Qantas management threatens “ruthless” restructure

Terry Cook
1 August 2011

Qantas CEO Alan Joyce declared at last week’s 2011 Aviation Outlook Summit that the Australian airline’s restructuring strategy—which he had previously described as “ruthless”—would be completed by August 24. His provocative speech was delivered just after Qantas pilots voted overwhelmingly in support of industrial action over enterprise bargaining agreement (EBA) claims.

The Australian and International Pilots Association (AIPA) and three other unions—the Australian Licensed Aircraft Engineers Association (ALAEA), the Transport Workers Union (TWU) and the National Union of Workers (NUW)—want “job security” clauses in all new enterprise agreements with the carrier. These clauses would stipulate that crews employed on Qantas-badged flights or on overseas subsidiaries operating Qantas services, or ground staff contracted to undertake Qantas work, receive the same wages and entitlements as the airline’s mainline employees.

Joyce made clear that these demands were unacceptable and that the planned changes to the airline’s “business model” were “not optional”. Qantas’s restructuring plan is in line with the drive by airlines around the world to maintain “international competitiveness” following the eruption of the global financial crisis in 2008.

Over the past three years, US airlines have axed over 54,000 jobs, or 16 percent of their workforces, while tens of thousands of jobs have been eliminated by European carriers, including British Airways, Lufthansa, Aer Lingus, Air France, Alitalia and TAP Portugal. Increasingly, carriers have also used low-cost offshoots to drive down working conditions and wage levels.

Joyce underscored the magnitude of Qantas’s planned restructuring, saying it would include a review of “non-performing assets” and an increase in the carrier’s “participation in the Asian opportunity”.

Qantas intends to establish an Asian-based full-service premium carrier and is laying the basis for the eventual relocation of the bulk of its core operations to Asia in order to exploit cheaper wages and maintenance costs.

Qantas’s low-cost subsidiary JetStar, which already flies to and from Australia via Singapore using lower cost Singapore-based pilots, is also planning new routes to Beijing, Ninbo and Hanoi and additional flights to six other Asian destinations. Jetconnect, the Australian carrier’s wholly-owned New Zealand-based subsidiary, pays lower New Zealand wages and conditions to operate budget flights in and out of Australia.

Some of the conditions imposed on JetStar’s Thailand-based flight attendants were revealed on the Australian Broadcasting Corporation “Lateline” television program last Wednesday. Attendants hired through a Thailand body-hire agency, which is 37 percent owned by Qantas, are paid just $258 per month, with an additional $7 per hour during flights. They receive no sick leave and only half the annual leave of their Australian counterparts, and can be made to work 17-hour shifts.

In his speech, Joyce also signalled sweeping maintenance job cuts. He claimed that the airline’s maintenance costs were “among the highest in the world” and that new generation aircraft did not require “the same degree of intensive, repetitive maintenance”.

The unions, Joyce continued, were “simply out of touch and trying to block our use of new business models.” They should “understand the simple logic that new technologies require new work practices.” Two days

© World Socialist Web Site

earlier, JetStar CEO Bruce Buchanan declared that Qantas's international long-haul pilots' salaries were "exorbitant" and "out of whack with the market".

Joyce's claim that the unions were blocking the company's new business models is absurd. There is no doubt that the airline unions will play the main role in suppressing the opposition of workers to the company's attacks on jobs and conditions—using the Labor government's Fair Work Australia to prevent any unified action.

Like their counterparts elsewhere, the airline unions, which function as industrial policemen, have consistently rubber-stamped company cuts to jobs and working conditions. In 2008, for example, the airline unions endorsed a 3 percent pay ceiling, cuts in conditions of licensed aircraft engineers and long-haul cabin crews, and the outsourcing many baggage handling and other ground staff jobs. The union deal paved the way for Qantas to eliminate 3,340 jobs, or almost 10 percent of the airline's workforce, over the following 12 months.

The response of the Qantas unions to the latest round of threats and attacks by management has been to divert workers' mounting concerns into a series of harmless protests while appealing to the company for negotiations in order to better implement its requirements.

Following the pilots' vote for industrial action AIPA vice-president Richard Woodward assured management that the union would do its "best to minimise any disruptions". The first "action" taken by pilots consisted of reading a short statement to passengers during flights explaining the current dispute.

Woodward admitted that the union had offered substantial concessions during negotiations, including an 11 percent increase in flying hours and "rostering efficiencies". These changes will increase pilot workloads.

Two weeks ago, the ALAEA staged a series of token 60-second stoppages while directing two engineers, one in Melbourne and one in Perth, to only use their left hands to do maintenance.

This stunt was preceded in June by a union offer to provide strike-breakers during two-hour rolling stoppages. Those stoppages were then called off to allow Qantas to ferry Tiger Airways passengers after that low-cost carrier was grounded by the Civil Aviation Safety Authority over safety issues.

ALAEA national secretary Steve Purvinas revealed that the union's decision—in effect, to help Qantas profit from Tiger's misfortune—followed discussions with the government of Prime Minister Julia Gillard. His remarks gave an indication of how closely the unions are working with the government, as well as management, to stifle the opposition of Qantas workers to the company's onslaught.

Limited 24-hour stoppages by 300 NUW members in Qantas warehouses in Victoria, New South Wales, Queensland, Western Australia and South Australia over the past two weeks have had no affect on the airline's domestic and international operations.

As Qantas prepares to unveil its "ruthless" measures, the principal concern of the trade unions is to appeal to management to accept that the union apparatuses are the best instruments for imposing the company's demands and keeping workers in check.

Qantas workers cannot defeat the next stage of management's assault while they remain in the stranglehold of the unions, but only in a rebellion against these organisations and the Fair Work Australia straitjacket they enforce. Inevitably that will involve a political struggle against the Labor government and a turn to other sections of workers in Australia and internationally. Such a struggle must be guided by a socialist perspective to unite airline workers globally against the companies and the private profit system.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site