

10-15-1990

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Recommended Citation

McCarthy, Brian, (1990), The Airline Dispute: Wage Determination or Union Extermination?, Department of Economics, University of Wollongong, 15 October 1990, 22p.
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Description

Captain Brian McCarthy, The Airline Dispute: Wage Determination or Union Extermination?, The 12th Annual Sir Richard Kirby Lecture.

Publisher

Department of Economics, University of Wollongong, 15 October 1990, 22p

**The 12th Annual Sir Richard Kirby Lecture
Department of Economics
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**The Airlines Dispute:
Wage Determination or Union Extermination?**

**Captain Brian McCarthy
Australian Federation of Air Pilots**

**Presented
15th October, 1990
Pentagon 1,
University of Wollongong**

The 12th Annual Sir Richard Kirby Lecture
Department of Economics
University of Wollongong

The Airlines Dispute: Wage Determination or Union
Extermination?

Captain Brian McCarthy
(Australian Federation of Air Pilots)

Award of the 1990 Industrial Relations Prizes
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15 October 1990
Pentagon 1,
University of Wollongong

THE AIRLINES' DISPUTE

WAGES DETERMINATION OR UNION EXTERMINAION

Before I say more it is important that I introduce you to a pilot and share a little, perhaps of my background and training so you may properly understand pilots in Australia.

At a very early age, in my case thirteen, I decided that I wanted to be a pilot. I suppose that is good in a way. While it does not make school any easier it helps to know what you are doing it for.

You spend much of your leisure time buying and reading books and magazines on aviation, making models and generally being where aeroplanes and aviators are.

The next major step in becoming a pilot is to be prepared to back yourself, and invest about \$30,000 (in today's terms) in your training. In my case that meant my parents putting a second mortgage on their house and me repaying that loan. I will always remember \$111 per month for five and a half years.

It is worth noting that to get a start, these young people have to invest a very large sum in their own industry. A genuine test of their dedication, that they make in that early commitment.

Some pilots go through the military system where they commit themselves to a lengthy period of return service. In my case I did both - paying to learn to fly at Cessnock, New South Wales and then, after a time in General Aviation, flying in the Army for five and a half years.

The salary paid to pilots in those early years is very low. In fact it is generally where they first meet the Federation*, the pilots' union. General Aviation is tough, and in order to gain an unfair advantage, some operators will not pay the proper award salary, and also try to force pilots to break the rules of safety. Hopefully those operators are becoming the minority and will continue to be or better still, disappear forever.

The Federation acts not only as the pilots' friend and union but also as the best insurance policy the pilots and their passengers have.

* Australian Federation of Air Pilots (AFAP)

The expertise that pilots provide to their industry through the Federation, was of even greater value as those pilots gained experience in General Aviation and moved on to the Airlines.

The AFAP is one of the few unions in which the officials, all pilots, are elected by the members. They are not paid. The pilots run their own union.

Australian pilots through their Federation were highly regarded for their work and achievements in world aviation safety, security and all technical matters. This input is channelled through the International Federation of Air Line Pilots' Association (IFALPA) through the many International Civil Aviation Organisation (ICAO) panels and many safety organisations, world wide.

In the industrial area, pilots through their Federation were and will continue to be, leaders and innovators. Much is talked in union circles of industrial democracy, training and of course superannuation.

In the latter, pilots had negotiated salary offsets for superannuation years ago. Our schemes were all fully funded and we had elected pilot members as trustees of the funds. In General Aviation we had, and still have a fund that provides for portability of super. The fund also provides for licensed maintenance engineers and has a great deal of input from their union. We are partners.

Pilots had negotiated consent agreements for decades. Because of the very high standards required for initial issue and renewal of licences, we had a seniority system that provided a career path. That career path, or seniority system is recognised by every reputable airline in the world and replaced the "promotion of favourites" system that plagued the profession of pilot in Australia in the 1950s and 1960s.

Seniority had its responsibilities. It only ever offered an opportunity to qualify, and in the promotion to Captain, REQUIRED that a pilot take that opportunity. If I had not met the standard required for my B727 command status, that I achieved after fourteen years in the airline and a five month training period, I was out of a job. I stress, I could not have gone back to duties as an Airbus First Officer, I was out of the airline.

I do not know of any other job or profession that demanded such a high standard of entry and a continued assessment.

Pilots and the Federation were also leaders in providing a high level of industrial democracy within their contracts. The companies would provide us with the work or flying patterns to be performed, and our scheduling committees would build that flying into blocks of monthly work for pilots to perform. It was not unusual for many pilots to achieve a balanced preference for work and days off with their families. It was not perfect, but importantly the pilots had a say and a choice.

Before I move onto the Dispute I must explain the effect the Two Airline Policy, the agreement between the Government and the Airlines, had on airline scheduling and the numbers of pilots required.

Capacity control limited each airline to a certain number of passenger seats over each route. If all seats were occupied it was fine, but the airlines were penalised as empty seats still counted towards capacity. Australian Airlines, for example would have operated the Airbus A300 as a night freighter between Perth and the east coast, but that seating "above the cargo compartment" would have subsequently reduced their passenger capacity.

Because of capacity controls the airlines adopted a practice called load factor control, or cancellation/substitution as it affected pilots.

If a 240 seat Airbus was scheduled to operate and the loadings were low, they would cancel the Airbus and put on a smaller capacity aircraft. This created a cost in reserve crews and of course a great disruption to the working lives of pilots and their families. This, and pilot training is the explanation for the "low average" hours quoted by the airlines and Government during the dispute. The companies and the Government tried to blame pilots or their 'awards' for a management policy and commercial decisions that were either wrong, administered incompetently, or both.

Australia is the only country in the world operating this scheduling system. If the airlines and Government had compared apples with apples and Australian domestic block holder flight and duty hours with domestic pilots in other countries, it would have shown

Australian pilots with a lot of "stick hours" per month and also Australian pilot duty hours to be some of the highest in the world.

Further to this, if the airlines had approached the Federation with a proposition for greater productivity and a subsequent requirement for fewer pilots, due to the abandonment of their grossly inefficient practice of demand scheduling it would not only have been accepted, but would have been enthusiastically endorsed by the pilots and their negotiators.

As a leader and innovator the Federation was always aware of the forces of change within our industry and had therefore taken a great interest in the privatisation debate.

The pilots' first point, was that the Labor party did not own Australian Airlines, the people of Australia did. As the custodians, the Government was responsible for its management. Part of that responsibility was the proper and adequate funding. The Pilots' Federation made many presentations to the various committees of enquiry into the running, or possible privatisation of TAA or AAL. I believe that at all levels our input was of the highest standard, and a study of presentations and final reports of those committees will confirm this.

Just prior to the airline dispute we were in the process of sharing three years of very time consuming and costly research with all other unions, AAL management and the ACTU.

We estimated that AAL required the immediate injection of at least \$300M. If the Government did not wish to provide the capital it should allow outside investment.

We further proposed that all staff should be given the opportunity to invest. Not a gratuitous 9%, but at a level determined by their willingness to invest. If they only wanted 9% or less, then so be it. But, if they were prepared and able to invest more, then they should be encouraged to do so.

Some Trades and Labor Councils I spoke to at the height of the continuing dispute felt the pilots' open approach to AAL funding might have also inspired some of the hostility towards us. I can say that the Government, senior management and the board seemed particularly uneasy with the prospect of the greater staff responsibility and knowledge of the running of the airline that would have naturally flowed to the staff, from a significant employee share plan.

In fact, a good look at the books now would certainly be in order. It is interesting to see how much the Auditor General's report on the "State of Victoria" varies from what our politicians responsible for its management would have us believe.

Our assessment that the airline needed an injection of \$300M in early 1989 would, because of the huge costs the airlines were prepared to expend on the destruction of the Federation, be merely a down payment.

It will also be interesting to see who lines up for a slice of AAL, and if someone does, should the money paid then go to the airline to pay off their dispute, or go back to the original owners, the people of Australia? Please think about it.

While you are thinking about it, I will summarise five years of a twenty year contract negotiation practice.

Pilots employed by the major domestic airlines have, since the early seventies successfully negotiated two-year Agreements with very little recourse to industrial action:

In 1985 the TAA pilots last negotiated a two-year agreement. In 1986 Ansett and East-West pilots concluded separate agreements with their companies.

In 1987 TAA was in a poor economic position and the pilots decided not to press a negotiation on a new agreement in the hope that the company's fortunes would improve.

In 1988, Ansett pilots met with their company and were told that there would be no agreement as "Industry Negotiations would be required". However, without recourse to industrial action they were successful in reaching an agreement with improvements in both productivity and remuneration. Subsequently, East-West pilots met with their company, by then also owned by TNT/NEWS and reached agreement with similar improvements. This was the time of Australia's Bi-Centenary and The World Expo in Brisbane. Australian Aviation was expanding along with world trends, particularly in the South West Pacific Region. Travel and tourism in Australia had replaced wool as our number one export earner.

In June, 1989, therefore, with Australian Airlines position improved, the company just having announced a record profit, the Australian Airlines pilots met with their management to negotiate their first agreement for four years. They were currently working extended overtime, for no salary benefit, to assist in the Boeing B737-300 introduction following a serious

miscalculation by management, who had planned a training programme many months behind the aircraft introduction.

The Australian pilots DID have *bona fide* expectations of improving their remuneration through productivity, just as Ansett and East-West pilots had in both 1986 and 1988.

The Ansett pilots which now included Ease-West Airlines, were well ahead in salary of the Australian Airlines pilots.

The AFAP drew up a Log of Claims and scheduled a week's "lock in" with AAL. This could have led to the evolution of a new contract over a three year period. The pilots were prepared to look at significant savings for the company through streamlined training and computerised rostering.

A significant element of the log was that the AAL pilots' log claimed less for non scheduled overtime, or drafting as pilots knew it, than the actual amount, then currently paid by Ansett to its pilots.

The Australian Airlines pilots claimed less than the Ansett pilots were receiving!

Australian Airlines flatly refused to negotiate even though minutes of meetings reflect that considerably more productivity was offered by the Australian pilots than the Ansett and East-West settlements allowed. Australian Airlines demanded "Industry Negotiations." The Australian Airlines contract thus became the catalyst for the Airlines Dispute.

Because of the failure of Australian Airlines to manage its own negotiations as Ansett and East-West had been able or allowed to do less than twelve months prior, the Federation was left only the "industry" alternative as dictated by Ansett.

Since pilot contracts differ in many ways, because of the make up and operations of each airline, it was not practicable to serve each airline with a separate industry log.

The Federation determined a pay demand of 29.47% and served this on the industry on the 26th July, 1989.

This amount was calculated by going back over a period from 1984/85 to June, 1989. During this period pilot salaries had slipped behind the cost of living by 23% for Captains and 21% for First Officers. We then compounded 7% for inflation to cover the year 1989/90.

I and all pilots were aware that the wages and salaries of all people covered by the "accords" had slipped. In fact the Government statements argued that the accord had redistributed income from salaries to corporate profits.

The Federation look at other professions or groups that we had been compared to in wage cases over the years - politicians, judges and professional engineers. We had watched executive salaries in the same period increase by 54%.

It was quite obvious, apart from corporate profits, including the airlines, that those doing best out of the "accord" were those who were not in it.

In the letter of claim we sought a series of meetings to discuss our claim and those meetings took place in the first week of August, 1989.

These August "industry" meetings now introduced the trigger for a dispute. The airlines, having got their industry meeting, now demanded a pre-condition to any negotiations. Unless the Federation committed to the new guide lines, there would be no negotiations.

Compare this to the ACTU who now declare the AIRC "irrelevant" in their push for Accord Mark VI and its productivity package.

In very early August, 1989, the only thing that had been negotiated was the guidelines themselves, but between the Government and the ACTU. They were not public and yet to be ratified by the Australian Industrial Relations Commission (AIRC). It was an impossible demand and an approach obviously designed to inflame a very volatile situation.

When the guidelines were announced by the AIRC on the 7th August, another problem was immediately created. The ACTU, one of the principal architects, declared some aspects of the guidelines incomprehensible, and that they were not prepared to commit to a set of guidelines they did not fully comprehend.

I could not agree more!

The ACTU were then allowed to negotiate with their five main employer groups, five test cases before they would give their commitment.

In contrast, the AFAP was told that no talks or negotiations could proceed whatsoever, until we had given our formal commitment to the new guidelines.

The attitudes of the companies (and the Government) meant that negotiations relevant to our industry, which could have led to salary increases and productivity, potentially justifiable under the guidelines, could not take place.

In fact, we had told the companies we were prepared to work within the Industrial Relations Act and have any subsequent settlement tested against the guidelines.

With the benefit of hindsight it is apparent that the insistence on the guidelines by Ansett was put in such a smug fashion that rather than assist a conciliation, it was an invitation to an industrial response.

From the 9th August, 1989 the pace of events accelerated apparent in a series of statements by the Government and the Prime Minister. Meetings between Government, the companies and the ACTU seemed to follow a path that was aimed at the destruction of the AFAP.

In a statement by Mr. Hawke in the mid seventies during another airline dispute, he was reminding the Labor Government that in the 1972 and 1974 elections the ALP espoused the policy of allowing the "uninhibited process of collective negotiations" between employers and employees. The Government's role in disputes, Hawke believed, was to assist in settling them but the attitudes of some ministers were only exacerbating the situation.

In August, 1990, the Minister for Industrial Relations, Senator Cook, commenting on the refuellers' strike said, "the important point is that the umpire, in this case the Commission, should be given the proper scope to do its job and shouldn't be doing its job in a situation in which the Government is issuing demands intervening over its shoulder or interfering with the management of that dispute."

In October, 1990, during the fuel strike the ACTU, in talking of the insertion of a bans clause said unions opposed the bans clause, and warned the action could "inflame the dispute rather than solve it.

Having jogged our memories with quotes, both old and new, what were the statements and events of August/September, 1989?

- 10th August • airline companies request a hearing before the Commission. Our claim is described as “outrageous”, yet we have not even had the opportunity to put a case.
- 11-14th August • 95% of pilots who were able to attend stop work meetings held around Australia voted by secret ballot in support negotiations without preconditions.
- 15th August • In the AIRC, the Government representative initiates the question of the cancellation of awards by stating, “....the Government will support any move for the cancellation or the suspension of the agreements relating to the terms and conditions of employment of pilots.”
- The Prime Minister convenes a meeting of Ministers and airline chairmen.
- 18th August • Pilots begin a campaign to work between the hours of 9am and 5pm. (i.e. 8 hours a day, 7 days a week).
- Such industrial action aims to bring on a negotiation with the airlines.
- Such work limitations allow the system to continue to operate. All employees in the aviation, travel and tourist industry can maintain employment. All people who wish to travel, can. (AAL reported all passengers who wished to travel over the weekend 19/20 August were able to do so)

- The companies follow the Government lead of 15th August and make application for the cancellation of pilot awards in the AIRC at 10.06am. The proceedings are adjourned at 11.39am until 1530pm before a Full Bench of five members.

The Airlines are represented by legal counsel, who state that the companies are committed to the “dispute resolution procedure set out in the Industrial Relations Act”. If that was so, one would have expected them to use that procedure, and seek a bans clause.

The fact is, according to a senior airline official in an address on their dispute - the option of seeking a bans clause was considered but rejected because of the time delay in the processes of a Presidential Member inserting the clause, then issuing a certificate for prosecutions after the clause was breached, and then the COMMISSION EXERCISING ITS DUTY TO SEEK TO RESOLVE THE DISPUTE. Perhaps such delays, albeit a nuisance for some, are there for a reason and a purpose.

He went on to explain that the cancellation was not primarily conceived as a means of forcing pilots back to work. The cancellation allowed the airlines to redraw the pilots’ contracts on terms favourable to the employers, and required pilots to seek remedies in the civil courts as their terms and conditions of employment would be no longer covered by any award of the Commission.

The AFAP received an anonymous call on the afternoon of the 18th August, 1989, to say the word from the ACTU is that your awards will be cancelled by close of business today.

I can certainly recall my feelings at the time.

I dearly wanted the Commission to see the belligerent and smug arrogant stance the companies took in the supposed “conciliation conferences”.

- First, one airline couldn't make decisions on and of its own;
- next it was “industry negotiations”;
- then, commit to guidelines, yet to be announced;

- then, it was commit before any negotiations (unlike the ACTU, who were allowed prior negotiations).
- I am certain, that if we had agreed to a commitment there would have been another, and yet another demand to be fulfilled.

However, whilst sitting in the Commission I was appalled at what I saw as a denial of natural justice and the unseemly haste which this most important matter was being dealt with. It was break neck speed. And for what? So that the AIRC, instead of maintaining control could have it all neatly and cleanly taken out of its hands.

When asked by the Commission “what are the possible steps that might follow in relation to this matter, should we accede to your request to cancel the awards”, the airlines counsel replied, “Clearly the steps that follow this are going to be serious and carefully considered ones I am not in the position to advise the commission precisely what the companies will be proceeding to do if this application is granted,” and they never did.

In fact the President of the Commission insisted “that I would need to be satisfied that we are not involved in some paper exercise”.

In reply the airlines counsel stated that the “awards being cancelled will mean that the pilots will remain employed,further that the terms and conditions will be as per those set out in those awards”.

It is obvious, and it should have been to the Commission at the time, that it was a “paper exercise”, and the AIRC were merely facilitating the companies’ desire to destroy the Federation. They allowed themselves to be dealt out of the dispute at a critical and decisive time.

Compare the action and response of the Commission and the ACTU then and now (in late 1990) in the continuing strike of 700 workers at the ESSO Victoria installations:-

- Oil industry unions call on the company, ESSO to negotiate a settlement to the four week dispute;
- The AIRC have inserted bans clause in the awards of the striking workers’

- ACTU secretary, Bill Kelty warns that if one worker received a fine, the whole oil industry would face “nothing but industrial action”.

At 4pm on the 21st August 1989, various awards of the commission were cancelled.

Among awards cancelled were:

- East-West Airlines (Operations) Limited Consolidated Seniority Award 1982;
- Seniority (East-West and Northern Airlines) Award 1980;
- Ansett Transport Industries (Operations) Pty Ltd Integration Award 1988;
- Airlines Pilots' Long Service Leave Award (1968);
- Air Queensland Pilots' Agreements 1984;
- TAA - Air Queensland Pilots' Award 1985.

These seven awards covered pilots not even involved in the dispute or taking industrial action.

Having now removed the AIRC from the dispute, the airlines continued their attack on the pilots and their Federation.

I now again refer to that senior airline official's address.

He mentioned that during August, 1989, a team of Australian and Ansett management representatives worked full time on the dispute. Two or three representatives from Freehill Hollingdale and Page were also present.

This group, now expanded to include the ACTU, met during the day in the offices of AAL (because, he explained, the morning, afternoon tea and lunch facilities were better) and in the evening in the offices of Ansett. This was because officials of the ACTU, frequently in attendance, felt more comfortable in the Ansett offices. This was partly because the former ACTU industrial officer with responsibility for the airline industry had moved to Ansett, and had responsibility for its campaign.

This group of employers, lawyers and current and former ACTU officials met constantly to discuss their options to defeat the pilots' union.

If I take you back to Sunday 20th and Monday 21st August, 1989. The Prime Minister, Mr. Hawke, when talking about the airlines strategy said, "We have discussed the contingency plans that will be pursued by the airlines, i.e., the adoption of legal processes against individual pilots and their organisation, which processes will carry significant penalties for individual pilots and for the Federation."

"I say without equivocation, that when the airlines decide to initiate those legal processes with significantly very drastic financial penalties against individual pilots and their organisation, the airlines will be pursuing those legal processes with the full support of my Government."

It is well known that Labour and unions have always opposed the imposition of fines as that most recent quote (noted above) over the oil industry dispute from the ACTU that "nothing but industrial action" would follow. However, the issuing of writs against individual workers, union officials and staff is anathema to the Labour movement. You could imagine, therefore my consternation in the aforementioned airline official's address, when he had referred to the individual writs against pilots as a tactic to be used to put pressure on the pilots' families.

Well I can assure you it did. So much so that it forced their resignations on 24th August, 1989.

But, why did the pilots resign?

Flying aeroplanes is about safety and responsibility. Pilots are very responsible and at all times concerned about the safety and well-being of their aircraft and passengers.

If something was to occur during a flight that placed the safety of the passengers at risk and a decision involved a choice to either continue or take a course of action that included some risk, or to take another course, albeit detrimental to the pilot, but offering guaranteed safety for his or her passengers, the Captain will take the decision which guarantees safety.

The writs placed the pilot's family and all assets - home, life savings, superannuation, at risk. The Federation sought legal advice. Pilots had two options:-

- To place in jeopardy the family home, life savings and superannuation and continue in the hope that the airlines and the Government might change their attitude, which I might add, they haven't, or,
- To guarantee the safety of his family assets, and resign.

Resignation was very detrimental to the pilot. The award was cancelled, only the contract remained. But 1600 individual pilots took the decision that all pilots would take when the safety of those they are responsible for are placed in danger. They resigned to guarantee the safety of those for whom they felt responsible.

But just prior to this the Prime Minister, Mr. Hawke, had declared war on the pilots, "You go out and it's war" he said, and the airlines started standing down pilots and suing them

- A pilot on long term sick leave was stood down;
- A crew half way across the Great Australian Bight was advised by radio of their stand down.

The Airlines threw writs around like confetti.

- A pilot was sued for not operating a flight from Sydney to Brisbane at 2.20pm (incidentally he was not asked to operate the flight) but it was academic anyway as he was operating a service Brisbane/Sydney at 1.10pm followed by Sydney/Adelaide at 3.00pm.
- But the most disgraceful of all was the issuing of a writ against a Captain for not operating an unserviceable aircraft. That pilot, his wife and family are now living in Saudi Arabia. A war zone from which Australian families are being evacuated but one which pilots and their families are being forced to go to because of the Government's war on pilots and their families.

During this time Mr. Hawke continued to pour more oil on the fire by calling pilots "bus drivers". I was never quite sure what the bus drivers had done wrong. He then advised

Australia that it only takes seven hours to learn to fly. If that is the case, every airline pilot in Australia, and indeed in the world has wasted tens of thousands of dollars.

Then, in one of the most amazing statements of ridicule I have ever heard from a politician, diplomat, labour or union official that “these blokes even enjoy their job.”

I am not here to add further criticism to the public and private role of Mr. Hawke, but quite plainly if he had kept out of it, if the AIRC had not allowed itself to be shunted out at a critical time, and if the ACTU had spent time in genuine and honest face to face discussions with the Federation, (and not advising the airlines), I have no doubt the dispute would have been resolved, fairly and quickly.

That of course is history but what is also history is the Federation’s attempts to bring on a proper resolution to the dispute.

The pilots’ attempt to bring proper resolution to the dispute.

- On the 6th September, 1989, pilots offered to return to work 9 to 5 if a genuine negotiation could commence.
- On the 12th September, 1989, we offered to return to work full time while genuine negotiations took place.
- On the 17th September, 1989, we proposed Sir Lawrence Street, the former chief justice of the NSW Supreme Court as an independent mediator.

While all these offers were being made, the companies, in rejection were saying - we can’t have these people back, they will only go out on strike again. What rubbish!

- On 4-6th October, 1989, having heard for the first time an explanation, before the AIRC, of the companies’ proposed contracts, the Federation made the following proposal, in the AIRC, to the President, Mr. Justice Maddern:

The AFAP:

- withdrew our 29.47% claim;
- accepted the offer of pay for productivity contained in the companies’ contracts;

- asked for conciliation and arbitration by the most senior industrial regulator in Australia, namely the President of the AIRC.
- Further, the Federation would waive our right under section 105 of the Act which would allow the President of the Commission to Arbitrate should Conciliation fail.

I will never know why this proposal to the AIRC to resolve the dispute was not accepted. It, to my mind, was the date the dispute should have ended and the Commission could have been seen to be responsible, and keep a hands-on role to ensure the Airlines' Disputes proper resolution.

The Commission gave no real reason why it would not take a hands-on role in the conciliation process, save but to say "we are not prepared to order a compulsory conference against the wishes of the employers, whilst the AFAP maintains its bans on employment with the companies concerned".

On the 27th October, 1989, the Federation offered a return to work by all pilots on pre-dispute conditions so that all services could return to work for Christmas. A cooling off period would follow with negotiations free from the threat of industrial action.

Government Ministers and the airlines chorused "too little, too late!" A very contrived and calculated response. They never wanted a resolution involving the pilots and their union, the AFAP. They would not rest until the Federation was no more.

Early in their dispute, the companies were preparing the many versions of those private and non-negotiable individual contracts. Pilots who went in to the airlines were told the contracts were approved by the ACTU.

I would like to quote some clauses of an early contract:

STAND DOWN

- A. Notwithstanding anything elsewhere contained in this contract the employer may stand down without pay on any day or days a pilot who cannot in the absolute discretion of the employer be usefully employed.

ACCOMMODATION AND TRANSPORT

The Standard of accommodation and transport will be determined by the employer.

HOURS OF SERVICE

Pilots rostered for reserve duty will be on call at all times specified by the employer.

In short, key words in previous awards such as cooperate, consult, develop, consult regularly, pilot participation, most reasonable degree of stability and mutually agreed were replaced by employers' requirements, as directed by the employer, and as deemed necessary or desirable.

The Department of Foreign Affairs seemed also to have a great interest. They reported back to Australia, prior to the forced resignations of pilots on 24th August, 1989, that their enquiries indicated many qualified pilots in South America available to come to Australia.

At the time when the pilots and the Federation were seeking to have the dispute resolved the companies, assisted by the Government, its Ministers and the ACTU were rejecting offers of a return to work while putting in place a network of measures designed to lock out pilots who wished to remain members of their union, the AFAP, and bring in a permanent replacement work force comprising of foreigners, a small number who had broken ranks, and some inexperienced light aircraft pilots.

Such action taken included:

- Cancellation of 40 years of agreement, in a few days;
- Suing individual pilots, their families and their union;
- Suing media commentators who spoke out on safety;
- Suing Civil Aviation Authority personnel who spoke out on safety;

- Threatening to confiscate superannuation;
- Refusing to negotiate with the pilots' elected representatives;
- Refusing to accept a mediator in the dispute;
- Providing at least \$100M of taxpayers' money to assist the airlines;
- Promising \$30M of taxpayers' money for the "reconstruction" of the Tourist Industry;
- Using the military to break an industrial dispute;
- Allowing foreign international aircraft to operate cabotage services;
- Bringing in foreign charter aircraft and crews to operate Australian domestic services;
- Bringing in a foreign permanent replacement work force for Australian citizens.

These actions were designed to destroy an Australian union, the Australian Federation of Air Pilots, a professional association, primarily responsible and internationally recognised for its role in making Australia the world's safest aviation country.

But why? Perhaps the companies and the Government saw the Federation and its pilots as a group, too independent, forthright and honest. Perhaps by wiping out the pilots' organisation it would be a lesson for other individuals and groups in Australia to do as they were told by the Government, powerful vested interests and the ACTU, or that will happen to you. Perhaps they needed that to happen before deregulation.

Because the Federation is the most democratic union in Australia, and as repeated throughout the Dispute, the Federation is the members, the attack of the airlines and Government, with the help of the ACTU, was also an attempt to drive those men and women of integrity from their profession and their country.

They have not succeeded, but they continue. The pilots' federation gained an injunction on 31st May, 1990, against the Immigration Department and the airlines to stop the import of foreign pilots to take the jobs of Australian citizens. On the 12th July, 1990, hidden amongst regulations covering Chinese students and Cambodian refugees, the Executive in Council, "shifted the goal posts", and amended the migration regulations to give permanent residency to

foreign pilots while one thousand three hundred Australian pilots were unemployed in Australia. I believe these regulation changes were an underhand way of bypassing the judicial system of Australia and a subversion of our Parliamentary system.

Australian Airlines received approval to import two Zimbabwean pilots on the 28th September, 1990 and they are seeking more.

The airlines are using every tactic possible not to employ their former pilots. Some pilots have been told they may apply for their jobs, but there will always be another more suitable applicant. So much for the high standards and years of experience that determined aviation safety.

Of the 1300 pilots and their families that remain unemployed in Australia some 800 have been forced overseas to continue their career. Most wish to return to live and work in Australia and be reunited with families back here. The rest are in the process of leaving Australia or picking up their careers with the new domestic operators, who are very keen to employ them. In the days ahead after Thursday, 1st November 1990, those new airlines will be able to claim the most experienced Australian pilots. Their reputation is their reference, simply the best.

What of the wage determination?

There never was one. After all the righteous outbursts from the airlines, Government and its Ministers, the ACTU and the AIRC, the foreigners and those others who joined them, received salary rises of between 40 and 100%. Salaries for airline pilots have been increased beyond their wildest dreams. The problem for management, the Government and the ACTU is that 1300 pilots and their families were not prepared to pay their price.

What of the union extermination?

A combination of the most abhorrent and anti-labour practices ever employed in the free world could not break the spirit, principle and integrity of over 80% of Australia's domestic airline pilots and their families. In a country where mateship, and sticking by your mates is the quality most admired and respected, these are the people who have been put to that test, and passed.

The ACTU now says direct negotiations and productivity offsets is the way to go, and the Government agrees. It seems the pilots and the AFAP were right all along.

Why was it necessary to use all that force?

There has been a severe loss of credibility to the Labour movement and an absolute bonus for the extreme conservatives who may use any and all of those draconian measures against those who encouraged, implemented and accepted it all.

The continuing dispute has shown up a Prime Minister not true to his reputation for consensus, conciliation and settlement. Instead he chose an aggressive, antagonistic attack on a group of dedicated professionals and their families.

Pilots now look forward to deregulation, and to working for and with those new airline companies which will start up and survive, because they will treat their staff as an asset. They will want to talk to them, and negotiate fair and equitable agreements. We are doing that now. You, their passengers will also realise and understand very quickly, that the very same attitude applies to you as a valued passenger and client.

BRIAN McCARTHY,
Melbourne, 1990.

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ANNUAL SIR RICHARD KIRBY
LECTURES

1979—1990

1979	Sir Richard Kirby
1980	Justice Jim Staples
1981	Bryan Noakes, CAI
1982	Blanche d'Alpuget
1983	Simon Crean, ACTU
1984	Noel Mason, Chamber of Manufacturer
1985	Keith Hancock, now Aust. I.R. Commission
1986	Jeff Allen, BCA
1987	Bill Kelty, ACTU
1988	Joe Isaac (Melbourne Uni. and formerly ACAC)
1989	Bert Evans - MTIA
1990	Capt. Brian McCarthy,

