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A CLEAR WIN FOR QANTAS

“Qantas achieved a clear win today when Fair Work Australia (FWA) ruled on the content of a workplace determination covering the airline’s ground staff”, said John Lloyd, Director, Work Reform and Productivity at the Institute of Public Affairs.

FWA ruled on 23 matters proposed to be included in the agreement. Qantas can claim a win on 20 of those matters. The Transport Workers Union (TWU) prevailed on one matter and two resulted in a compromise ruling.

Mr Lloyd said, “The clear appreciation by FWA of the tough business conditions facing Qantas will be welcomed by Australian employers. This may offer some assurance that FWA will in future place more emphasis on business viability when making decisions.”

FWA ruled that a proper test in making a determination was to not interfere with the right of an employer to manage the business, unless the employees were facing conditions that are unjust or unreasonable. FWA observed that “Ultimately it is in the interests of both Qantas and its employees that Qantas operates a viable and competitive business.”

Importantly, TWU clauses restricting the use of supplementary and outside hire labour were rejected by FWA. Wage increases of 5 per cent sought by the TWU were rejected. Increases of 3 per cent proposed by Qantas were adopted. Expansive clauses proposed by the TWU on the allocation and payment of overtime, the scope of the determination, dispute settlement, shift rosters, the application of international standards and superannuation were all rejected.

The 2011 dispute resulted in 600 flight cancellations, the grounding of 7 aircraft, losses of \$70 million and a decline in market share.

“Employees and TWU members are entitled to ask the union’s leadership what their aggressive industrial strategy has achieved. A settlement in 2011 close to what Qantas was then offering would have been a better outcome for all concerned,” Mr Lloyd said.

“Mr Joyce and Qantas management took some hard decisions in 2011 to end the dispute. They were vilified by union leaders and criticised by the Gillard Government. Qantas is to be admired for not giving in to union militancy and Government equivocation. Today’s decision justifies their courage,” Mr Lloyd said.

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