

Australian trade unions move to enforce Qantas layoffs, wage cuts

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It took less than 24 hours for the trade unions that cover the Qantas workforce to drop their empty threats of strike action in response to management's announcement on Thursday that 5,000 jobs will be eliminated. After a meeting with airline executives yesterday morning, senior union bureaucrats made plain their willingness to help impose the layoffs and devise wage cuts for the remaining Qantas workforce.

Australian Council of Trade Unions (ACTU) secretary Dave Oliver led a delegation of union chiefs into the meeting with Qantas CEO Alan Joyce. Also involved was Tony Sheldon, the Transport Workers Union (TWU) national secretary and Labor Party vice president, and Nathan Safe, the Australian and International Pilots Association president. When Qantas announced the massive job cuts, as part of a \$2 billion cost-cutting agenda, Oliver initially declared that "all options were on the table" and Sheldon said the TWU would consider industrial action.

After the meeting with management, however, all such bluster was dropped. The unions pleaded with Qantas to work more closely with them in imposing the savage cuts.

Just before the meeting, Oliver declared: "If workers are going to bear the cost of management mistakes then there must be consultation with the workforce around how that decision was made." Noting that industrial agreements covering the Qantas workforce included provisions requiring union "consultation," he complained that "we don't view genuine consultation as one where a group of managers meet in a room, come up with a number and then declare it to the world."

In other words, the unions have no problem with making workers bear the cost of the Qantas crisis, but want to ensure that their privileged position within the

airline industry is maintained.

After speaking with the Qantas CEO behind closed doors, Oliver revealed that "in addition to asking for a wage freeze on their employees, it's likely they'll be looking at a wage cut by opening up some [industrial] agreements." The ACTU secretary made clear his willingness to impose such cuts, telling journalists that his response to the demand was merely to ask, "will that itself save any jobs?" The answer from Qantas management, he explained, was "no."

The ACTU chief declared that "before we're looking at issues of wages freeze," the unions wanted "all the facts." He suggested that a "review" be conducted to examine "the full operation of the airline ... and see where we can get cost savings." Oliver emphasised: "We're not suggesting strike action at this stage."

The other union chiefs involved in yesterday's meeting echoed this message. The TWU's Tony Sheldon had earlier said he would demand "information about how and to whom the proposed wage freeze will apply." After discussing the situation with the airline's CEO, his central complaint was the lack of a "future strategy." Sheldon declared: "The company has not given an outline for a future for this company in an appropriate, strategic way."

The unions' call for a review of Qantas is aimed at activating a mechanism that the union bureaucracy has developed to impose sweeping wage cuts and productivity concessions against other sections of the working class. With the support of the ACTU, the Australian Manufacturing Workers Union last year imposed a revised industrial agreement covering General Motors Holden car assembly workers after the management and unions agreed to a review of the company. The deal saw GM slash costs by the equivalent of a \$200-a-week wage cut for every

employee. It was followed just weeks later by GM's announcement that production would be permanently shut down anyway.

The coordinated management-union assault on Qantas workers' jobs and wages will have a devastating impact. With unemployment rapidly rising across the country, many of those laid off will struggle to find equivalent work. Cuts to salaries will increase the financial stress already affecting the airline's workforce, half of whom earn less than \$50,000 a year. According to an ACTU analysis, ground-handling staff receive an average salary of \$45,000, baggage handlers about \$40,000, and maintenance employees \$65,000.

These low wages are to be cut in order to satisfy the rapacious profit demands of the banks and financial houses that own Qantas. Meanwhile, the corporate and union chiefs will continue to enjoy their lavish lifestyles. Qantas executive salaries have increased by 80 percent in the past four years, with CEO Alan Joyce now receiving \$5.1 million a year.

The union bureaucrats all receive six-figure salaries. The ACTU secretary was paid \$156,000 in 2012, while Dave Oliver's wife Suzanne Jones obtains more than \$300,000 a year as a commissioner with the Fair Work industrial tribunal. Jones was appointed to the tribunal in 2013, two years after it intervened against the Qantas workforce amid an unprecedented lockout and grounding of the entire airline's fleet ordered by Alan Joyce.

Acting on behalf of the then Labor government in 2011, the Fair Work tribunal banned any further industrial action by Qantas workers as the company implemented its restructuring agenda. The trade unions welcomed the intervention, with Oliver's predecessor as ACTU secretary, Jeff Lawrence, declaring it a "circuit breaker" allowing the unions to return to the "bargaining table" in "a genuine spirit of conciliation."

The unions' response to the lockout and strike ban paved the way for an intensified onslaught against Qantas workers. In the immediate aftermath, the Australian Licensed Aircraft Engineers Association (ALAEA) agreed to a three-year industrial agreement that featured below-inflation wage rises and provisions allowing the unfettered outsourcing of engineering work. Qantas announced successive rounds of layoffs—including 2,800 job cuts announced in August 2012, and the closure of the Avalon maintenance

facility in Victoria and sacking of 300 workers last November. In December, another 1,000 job cuts were promised, and now the 5,000 mass layoff plan.

Qantas workers cannot defend their jobs and living conditions through the trade unions. Around the world, the unions are working with national governments and corporate management to boost profits and productivity at the expense of the working class. The airline industry was among the worst affected by the 2008 financial crash and ongoing crisis of the capitalist system; in every country, the unions' response has been the same—enforcing layoffs and cost cutting in the name of ensuring "international competitiveness."

Airline workers in Australia must resist this "race to the bottom," in which workers of every country are pitted against one another. They need to form rank-and-file committees in every part of Qantas's operations, unite with other workers facing job destruction, including airline workers internationally. This requires a political fight for a workers' government to put the airline industry under the democratic control of the working class, as part of the socialist reorganisation of society.

The author also recommends:

Qantas Airways to cut 5,000 jobs and impose wage freeze

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