

# Australia: Unions give Qantas a “breathing space” to prepare fresh assault on engineers

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Union leaders last week decided to call off rolling industrial action by 1,500 Qantas licensed engineers for a least two and half weeks. The engineers, who have had no pay rise since January 2006, are campaigning for a 5 percent increase but Qantas is refusing to budge from its offer of just 3 percent, which fails to compensate for the soaring cost of living.

Australian Licensed Airline Engineers Association (ALAEA) official Wayne Vasta declared on July 1: “We have decided that further stoppages should wait until after school holidays and the Pope’s visit for World Youth Day, recognising the significance of this international event”. The misnamed “World Youth Day”—a multi-million dollar government-backed extravaganza specifically to promote the Catholic Church—is due to take place in Sydney next week.

Vasta admitted that after further talks with the company, “the parties (the unions and Qantas) aren’t any further apart or closer to a resolution”. He complained that the outcome “leaves us (the ALAEA) with little option other than to continue our industrial campaign.” He added: “We have always regarded this as a long-term campaign and that remains the case today. We’re hopeful of a resolution”.

Vasta’s contorted statement points to the union’s real agenda. The “long-term campaign” and the on again-off again work stoppages are designed to limit disruption to Qantas’s services while wearing down the engineers to the point where a deal based on the company’s demands can be foisted onto them.

The latest cancellation is the fourth time in seven weeks that the union leadership has called off industrial action even though Qantas continues to use strike-breakers and to issue legal threats. In fact, emboldened by these back-downs, the company openly acknowledges its strike-breaking contingencies, which

include having a force of scab engineers on standby.

Late last month, Qantas said it had outsourced some engineers’ inspection work to local contractor John Holland and that some full A-check maintenance inspections were being done in Los Angeles and at Avalon in Melbourne. During the last work stoppages, the company provocatively stationed security guards to protect management engineers working on planes, saying it was “a prudent measure to avoid inappropriate behaviour”.

Under these conditions, the Australian Council of Trade Unions (ACTU) intervened last week to call a “truce” and, along with the ALAEA, rushed into new negotiations. The company refused to give any ground, and the unions’ lengthy postponement of industrial action is the only outcome.

Worried that the unions’ prostration might provoke opposition from engineers, ALAEA federal president Paul Cousins claimed that the postponement would give Qantas a “breathing space,” so it could, “go back and look at several options that will provide us with the opportunity to come to a resolution in this matter”.

The claim is preposterous. Qantas has already made clear that the only “option” it will consider is for the engineers to accept its 3 percent pay-cut proposal. Last month Qantas CEO Geoff Dixon announced that the company’s board had instructed executives to hold out against the engineers’ pay demands.

Facing escalating fuel costs and intensifying international competition, Qantas is determined to defend its bottom line by drastic cost-cutting centred on slashing wages and working conditions. Every retreat by the unions only emboldens the company to deepen its attacks.

Qantas executive general manager John Borghetti responded to the unions’ announcement by

contemptuously declaring: “We welcome the ALAEA’s decision not to strike during the World Youth Day events, but they also need to lift their overtime bans and go-slow campaign to truly minimise disruption to our passengers.”

Borghetti is well aware that the ALAEA was only prevented from delivering the company’s demands by rank-and-file engineers who in April rejected a union-brokered in-principle agreement based on Qantas’s 3 percent offer. The company will only use the “breathing space” to step up its efforts to defeat the engineers.

In late June, federal opposition deputy leader Julie Bishop demanded in parliament that the federal Labor government exercise its powers under industrial relations laws to terminate the bargaining period for the engineers’ claim, thus outlawing their industrial action.

Prime Minister Kevin Rudd did not act on the call, but neither has he ruled it out. Labor has retained the vast majority of the former Coalition government’s punitive industrial laws. These include the Industrial Relations Commission’s powers to end a bargaining period, along with provisions outlawing solidarity action by workers outside the immediate dispute and sanctioning the employers’ “right” to impose immediate lockouts.

Also retained were provisions giving 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”. Any one of the stipulated criteria could be used by the government to act against the engineers.

Rudd is already under pressure from the corporate elite and media moguls to block any “wages breakout”—that is, to suppress all pay claims despite rising inflation. He is no doubt concerned that even a limited victory by Qantas engineers could spur on other sections of workers.

Already there are signs of further industrial conflict among Qantas workers. In late June, National Union of Workers delegates at Qantas rejected a union recommendation to accept a new agreement based on a 3 percent pay limit and reasserted a claim for 5 percent.

The agreement covering baggage handlers came up for renewal on June 30. This week, the *Daily Telegraph* reported that Qantas is using an empty hangar at Sydney’s Bankstown airport to train managerial

employees in baggage handling and driving baggage trucks.

There is no doubt that Qantas management as well as the unions and the Labor government all want to shut down the engineers’ dispute as quickly as possible.

During the engineers’ stoppages late last month, the media published reports of a blacklist of Qantas “strike breakers” being circulated in the industry. Qantas manager Kevin Brown immediately denounced the list as intimidation. The Federal Workplace Ombudsman has announced an investigation into the allegations and warned of heavy fines if the provisions of the Workplace Relations Act have been breached.

This provocative threat is just one more indication of the campaign being prepared against engineers once the breathing space granted by the union has expired.



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