

Australian Labor government threatens Qantas airline workers

Terry Cook, James Cogan
17 October 2011

The Gillard Labor government last week declared it would use its Fair Work Australia industrial legislation to ensure that Qantas Airlines can push ahead with a massive restructuring of its operations unimpeded by opposition from its workforce. The threatened intervention was in direct response to the demands of the corporate and media establishment.

Qantas management is openly preparing for the wholesale elimination of much of the Qantas-badged operations and staff through the expansion of its international stable of Jetstar subsidiaries, which employ staff on lower wages and conditions. The company has already announced 1,000 job cuts in Australia, the closure of unprofitable routes and the establishment of two new low-cost carriers to compete for a larger share of the Asian airline market.

The restructuring is a desperate bid to make Qantas competitive in the ruthless struggle within the global airline industry and protect the profit interests of the Australian banks, superannuation funds and other corporate shareholders.

While the intervention of the Labor government makes clear that Qantas workers are involved in a political struggle, the unions covering pilots, engineers and other ground staff have sought to channel the opposition of the workforce into negotiations over new workplace agreements. They claim that the insertion of a “job security” clause into the agreements will protect workers’ futures.

In reality, the company intends to downsize Qantas to a shell of its current state. The airline has categorically ruled out giving any ground to the demands for job security clauses, accusing the unions of seeking to “entrench work practices that impact on flexibility.” At the same time, it is determined to lower wage costs by enforcing a 3 percent ceiling on pay increases.

Over recent weeks, the management has responded to stopwork meetings called by the Australian Licensed Aircraft Engineers Association and the Transport Workers Union by provocatively cancelling flights and grounding aircraft, disrupting the travel of thousands of people. The company’s actions demonstrate that it is determined to break the resistance of Qantas workers.

Last Thursday, Tourism Minister Martin Ferguson, a former Australian Council of Trade Unions (ACTU) president, brought into the open the fact that Qantas has been proceeding all along with the full support of the Labor government. He blamed Qantas workers for the disruption to flights and denounced their industrial action for damaging “the tourist trade and the small businesses that rely on it.”

“There are options,” Ferguson said, “for the government to actually require the parties to resolve these issues under the umbrella of the Fair Work Australia Act.”

Labor’s laws contain extensive powers to illegalise industrial action, including if it is deemed to be causing “significant economic harm to the employer,” “significant harm to a third party” or “significant damage to the Australian economy or part of it”. If the Fair Work Australia tribunal does not intervene, Workplace Relations Minister Chris Evans can exercise these powers unilaterally via a ministerial declaration. He can also order workers to perform nominated tasks.

Labor’s public threat to intervene was in response to an “exclusive” article in the Sydney *Daily Telegraph* by John Lee, the chief executive of the Tourism and Transport Forum, an employers’ association. Lee noted the industrial powers of the government and declared that “if industrial action threatens travel over Christmas that would make the case for a national interest test to be applied.”

The dispute is being closely monitored by the corporate and financial elite. It is viewed as a decisive test case in efforts to shatter the conditions of workers in large workforces who are determined to defend established work practices and safety standards.

Business Spectator commentator Robert Gottlieb wrote on Friday: “The Qantas battle between management and unions over control of the airline has taken on a significance that will rank with the landmark Australian industrial disputes such as the waterfront battle.”

The 1998 waterfront dispute resulted in a devastating defeat for waterfront workers, imposed with the assistance of the Maritime Union of Australia—the elimination of hundreds of permanent jobs and the continuous restructuring of conditions to make the Australian docks competitive with Singapore benchmarks.

In an editorial today, the *Australian Financial Review* insisted that the conditions of airline workers—and by implication all workers—must be levelled down to the benchmarks in Asia.

The editorial declared: “[T]he brutal reality for some Qantas employees is that the pay and conditions of the past have a limited life ... high-cost, low productivity Australian businesses are threatened unless they are able to adapt to take advantage of the growth in Asia’s developing economies with cheaper or more efficient offerings.”

The Qantas restructure, in other words, is at the frontline of an offensive, directed by the Labor government, to devastate the living standards of the working class in order to guarantee the competitiveness of Australian industry amid the global slide into economic depression.

The airline unions, and the trade union apparatus as a whole, have no intention of waging a struggle against Qantas or the Labor government. Their perspective, clearly outlined when Qantas announced its restructuring program in August, is that the unions should negotiate agreements to bring about the necessary productivity increases. The unions are not fighting for the defence of past conditions but in support of the demand that they be recognised as labour brokers within the Labor government’s Fair Work Australia regime.

In order to advance their fight, Qantas workers will

need to break out of the straitjacket to which, so far, they have been confined by the unions. Management has a worked-out strategy. Workers need to establish independent rank and file committees to discuss and map out a strategy in their interests. This will require a turn to other sections of workers in Australia and internationally, particularly workers in the various Jetstar operations.

This fight begins with the recognition that the fight to defend jobs and conditions is a political struggle against the Labor government. It must be grounded on a political perspective, which has as its goal the establishment of a workers’ government with a socialist program, including the bringing into public ownership of the airlines, other major corporations and banks under democratic control.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact