



PRIME MINISTER

TRANSCRIPT OF NEWS CONFERENCE, HYATT-ON-COLLINS, MELBOURNE
20 AUGUST 1989

E & OE - PROOF ONLY

PM: I'll make a brief statement and if there are any questions you want to ask I'm available of course. I've just had a very productive meeting with the representatives of Australian, Ansett and IPEC. That meeting has taken some two hours. We have reached a clear position as to the course of action to be adopted in the face of what is a totally unacceptable position which to this point has been adopted by the air pilots union and their members. Let me make the point before I go any further to say there's been no direction by Government in this matter in regard to Australian, an airline which we own. But the management of that airline has come independently to this position, as of course have the two private airlines, Ansett and IPEC. The simple position with which we're faced is that we have an organisation, the Federation of Air Pilots and their members who seek to put themselves above and beyond the community by an unacceptably greedy grab for remuneration. They do that in a context where the Australian workforce generally have accepted very considerable restraint over the period of the Accord in respect of wage claims. They have done that because they see that when they pursue wage claims they have an obligation, not only in regard to their own members, but they have a broader obligation in regard to the community as a whole. That restraint which has been exercised by the Australian workforce generally is a restraint which has paid off over the last six years in the creation of some one and a half million jobs in the community and a level of economic activity which has enabled the creation of those jobs. Both the Government and may I say the airline operators have adopted the position that we have in this position because of the recognition that that responsible restraint which has been exercised by the Australian workforce generally has been something that has redounded to the benefit of Australia as a whole. We are not going to tolerate a situation in which an already extremely privileged salary group are going to be let free to pursue their own selfish interests in a way which would wreck the wage fixing agreements and principles in this country. We express the hope, the Government and the airline operators, that when the Federation of Air Pilots meets with the Commission at four o'clock tomorrow that the sorts of considerations to which I have referred will lead them to the conclusion that it would not only be against their interests but against the interests of their fellow Australians if they were to adhere to their decision to operate against the principles of the Commission and outside the system. And therefore

I express the strong wish and hope to the air pilots and their Federation that they will, on consideration, decide to stay within the system like the rest of their fellow Australian workers. Now if against that wish and that hope they make the decision to go outside the system then they must do so in the recognition, as I have said in the Parliament of this country, that they will have left the system which carries not only obligations to which I have been referring, but which also carries rights. Once they go outside the system, if that is their decision, which I hope they do not take, then we have then discussed the next steps which must be and will be taken to defeat this entirely unacceptable campaign. We have discussed the contingency plans that will be pursued by the airlines. That is the adoption of legal processes against individual pilots and against 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. We have also addressed the situation of what will be confronting Australia if the pilots decide on this course of action. There will obviously be an overwhelmingly drastic curtailment of services available to the Australian public. We have addressed what in those circumstances we will be able to do to provide what essentially be emergency services, but not only emergency services but some additional form of service for the Australian public. We will pursue whatever courses are available to us as operators and as a Government to provide such services. We also believe that we need to look at the situation where the Pilots Federation would be seeking to have five bob each way. That is to go outside the system in respect of the major operators but as an organisation seek to remain within the system for their members who are employed by these smaller airlines. We will need, together as a Government and as airline operators, to look at this question as to whether it's appropriate to allow the pilots organisation to have that sort of benefit. It may well be something that we think that the Commission should look at. So in total I think you can see therefore that our position can be put simply this way. That we still express the wish and exercise the hope that good sense will prevail on the part of the pilots and their organisation. It is not acceptable to the Australian public, that is obvious, and it is certainly not acceptable to my Government or to the airline operators that one already extremely privileged group of people should seek to put themselves above the rest. And remember this, that we are hardly talking about a group of people who are excessively over-worked. On average these people are flying at the stick no more than 10 hours a week. Perhaps the Australian public is not aware of that. That is what they're doing. Working some ten hours a week at the stick. That group of people who are already highly paid

- on average some \$70,000 or \$80,000 a year - seek now to get a 30% increase outside the wages system. Let me tell the Federation and their members that is not on. We will not cop it and we will give the full support of my Government to the airline operators to fight this.

JOURNALIST: Mr Hawke, what are those legal processes? Can you outline them?

PM: I'm not going to go into the full details because they obviously have to be finalised. But let me in broad terms say that there are a range of legal opportunities available to the airlines, common law processes and so on which will be available to them to seek penalties and damages against individual pilots and their organisation.

JOURNALIST: ... amount to a suing and breach of contract?

PM: Obviously if you're talking about common law actions those sorts of things are in contemplation. And when I say in contemplation we're not 'will we do it or won't we do it'. I mean if they make the decision to go outside the system then it's not a question of will these actions be taken. They will. They will be taken. The form and details are now in the process of being finalised.

JOURNALIST: When you say that the Commission should perhaps have to take a look at the Federation if they try for a bob each way, are you talking there about having them disbanded ...?

PM: As far as we're concerned now and as far as the operators are concerned the - I mean if they go outside the system, that is after four o'clock tomorrow, we want them to stay in it, but if they were to go out then as far as the operators are concerned the Federation of Air Pilots doesn't exist. The airline operators will not in those circumstances be dealing with the Federation. They will be dealing with individual pilots. So in that sense as far as the major airlines are concerned and in respect of whom the pilots ... would've made the decision to go outside the system, the Federation ceases to exist. What we're saying is that at this point they believe that, however, they can go outside the system for the major airlines but still have the benefit of the system in regard to their members who are employed by smaller airlines. We're going to have to look at the question of whether it's appropriate and whether we may have to ask the Commission as to whether it's appropriate that they can have any status at all within a system which they have deliberately said to go to hell.

JOURNALIST: If the worst scenario happens and this action has to be taken by the airlines with your support, what sort of things could you do to help out the public airline services?

PM: Well, I suppose if we're going into a battle situation - not of our making because we are people of peace. We want them to stay within the system. But if you're going into a battle situation of their making I think all good generals would say it makes sense to keep the powder dry.

JOURNALIST: Would you allow Qantas to fly domestic routes?

PM: YOu heard my previous answer.

JOURNALIST: That's an option though.

PM: There are all sorts of options available to us.

JOURNALIST: (inaudible)

PM: There are all sorts of options available to us.

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