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ASU • QANTAS GROUP• BULLETIN # 12 30 May 2014

# Qantas unveils their "aggressive plan" to sack staff and disadvantage passengers

ASU Qantas Telephone Sales delegates held a marathon meeting with Qantas management in Melbourne on 29<sup>th</sup> May 2014 to discuss the decision to close the Melbourne and Brisbane Telephone Sales Centres and "consolidate" in Hobart.

Your delegates were determined to leave no stone unturned in our discussions with Qantas as while the company may not value the lives and jobs of long term loyal staff at Qantas – the ASU does.

#### Disgusting process so far

We told Qantas in no uncertain terms how disgusted we were about the way in which they handled the announcement of the closure of the Brisbane and Melbourne Centres. Someone associated with the decision tipped off both the media and state politicians before the staff or your union were advised of the decision and so many staff who were not at work heard about the closure for the first time on the radio or on social media.

Despite assurances that Qantas would not release the information to the media first it happened and they should be condemned for their contempt for staff facing job losses. Qantas tried to say it was not their fault and didn't come from them but as the company has form in this area their pathetic denials have to be measured against our past experience. We also condemned them for the significant misinformation given by some managers about entitlements, redundancy calculations and the process. Given there had been <u>NO</u> consultation with the ASU about the decision or process what will or will not happen is a matter of extensive negotiation which we intend to consult ASU members about this week.

# So when and why did Qantas make this decision?

We quizzed Qantas extensively about when the decision was made and why it was made.

We were told that John Lonergan gave the final recommendation from the Call Centre review to the Financial Controller and Steve Limbrick at around midday on Tuesday 27<sup>th</sup> May, that afternoon Lonergan says he held a meeting with the Contact Centre managers in Sydney to discuss what his



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recommendation to Steve Limbrick had been, he says that no decision had been made at that time.

Qantas says that Steve Limbrick made the decision to back John Lonergan's recommendation to close Brisbane and Melbourne between 9:15am and 9:45 am on Wednesday 28<sup>th</sup> May 2014.

That is a surprising time frame as from around 8am on Wednesday the ASU was getting calls from politicians saying the media were indicating that Melbourne and Brisbane were closing. It is also surprising that Steve Limbrick was already in Brisbane to break the news apparently before he made the decision. All the redundancy packs had also been prepared. If that time frame is correct – it means that Steve Limbrick took less than <u>24 hours</u> to make a decision that will change the lives of 540 Qantas staff and their families forever.

To take such a short time between recommendation and decision must put into question how thorough and considered the decision was.

If the time line is not correct – then Qantas may well have already made the decision when your delegates spoke to John Lonergan and Steve Limbrick on 19<sup>th</sup> and 21<sup>st</sup> May respectively. Either scenario reflects very badly on the bona fides of Qantas.

#### The decision

Qantas says they were looking at 3 ways to reduce costs in Telephone Sales – by efficiencies, how they operate and through technology.

Unlike <u>all</u> the Australian banks which each have multiple centres which are often smaller than Qantas Call Centres, Qantas thinks having less Call Centres in Australia is a good thing – they think the savings from closing centres was important rather than the customer service advantages, so Qantas looked at the cost of leases in each state and as we know also sought to get money from state government to cover costs.

Qantas also says they are introducing technology and "improving" Qantas.com so that they can utilise tools to track passenger problems which are currently referred to Telephone Sales so that Qantas can further work out online solutions to customer issues.

Supposedly these tools will be utilised in Sydney and then a range of untested technology initiatives will be rolled out to customers so they can solve their own problems.

Qantas is also going to automate outbound call work from July 2014.

Then a second phase of technology changes from July 2015 will be implemented – Qantas refused to discuss these - we presume they are on the drawing board with their outsourced overseas provider also Qantas refused to advise us how much this was costing.

#### What does it mean?

Qantas says that these changes to technology mean that less staff will be required in Call Centres. The company in their modelling are estimating that around 80 staff from Melbourne and Brisbane will relocate to Hobart and if this happens Qantas thinks they will need another 80 staff (60 full time equivalents) to perform the modified work once the Melbourne and Brisbane Centres close.

We quizzed Qantas on how they came to the number of 80 going to Hobartguess work best sums up their response!

We asked what happens if more that 160 staff go to Hobart (total of their estimate of transfers and new hires) and could that mean an uncertain



future when the technology is fully implemented – the answer was "NO" – Qantas will just not implement all the technology!!!!!

#### How will Hobart operate?

Even when Hobart is the only Australian centre, there is no intention for its hours of operation to change – it will not become a 24 hour centre it will operate as it does now 7am - 12midnight.

All the overnight work will be shifted to Auckland where there is an intention to roster the New Zealand staff "differently" – our read on that comment is that there will be more staff in Auckland.

We think this has safety implications and we are investigating this issue further.

#### So what does it all mean?

Qantas plans are predicated on all their new technology working well – as everyone knows that has not been the history so far, it also is shifting more work to Auckland – they are not saying that but it is crystal clear that is happening just like the spin of how many jobs were affected – Qantas says 450 FTEs – not 540 PEOPLE, it is what is unsaid that is most relevant.

## What about the state govts?

Qantas says they never asked any state government for anything – they all made offers to the company to keep the jobs. That seems at odds with what the Victorian Premier is saying and the specific figures he puts on what was said to his government and the lack of guarantees of jobs continuing.

It is hard to tell who is telling the truth but clearly the Queensland and Victorian Governments did not fight hard enough to keep the jobs in their state and they both need to be held to account for their failure to value these important jobs.

The ASU lobbied each state government vigorously, in QLD the premier refused to meet.

#### What next?

Qantas has agreed to the ASU holding meetings of members to talk about their proposed Expression of Interest program – which in our view provides far too short a time frame for people to make life changing decisions.

The EOIs will not go out before 6 June 2014 after the ASU intervened.

The relocation package being offered is also **INFERIOR** to the package that has been offered to other staff – and we will be renegotiating this.

There are a range of other matters we will discuss in the meetings – so make sure you sign up to attend.

#### ASU doubt plan will work

The ASU has serious doubts about this Qantas plan – that Qantas took in their words the "most aggressive option" of consolidation and automation and offshoring when other big companies like Telstra and the banks are moving towards more customer service and multiple call centres and when Virgin Australia is bringing offshore work back to Australia, makes us question the wisdom of this strategy and really whether they can implement it.

We will be discussing what we should do next so make sure you come to a meeting.

## Need more information?

For any more information please contact your local organisers.

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