

Australia: Qantas imposes arbitration to enforce restructuring

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Backed entirely by the federal Labor government, Qantas airlines has forced its dispute with three trade unions into compulsory arbitration by the government's Fair Work Australia (FWA) industrial court.

On Monday, Qantas flatly rejected an option to extend negotiations for another 21 days. The FWA judges set a three-week negotiating period on October 31 when they banned all industrial action by Qantas workers at the request of Prime Minister Julia Gillard.

By sending the dispute into arbitration, the airline has obtained precisely what it wanted when it took the unprecedented step of grounding its entire fleet last month, and threatening to lock out its workforce. The management is confident that the arbitration court will rule out any restrictions on the company's plans to restructure the airline on a low-cost basis, starting with the elimination of 1,000 jobs.

While the arbitration proceeds, Qantas workers will remain legally barred from taking any industrial action to oppose the company's assault. The airline is seeking to transfer international operations to cheap labour hubs in Asia and outsource more domestic functions to contractors.

Union officials, who held intensive confidential talks with the company for the past three weeks, expressed dismay at the outcome. They protested to the media that they were close to reaching deals with Qantas, having made major concessions to meet its cost-cutting requirements. Transport Workers Union (TWU) official Mick Pieri declared that if the unions had been granted another 21 days, "we would have nailed it."

Underscoring the government's support for Qantas, Workplace Relations Minister Chris Evans warned that any industrial action now or once the three- or four-year work agreements were imposed "would be

unlawful." He said the government would "vigorously oppose" any legal bid by the unions to challenge the October 31 FWA ruling banning industrial action. Qantas CEO Alan Joyce welcomed Evans's comments, saying the government was sure it had "a very, very strong case" and "we respect that."

The Labor government's unqualified support for the company at every stage of the dispute reinforces the far-reaching precedent that has been established by the Qantas dispute. Already, nurses fighting cuts to their conditions in the state of Victoria are facing similar FWA orders. According to *Business Spectator*, BHP Billiton is set to become "another Qantas" by mothballing a \$10 billion Queensland coal mine expansion to block a claim by mineworkers for higher wages.

The mooted legal challenges by the TWU and the pilots' union are a cynical ploy to convince workers that the unions are defending their interests. In fact, both unions are fully aware that the Federal Court will uphold the FWA ruling because Labor's draconian laws give FWA, or the government itself, extraordinary powers to terminate any industrial action deemed to be damaging the company, a third party or the national economy.

In the wake of the government's declaration—via minister Evans—of its strong opposition to any legal challenge, the pilots' union said it would not seek an injunction to halt the October 31 ruling while awaiting a Federal Court hearing on its law suit. The effect of such an injunction would have been to overturn the ban on industrial action until the full case was heard. No Federal Court hearing will now be conducted until well into 2012, giving Qantas ample time to push ahead with its restructuring.

Qantas's confidence was on display when CEO Joyce

told the media that the company was “going into this (arbitration) to let the independent umpire decide and is willing to accept whatever they come out with.” Like all industrial courts, FWA is no “independent umpire.” It is part of the legal apparatus established to enforce the requirements of the corporate elite.

Joyce told the *Australian Financial Review* today he was sure of a victory via arbitration because Qantas would tell the FWA judges about the economic crisis unfolding in Europe and its impact on the Asia-Pacific region, including via a “potential credit crunch.” Joyce stated: “The aviation industry is at the forefront of global competitiveness so we need to be able to adapt to survive.”

As Joyce’s comments indicate, the issues at stake in the Qantas dispute are central to the agenda of the financial and corporate establishment. Facing an intensifying global crisis, the corporate elite, backed by the Labor government, are demanding the untrammelled “right” to manage businesses, regardless of the impact on the jobs, conditions and pay of workers.

To this end, Joyce has already let FWA know, via the media, that Qantas expects no interference with its restructuring agenda, declaring that he “would like to narrow down the items that go to arbitration.” Items to be excluded will include the “job security” clauses sought by the unions.

These clauses purportedly seek to provide for common levels of pay and conditions for employees in Qantas and all its subsidiaries, as well as restrictions on outsourcing and the use of contractors. In reality, these clauses have nothing to do with defending jobs and conditions, which the unions have traded away in successive enterprise agreements, nor with lifting the standards and conditions of airline workers overseas.

The unions are only anxious to preserve union membership in Australia, both to provide them with a dues base and to maintain their position as industrial policemen over a nationally-based workforce. In effect, the unions are seeking deals by which they will guarantee to deliver to Qantas a range of cost-cutting and speed-up measures to match the savings it plans to obtain.

While the three unions continue to criticise Qantas over the provocative means it employed to shut down their limited industrial action, each welcomed the FWA

ruling as a means of ending their campaigns without coming into direct conflict with their members.

Since then, in FWA negotiations behind closed doors, the unions have bent over backwards to offer substantial concessions to Qantas. The pilots’ union stated as early as May that it was prepared to assist Qantas “to achieve productivity gains.”

While Qantas had no doubts it could extract even greater concessions from the unions if it had extended the negotiations, it is insisting on a completely unfettered capacity to transform its operations to compete with lower-cost international carriers such as Emirates, Qatar and Etihad, as well as Asian-based airlines.

The developments in the Qantas dispute raise pressing issues for airline workers and the entire working class. While Qantas has the backing of the Gillard government and FWA, it has only been able to launch its assault because the unions have worked at every point to limit, isolate and undermine the resistance of their members, as they have done for decades.

A fight against the imposition of arbitrated work agreements and the management’s restructuring agenda is only possible if Qantas workers consciously break from the unions. This means turning to the development of new independent organisations of struggle, including rank-and-file committees, to prepare for what is now objectively posed—a direct political confrontation with Qantas, the Gillard government and the courts.

To conduct such a struggle, Qantas workers will need to directly forge links, independently of the unions, with their fellow airline workers and other workers in Australia and internationally, and above all else base their fight on a socialist perspective that seeks to reorganise society for need, not corporate profit.



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