

# Australia: Peak union body calls off Qantas stoppages

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Australian Council of Trade Unions (ACTU) president Sharan Burrow intervened on Thursday into the protracted pay dispute by 1,700 licensed engineers at Qantas, the country's flagship airline. At Burrow's behest, union officials called off four-hour stop-work meetings scheduled for yesterday and May 23 to discuss industrial action.

The ACTU and the union covering the engineers, the Australian Licensed Aircraft Engineers Association (ALAEA), jettisoned the stoppages to prevent a confrontation with Qantas, following revelations that the company was preparing a lock out. Qantas chief executive Geoff Dixon confirmed that management engineers would have been used during the stoppages and did not deny reports that the company had spent millions of dollars recruiting a scab workforce to replace the engineers.

Burrow said she would hold meetings with officials from all Qantas unions next week to "work out how to support a fair bargaining process for the aircraft engineers". No-one should be under any illusions. The ACTU's intervention has nothing to do with supporting the engineers but is aimed at imposing a pay settlement in line with the company's demands.

Burrow has telegraphed through the media that the ACTU will work to reduce the engineers' 5 percent claim, declaring: "Let's see what we can do: somewhere in the middle there's a more moderate wage outcome that allows these people to make their own families confident about facing the future."

ALAEA federal president Paul Cousins, conscious of the opposition among the union's rank-and-file, attempted to distance the union somewhat from the ACTU's position, saying: "As far as we're concerned the 5 percent is still our ultimate goal." However, he welcomed Burrow's intervention and said the ALAEA

hoped the company would reopen negotiations in the light of its decision to cancel the stop-work meetings.

As past practice shows, the ALAEA leadership would have no problems embracing a lower outcome, other than the difficulty of forcing the engineers to accept it.

The engineers, who inspect and certify aircraft before take off, renewed their campaign for 5 percent last month after voting down an agreement signed by the ALAEA in February. The union accepted annual 3 percent increases for three years, with a further 1 percent in superannuation, and handed Qantas significant concessions on rostering and the use of casual and part-time labour. The base increase was well below the official inflation rate of 4.2 percent.

Qantas had intended that the deal, together with one signed earlier by the Flight Attendants Association of Australia (FAAA) would establish a 3 percent benchmark to impose on all its Australian-based workers. The FAAA's five-year agreement for 3,000 long-haul cabin crew members held down pay increases to 3 percent annually and established a two-tier workforce, with lower pay and longer working hours for 2,000 new starters.

Facing rising fuel prices and fierce global competition, Qantas is determined to impose ever-greater cost cutting, and has repeatedly threatening to shift more operations overseas to exploit low-wage labour. Past cuts have already helped deliver a pre-tax profit of \$830 million from its mainline business in the six months to December 31, more than double the previous result.

Dixon, who says a 5 percent pay for the engineers would add \$360 million to the Qantas wage bill, has ruled out any change to the company's 3 percent ceiling, telling the media earlier this month: "It's not negotiable and I mean that. The board has signed off on

it.”

The ACTU’s intervention is a sign of the extreme nervousness throughout the entire union hierarchy over the engineers’ defiance and the ALAEA’s inability to impose the company’s dictates.

The unions’ greatest fear is that a determined stand by the engineers—a significant section of the working class—will win broad popular support and could become a focal point for a movement of not only Qantas employees but working people generally against the deepening attacks on wages and working conditions.

Such a development would be a direct challenge to the Rudd Labor government and its demand that workers accept “wage restraint”, supposedly to combat inflation—a call that is supported by the ACTU and all its affiliates. Under the Rudd government’s industrial relations regime, any pay increases must be tied to productivity trade-offs at individual enterprises.

Just days before the ACTU intervention at Qantas, Workplace Relations Minister Julia Gillard told the media: “I anticipate in that process [wage bargaining] people will be looking for productivity gains, and they will be understanding that inflation is a shared challenge.”

Put more plainly, Gillard is calling for a common front of the employers and trade unions against working people to prevent what is dubbed by the media and corporate establishment a “wages breakout” and to drive up work rates.

Such outcomes are at the centre of negotiations over a raft of new agreements across many industries. For example, in March, unions covering 90,000 staff at supermarket retailers Coles and Bi-Lo signed off on a 10.4 percent pay increase spread over four years, which amounts to a real wage cut of more than 2 percent.

The main concern of the unions is to demonstrate they can deliver the outcomes required by employers and the government so as to maintain a role for themselves as brokers in Labor’s new industrial relations setup. At the same time, Dixon’s strike-breaking plans would undoubtedly get the Rudd government’s support because “success” at Qantas, a major employer, would bolster Labor’s drive to impose wage cuts on other sections of the working class.

In other words, the engineers face a combined operation by the company, the Labor government and other sections of the corporate elite under conditions

where the ACTU and ALAEA are working to isolate and betray their dispute.

While Qantas has declared it will not budge on what amounts to a wage cut, the defiance of the engineers indicates that working people will not stand passively by and see their hard-won condition torn up.

Contrary to the ACTU’s claims, the Qantas dispute demonstrates there is no ground “somewhere in the middle” and once again confirms a basic truth—the drive for profits is incompatible with the aspirations of ordinary working people for a decent life.

What is posed before Qantas engineers is the necessity of turning to broader layers of workers and basing their struggle on a socialist perspective that aims at a fundamental reorganisation of society to put the basic social needs of the majority ahead of the profits of the wealthy few.



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