

# Qantas CEO escalates provocative campaign against workforce

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21 April 2011

Alan Joyce, CEO of Qantas, Australia's largest airline, delivered a provocative speech on Tuesday denouncing the resistance of pilots, engineers, and ground crew to the airline's plans to undermine wages and conditions. Qantas workers are demanding that the airline's rapidly expanding Asian-based workforce be provided with pay and entitlements equivalent to those of its Australian employees. Joyce denounced their demand as "nothing short of a Kamikaze campaign," and issued thinly veiled threats of mass sackings.

Qantas is clearly seeking to instigate a major confrontation. Company executives enjoy the backing of Prime Minister Julia Gillard's Labor government, while the trade unions are doing their utmost to defuse the hostility of Qantas workers and help implement the airline's so-called productivity and flexibility measures. The struggle is shaping up as a key "test case", signalling a coordinated offensive by key sections of Australian big business on workers' wages and conditions.

Alan Joyce's speech was delivered to the Australian Institute of Company Directors, and amounted to a call to arms to his fellow executives. The Qantas CEO said he would "make no apologies" for preparing management staff as a backup scab labour force, to be used in baggage handling and check-in operations during any future strike action. Joyce insisted that he would accept no restriction on the company's international operations, including its exploitation of additional low-wage labour in Asia. He declared: "I will never accept that Qantas has no right to explore all the options available in a modern globalised economy, because that would mean condemning Qantas to an inevitable decline."

Joyce condemned what he described as "extreme" and "damaging" demands issued by the three trade unions covering the Qantas workers—the Australian and International Pilots Association (AIPA), Australian Licenced Aircraft Engineers Association (ALAEA), and

Transport Workers Union (TWU). He also accused "some [union] officials" of trying to damage the Qantas "brand" and sabotage future flight bookings by threatening industrial action, adding that the unions had mounted "alarmist campaigns on 'safety', with the sole motivation of damaging the Qantas reputation."

The three trade unions covering the Qantas workforce have in fact worked hand in glove with corporate management. They have implemented every productivity and wage "concession" imposed on the workforce, and ensured there has been no resistance to the wave of job losses in the airline in recent years. The unions have bent over backwards to comply with the latest diktats. That they have initially balked at Qantas's plans to further undermine wages and conditions, by using offshore labour to effectively establish a two-tier workforce, is due solely to the fact that they threaten to undermine the position of union officials in the airline industry.

The unions want included in the current enterprise bargaining negotiations base-line pay and conditions covering the various low-cost airlines run by Qantas as subsidiaries in Asia and New Zealand. Misleadingly reported as a "jobs security" clause, it imposes no restrictions on the ability of Qantas to lay off as many workers as it deems necessary in the future.

During the past decade, the airline's business model has featured a major expansion of its low-cost subsidiaries in the Asia-Pacific region, under its Jetstar brand. Employment of Jetstar's increasingly non-Australian workforce is generally registered through one of Qantas's Asian base countries. These workers have far lower wages and significantly worse conditions than workers in the airline's mainline business. Qantas now employs hundreds of pilots and flight crew through Singapore and New Zealand, even though they work mainly in Australia. The airline aims to pit the cheaper and non-unionised Asian-based workers against its Australian-based

workforce, thereby driving down wages and conditions in its mainline business as well.

Qantas's assault on its workforce is being driven by immense pressures in the international airline industry, which has been hard hit by the global economic crisis. Recent hikes in fuel costs have added to these pressures, with Qantas this week announcing another increase in its so-called fuel surcharge on all airline tickets.

In his speech to fellow corporate directors, Joyce derided all talk of "job security" clauses in enterprise bargaining agreements. "I understand why people want job security," he declared. "But it is no more in my power to guarantee jobs in writing than to promise that Santa will swing by on December 24." Emphasising the threat of further layoffs, he added that the airline's future was "not guaranteed, and in some respects it has never been more challenging."

The AIPA, ALAEA, and TWU have pleaded with Joyce to work with them in coming up with a "compromise" solution that will boost the airline's profits at the expense of its workers. The pilots' union president, Barry Jackson, urged the Qantas CEO "to join us at the negotiating table", adding that "Qantas pilots are not demanding anything like a 'job guarantee'." Assistant federal secretary of the aircraft engineers' union, Wayne Vasta, declared he was "interested in building the airline, not pulling it apart."

The Australian Council of Trade Unions (ACTU) yesterday intervened, joining AIPA, ALAEA, and TWU bureaucrats in a meeting with Joyce held at Qantas headquarters. According to a Fairfax media report, the CEO refused to accommodate the unions' concerns. TWU federal secretary Tony Sheldon told Fairfax media that the two-hour meeting was "tense" and that what they heard was "disappointing."

Strike action now looks increasingly likely. Qantas pilots, engineers, and ground crew are locked in conflict not only with Alan Joyce and his executive colleagues but also the trade unions, which function as the direct accomplices of management, and the Gillard government.

While no minister has publicly commented on the Qantas dispute, the government is no doubt following developments closely, and has privately assured Joyce that he has its support. In 2008, Julia Gillard, then deputy prime minister, praised the company for using forced redundancies as a "last resort" in destroying 1,750 jobs. The airline—privatised by the previous Keating Labor government—remains one of Australian capitalism's key enterprises, for strategic as well as economic reasons.

Gillard is on notice as far as the corporate elite is concerned. She has promised to deliver a vicious austerity budget next month, meeting the demands of big business and the financial markets for massive cuts to public spending on welfare and social infrastructure. At the same time, sections of the media are pressing her Labor government to pass legislation facilitating an even more intense corporate onslaught against the working class.

The *Australian's* editorial yesterday—"Labor's workplace system is undermining economy"—complained that Gillard's Fair Work Australia industrial relations regime had failed to deliver high enough productivity gains, despite containing some of the most draconian anti-strike provisions in the industrialised world. The Murdoch newspaper backed Joyce's speech and Qantas's rejection of any restrictions on the use of cheap offshore labour, concluding that "an overhaul of workplace relations to restore flexibility is now a first-order issue, more important to the nation's prosperity than the carbon tax, mining tax or welfare reform."

The editorial points to what is at stake in the struggle facing Qantas workers. Pilots, engineers, and ground staff can defend their jobs and conditions only if they organise independently of the unions, forming rank and file committees and turning out to other sections of the working class facing similar attacks, including airline workers internationally. This requires a direct political fight against the Gillard government and the development of a new political leadership in the working class, based on a socialist and internationalist perspective.

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