

# **IPA** MEDIA RELEASE

Institute of Public Affairs | Australia's leading free market think tank

Saturday 29 October, 2011

## **QANTAS ACTION JUSTIFIED**

John Lloyd, Director, Work Reform and Productivity at the Institute of Public Affairs said the Qantas action to ground planes and lock out workers was justified.

Qantas has been subjected to a destructive and at times vicious industrial campaign for many weeks.

A number of the union claims are excessive. Some, such as union-imposed constraints on contracting, seek to take operational control away from management. Others want pay and conditions improvements that are well in excess of competitors.

The Qantas workforce is well paid. Earnings are on most measures greater than employees of competitor airlines.

The tactics adopted in this dispute are symptomatic of other disputes. Unions seem to have found a confidence to engage in protracted bargaining backed by bans, strikes, late cancelled strikes and media attacks. The unions appear confident that the *Fair Work Act* has given them an enhanced ability to beat employers into submission.

Qantas accession to the union demands would present a real risk that the airline would be driven towards a smaller less competitive firm. The Qantas management is to be congratulated that it will not stand by and let this happen. In the end, the company had no choice but to take a strong action.

If the Qantas workers believe the criticisms levelled by union leaders against their company, then you have to question why they continue to work with the airline.

I repeat earlier calls that the industrial action be suspended for a period of 3-4 months. The parties should then proceed with negotiations under the auspices of Fair Work Australia.

It would be a tragedy if an aggressive union movement emboldened by a deficient bargaining law jeopardised the future of Australia's iconic airline.

**For media comment: John Lloyd Director Work Reform and Productivity 0417 130 634**