

Australia: Once again unions call off Qantas stoppages

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For the third time in six weeks, union leaders have called off industrial action by 1,500 Qantas engineers in a bid to prevent a potentially explosive confrontation with the airline and the Rudd Labor government over the company's demand for cuts to wages and conditions.

The Australian Council of Trade Unions (ACTU) intervened again last Thursday, arranging another round of negotiations on the new workplace agreement to commence on Monday. The truce was offered to Qantas despite the airline's adamant refusal to budge from its position and its use of scab labour during this week's rolling stoppages, which forced the cancellation of about 100 domestic flights.

Australian Licensed Airline Engineers Association (ALAEA) federal secretary Steve Purvinas said: "Hopefully we can sit down for the week and reach an agreement." Earlier in the year, the ALAEA signed a deal with Qantas to impose a 3 percent annual pay rise limit, which is far below the soaring cost of living. The engineers threw out the agreement in an April ballot, and are fighting for a 5 percent increase.

Kevin Brown, Qantas's head of human resources, welcomed the truce, declaring: "We hope the ALAEA come to the meeting with a realistic solution." By "realistic" Brown no doubt means another attempt by the unions to force the engineers to accept the company's terms. The initial ALAEA-Qantas agreement also gave significant concessions to management on rostering and increased use of contract labour.

During this week's four-hour stoppages in Sydney, Melbourne, Brisbane, Perth and Cairns, Qantas provocatively used security guards to protect management scabs who were working on planes. According to eye-witness accounts given to the *Melbourne Age*, the scenes were reminiscent of the 1998 waterfront dispute, when Patrick Stevedores, backed by the Howard government, deployed guards and a scab workforce against dock

workers.

The company also stepped up its strike-breaking preparations, outsourcing the engineers' work on some planes to a local contractor, John Holland, and calling in the federal government's Workplace Ombudsman to threaten fines of up to \$33,000 against anyone found responsible for circulating an alleged blacklist of potential strike breakers.

On June 23, Qantas chief executive Geoff Dixon reiterated that the company would not back down. He confirmed that engineers at Los Angeles International Airport had completed two full A-checks (maintenance inspections) on Qantas jets in the previous 10 days and warned that other overseas centres were under consideration. Dixon declared: "We are looking at other options." These include greater long-term use of engineers based at Avalon in Melbourne and maintenance checks in London.

The latest measures come on top of Qantas's multi-million dollar recruitment of scab engineers by a labour-hire company, Newport Aviation. Asked by the media this week if the company would use strikebreakers, Qantas executive general manager Kevin Brown stated: "There's a range of contingencies, some of which include consolidating our operations and some of which involve alternative ways of getting the work done". He said Qantas would also seek an order in the Industrial Relations Commission (IRC) outlawing the engineers' ongoing overtime bans.

Qantas is determined to secure its global position in the highly competitive aviation market under conditions where many carriers could go to the wall. Cost-cutting by airlines has escalated in the face of soaring oil prices, with Qantas predicting that its fuel bill will increase by \$2 billion in the coming year.

Qantas has already secured an agreement with the Flight Attendants Association of Australia (FAAA) imposing a 3

percent pay settlement on long-haul cabin crew and allowing 2,000 new recruits to be hired on inferior wages and working conditions. Earlier this month, the company cut back flights on some less profitable routes, which will mean shedding jobs.

Last week, Dixon sent out a letter informing staff that the Qantas board had met in New York and instructed executives to hold out against the “untimely” engineers’ pay demands. “You just couldn’t contemplate our wages policy changing when we are being hit with such a huge increase in the price of oil,” Dixon wrote.

The letter was designed to send a message to other Qantas workers with contract negotiations pending that they face a similar response. Like the engineers, National Union of Workers (NUW) Qantas delegates last month rejected a NUW recommendation to accept a new agreement based on the company’s 3 percent pay limit and reasserted a claim for 5 percent.

Qantas is determined to defeat the engineers to set a wage-cutting benchmark to be imposed throughout its operations. The unions, for their part, are determined to keep the emerging struggles separate to make it easier for them to maintain control and ensure minimal disruption to Qantas’s operations.

The unions are anxious to demonstrate that they remain competent industrial policemen so as to secure their role as labour brokers in the Rudd government’s new industrial relations set-up. Fearing that Dixon’s threats would provoke active support from other Qantas and airline workers, ACTU secretary Jeff Lawrence this week attempted to play down the company’s strike-breaking contingencies, saying, “I have no reason to believe that Qantas is not interested in continuing maintenance in Australia”. Lawrence added: “I think what we have to do is explore options.”

What options? That the engineers accept cuts to pay and conditions to supposedly defend their jobs? For years, the unions have continually pushed workers to hand back concessions, claiming this would secure jobs. Yet Qantas has continued to cut its maintenance workforce, while using the threat of moving off shore to secure ever greater concessions from workers both in Australia and overseas.

Other airlines are engaged in similar attacks. Japan Airlines (JAL) is attempting to slash pilots’ salaries and allowances by 5 percent while Air New Zealand is seeking to impose a 3.75 percent pay settlement on engineers who are seeking 5.8 percent.

As for the Rudd government, it continues to demand that all workers accept “wage restraint”, relying on the

unions to prevent any “wages breakout”.

In federal parliament this week, opposition deputy leader Julie Bishop demanded that the government exercise its powers to terminate the bargaining period for the engineers’ claim, thereby making industrial action illegal. Prime Minister Kevin Rudd complained the engineers’ strikes were legal under the former Howard government’s industrial relations laws, and called for “all parties to exercise restraint”.

Labor’s own IR laws retain the Howard government’s measures that allow the IRC to end the bargaining period, outlaw solidarity action by workers outside the immediate dispute and sanction the employers’ “right” to impose lockouts.

Rudd’s statement brought an immediate rebuke from the corporate elite, where there is increasing concern that the defiance of the engineers will encourage other sections of workers to follow suit. The June 25 editorial in the *Australian* warned that “caving” in to the engineers “would be disastrous” and called for “other means” to be found to end the dispute.

“Other means” could involve using provisions that give the federal workplace relations minister the power to order an end to industrial action that affects “essential industries”, threatens “public welfare” or damages “the economy”. It should never be forgotten that in 1989, the Hawke-Keating Labor government mobilised the air force, with the complete support of the ACTU and its affiliates, to break the pilots’ wages strike and remove the entire workforce.

The engineers’ struggle has reached a crucial point. The way forward requires a political break with the trade union apparatus and an independent turn to other Qantas and airline workers, to counter the airline’s strike-breaking plans along with any measures taken by the Rudd government.

This is an essential first step in establishing a common international front of airline workers against the global assault on jobs, wages and conditions. Such a struggle requires a new socialist perspective that challenges the entire framework of the profit system.



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