsizing.

The FAAA executive secured a yes vote for the deal last month at a host of small off-duty membership meetings in the run up to a secret ballot. No mass meetings were held, thereby ensuring that arguments for a no vote could not reach a broad audience.

The FAAA executive insisted there was no alternative and threatened that if the agreement were rejected Qantas could, under existing industrial law, employ offshore or set up a new subsidiary company to hire crews under so-called green-field site agreements with inferior conditions.

No doubt the ALAEA decision to suspend work bans added to the pressure being exerted on FAAA members to accept the agreement. The union officials effectively undermined the possibility of simultaneous industrial action by engineers and long-haul crew. That the FAAA settled its dispute will now be used, in turn, to put pressure on the licensed engineers to accept the ALAEA-negotiated deal. Both settlements will be used as benchmarks to impose similar conditions on other sections of Qantas workers, throughout the airline industry and across industry generally.

The role of the ALAEA and FAAA leadership further demonstrates that the major concern of the unions is not the defence of the conditions of their members. Their prime aim is establishing their position as industrial policeman under the industrial regime being established by the Rudd Labor government.

Earlier this month, around 200 officials from all trade unions met in Canberra over three days to discuss the

unions’ relationship with the Rudd government. By the end of the conference they had accepted the government’s demand for “wage restraint” in the so-called fight against inflation.

Australian Council of Trade Unions president Sharon Burrow declared that the “union movement” was “prepared to play its part ...to stave off inflation”. This included restricting pay increases and delivering “productivity and savings in superannuation”. The FAAA and ALAEA agreements are a warning of where this will lead.

Licensed engineers must reject the Qantas-ALAEA deal and begin organising industrial action to defend their living standards and hard-won working conditions. This requires a turn to other airline employees and all sections of the working class. Above all, engineers need to recognise that this requires a political struggle against the union leadership and Labor government.



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