

# Australian corporate elite hails Qantas assault

Mike Head

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Australia's corporate and financial establishment has applauded the actions of Qantas in grounding its entire fleet last weekend and announcing a lockout of its workforce. Together with the recent mass sackings at BlueScope Steel and OneSteel, the Qantas confrontation is regarded as a crucial test of the "transition" that Prime Minister Julia Gillard has promised to slash working class conditions across the board to "internationally competitive" levels.

As a result of the ruling handed down yesterday by the Labor government's Fair Work Australia (FWA) industrial court, Qantas ground crew, engineers and pilots are prohibited from taking any industrial action as the company proceeds with its latest far-reaching restructuring.

Qantas can now push ahead unhindered with plans to eliminate another 1,000 jobs, contract out further operations, downsize Qantas-badged operations internationally, and establish new low-cost airlines. Exactly as intended by Qantas, the FWA judges, at the request of the Labor government, terminated all industrial action for new enterprise agreements, effectively outlawing any organised resistance by workers for the next three years.

By locking out its workforce without notice, as allowed by Labor's FWA laws, and throwing tens of thousands of airline passengers into chaos across Australia and around the world, the Qantas board demonstrated its readiness to smash the jobs and conditions of its workers at any cost. This ruthlessness was immediately rewarded by the stock markets, which sent Qantas shares up by 6 percent yesterday.

Business chiefs such as David Murray, the ex-CEO of the Commonwealth Bank of Australia who chairs the Labor government's Future Fund, greeted the Qantas showdown as the dispute that the nation "had to have."

Roger Corbett, former CEO of the Woolworths supermarket chain and now chairman of Fairfax Media and a government-appointed director of the Reserve Bank of Australia (RBA), told the Fairfax-published *Australian Financial Review* that it was "absolutely imperative" that the directors of Qantas, a "private enterprise owned by the shareholders," were able to "adjust its cost base so it can compete in an international market."

Nufarm chairman Don McGauchie, a former RBA director, told the newspaper that Qantas CEO Alan Joyce "deserves enormous credit" for his "courageous" decision. McGauchie drew a direct parallel with the United States, pointing to the Obama administration's restructuring of the giant auto makers, where the United Auto Workers union has imposed contracts that halve the wages of newly-recruited workers.

These comments once again underscore the fraud of claims that Australia is immune from the impact of the worsening global economic crisis that is unleashing a far-reaching assault on jobs and working conditions.

The corporate leaders, like the members of the Qantas board itself, represent the interests of an interlocking web of financial giants. Qantas, which was privatised by the previous Labor government of prime minister Paul Keating in the 1990s, is owned by global investment conglomerates that also control Australia's four major banks, the country's two big mining companies and a numerous other industrial, energy and construction corporations (see "Who owns Qantas").

Yesterday's editorial in the Fairfax Media's *Sydney Morning Herald* declared that the Qantas dispute was "a case study in Australia's ability to cope with globalisation." The airline, it stated, had to "compete or die." The editorial laid down the law to the Labor government: "The test will be for the Fair Work Australia apparatus, of which the Prime Minister is the proud author. The criterion is not whether Fair Work Australia can end this dispute ... The real test is whether a necessary long-term process of organisational restructuring can be carried out through Fair Work Australia's processes."

To emphasise the historic character of what it called the "industrial war" launched by Qantas, the Murdoch-owned *Australian* compared the Qantas lockout to that carried out against Australian ports workers by Patrick Stevedores in 1998, and by News Corporation in the "landmark" 1986-87 Wapping dispute in Britain, which smashed working conditions in the newspaper industry. While the *Australian* editorial backed Gillard's intervention to halt industrial action via FWA, it challenged her to indicate whether, if

need be, she would emulate the Hawke Labor government's "resolve" in mobilising the air force to break the 1989 pilots' strike.

In both the 1989 pilots' strike and the 1998 waterfront dispute, the trade unions imposed historic defeats on the working class. As part of its corporatist accords with the Hawke government, the Australian Council of Trade Unions (ACTU) backed the use of military strike-breakers in 1989, which culminated in mass sackings of pilots. In 1998, the ACTU and the Maritime Union of Australia (MUA) engineered a settlement in the courts, under which the MUA enforced, against its own members, the sweeping job cuts and speed-up required by the stevedoring companies.

Today, the ACTU and the airline unions have again pledged to police the boardroom dictates. They welcomed the FWA termination of all industrial action, with ACTU secretary Jeff Lawrence describing it as a "circuit breaker" that would enable the unions to get back to the "bargaining table" in "a genuine spirit of conciliation" as "unions have been seeking to do for weeks."

In an open letter to Qantas CEO Joyce, Transport Workers Union (TWU) national secretary Tony Sheldon emphasised that before the lockout his union had been close to concluding a "mutually productive agreement" with the company that would have provided Qantas with "flexibility". Sheldon indicated a readiness to accept a Qantas offer that demanded the contracting out of 55 percent of fleet work, 45 percent of airport and catering work, and 25 percent of freight work.

In order to protect their role as enforcers of such attacks, in 2007 all the trade unions voted for the Labor government's FWA laws. The legislation permits the government, either through the FWA court or by the Workplace Minister's own decree, to terminate any strikes that could threaten to "cause significant damage to the Australian economy or an important part of it."

To appease their furious members, the unions yesterday talked of taking legal action to challenge the FWA decision, while at the same time pledging to implement it. Union leaders, many of whom are senior Labor Party figures, also sought to provide a political cover for the Gillard government by presenting the decision as being made by FWA as an "independent umpire".

In reality, the government applied to the FWA court rather than issue its own decree as part of an elaborate political manoeuvre. It calculated that an open strike-banning intervention would trigger outrage among Qantas workers and working people in general. The government also anticipated that any arbitrated settlement by FWA after the conclusion of a 21-day union-management negotiating period would dismiss the unions' pleas for limited "job

security" clauses in new agreements, with the judges refusing to interfere with the company's power to reconfigure its operations on a global scale.

For months, the unions, acting in close concert with the Gillard government, have done everything they can to prevent or limit industrial action, as Qantas pushed ahead with its restructuring blueprint. In fact, the unions have worked intimately with Qantas ever since it was privatised, suppressing the opposition of its workforce to relentless downsizing and outsourcing, which has already destroyed thousands of jobs and involved the establishment of a string of low-cost ventures, including Jetstar, JetConnect and QantasLink.

Australian and International Pilots Association president Barry Jackson summed up the outlook of the trade union bureaucracy on Sunday when he stated: "Pilots have not been on strike and we are not seeking anything that would damage profitability. Pilots do not want to work low hours, nor are they seeking extra pay."

Responding to the FWA ruling in a notice to his members, Australian Licensed Aircraft Engineers Association federal secretary Steve Purvinas hinted at the anger among rank-and-file Qantas workers. "Many of you will feel cheated today," he wrote, while pleading with them to "leave the union work to us" and "understand that many good people are doing all they can to get us the best outcome in both the short and long term."

Qantas and all workers need to draw the opposite conclusion. They confront a financial and corporate elite working with a calculated global strategy that is entirely backed by the Labor government and the trade unions. To fight this all-out assault they require their own worked-out strategy—one based on a socialist and internationalist perspective—and a new revolutionary leadership, built in implacable opposition to the Labor Party and the unions, and the wealthy corporate interests they represent.

*The author recommends:*

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