

Qantas to axe 2,500 more jobs in government-backed restructuring

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24 February 2012

Qantas last week announced that it would cut nearly 2,500 jobs from its maintenance and catering divisions, including 500 jobs to go immediately, on top of the 1,000 redundancies that it announced last year.

The Labor government's workplace relations minister, former union chief Bill Shorten, was briefed in advance, indicating that the cuts will be implemented with the government's support. Shorten said the jobs had to be eliminated "because Qantas has got a lot of problems in terms of its profitability on its international routes," adding: "Qantas has got some real challenges. The dollar is high."

Shorten's comments underscore the Gillard government's backing for the underlying program of corporate restructuring, job-shedding and cost-cutting being intensified by Qantas and other major Australian-based employers.

The 500 immediate redundancies include 180 maintenance positions in Melbourne, a move that Qantas explains as a "consolidation" of maintenance functions in Sydney. But 71 maintenance jobs will also go in Sydney on the pretext of Qantas' decision to retire a series of outmoded Boeing 747s. Catering jobs will disappear, with the company's catering load again "consolidated" into the four largest state capitals—Sydney, Melbourne, Brisbane and Perth. This means the closing of catering facilities in Adelaide and Cairns.

In addition to the immediate cuts, almost 2,000 maintenance and catering jobs are "under review", including several hundred in Melbourne. The expectation is that the majority of these jobs will go in coming months.

The new cuts are in part intended to offset an 83 percent fall in the company's latest annual profit. According to Qantas, it needs to find \$700 million in savings, which will also mean cutting unprofitable international routes, including Hong Kong to London and Singapore to Mumbai. For the third year in a row, Qantas will not issue a dividend to shareholders.

Qantas' assault on its workforce is part of a deepening offensive against airline workers globally. So far this year, the Hungarian national airline, Malev, and Spanair, Spain's fourth largest carrier, have collapsed. Last week, a fledgling international airline, Air Australia, went into liquidation. In December last year American Airlines (AA) filed for bankruptcy. AA's 78,000 employees now face 13,000 job losses, wage cuts and the cancellation of their pension plan. In announcing bankruptcy, AA, like Qantas, said a "more competitive cost structure" was needed to match their rivals.

Last October, when Qantas grounded its entire fleet and threatened to lockout workers in order to end minor industrial action, the Gillard government criticised the company for not consulting beforehand. In reality, the provocative action achieved the desired result. The government intervened through its Fair Work Australia industrial tribunal to shut down all bans and stoppages, effectively barring workers from taking any industrial action against the job destruction.

Qantas is consciously positioning itself for what CEO Alan Joyce identified when announcing the cuts as "a profound transition in the Australian economy". Joyce explained that "with our dollar likely to stay at a sustained high for the foreseeable future, Australia has become a very high cost economy in which to do business."

Joyce's words echo the sentiments of every section

of big business, which has applauded Qantas as a flagship for the ‘transition’ to which Joyce refers, namely toward a low-wage economy competitive with Asia. The airline’s November lock-out was greeted by major corporate figures as a template for a new, uncompromising industrial relations approach. The *Australian Financial Review* last week named Joyce as the country’s most important business leader.

As Joyce made clear, the new cuts are integral to a “five year plan,” in essence the winding back of the loss-making Qantas International (based in Australia) and the building-up of Qantas’ low-cost Jetstar airlines in Singapore, Japan and Vietnam. A low-cost joint venture is also planned in Malaysia. Essential to this model is the driving-down of Australian workforce costs and the freeing-up of restrictions on Qantas’ use of lower-wage workforces in Australia. Joyce last week complained that Qantas’ engineering costs were 30 percent higher than those of the airline’s competitors.

The international nature of the airline workforce, the industry’s global crisis and the capitalist strategy of setting workers against each other, mean that a successful struggle by Qantas workers to protect wages and conditions can only be waged internationally and, in particular, only in concert with airline workers in Asia.

The airline unions, however, are organically hostile to any such unity, instead seeking to cooperate with Qantas on a nationalist basis to protect the “Australian” airline, in return for the company maintaining the unions as labour agencies. Since last year’s government intervention, they have prevented any further development of industrial action, dropped their calls for “job security” and sought to strike mutually beneficial enterprise deals with Qantas.

Now the sole demand of the Transport Workers Union (TWU) is that the Fair Work Ombudsman (a statutory watchdog enforcing Labor’s repressive Fair Work Act) prosecute Qantas “with all the strengths of the law” for failing to give unions advance notice of cuts. “Qantas has an obligation to consult, negotiate and have proper conversations and engagement with their work force *when restructuring occurs*” (our emphasis). TWU national secretary Tony Sheldon said the tragedy of the cuts was that Qantas had driven “another nail into the coffin of our working relationship with the Qantas Jetstar/Group.”

Union complaints of being shut out of the redundancy process are a cover for the fact that they will be involved in the “consultative review” that Qantas has announced to determine the precise number and location of the remaining job cuts. This “consultation” will involve all key “stakeholders”, including unions and state governments. In effect, the review involves different state union divisions and governments making a case for why the cuts should occur in *other* states, not in theirs. In other words, the unions will have a critical role in orchestrating job cuts, setting one group of Qantas workers against another.

The Victorian branch of the Australian Workers Union is calling on the conservative state government “to stand up and join forces with the AWU Victorian Branch in the fight to retain Qantas heavy maintenance jobs.” This same government is driving austerity measures through the Victorian public sector, including cuts to the wages and conditions of nurses. Guiding every aspect of the response of the unions is their defence of capitalist private ownership, including of the airlines and the financial system.



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