

Australian workers face mass job cuts amid coronavirus crisis

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Australian federal government ministers have reportedly been briefed that up to half a million jobs may be destroyed over the coming months, amid the rapidly expanding health crisis and economic turmoil caused by the coronavirus pandemic. Finance Minister Mathias Cormann callously declared this week that the population must prepare for “businesses to close” and “jobs to be lost.”

This morning, Virgin Australia announced that it will cancel all international flights from March 30 to June 14, amid the imposition of effective travel bans by the Australian government and its counterparts around the world. This amounts to the grounding of a fleet of some 50 aircraft. The company will also slash its domestic flights by half over the same period.

As of last year, Virgin Australia directly employed 10,620 employees. A company statement made clear that its workforce will bear the brunt of the crisis, foreshadowing workers being compelled to take leave without pay and to use their entitlements to survive over the two-and-a-half-month period. In a thinly-veiled threat of mass layoffs, Virgin stated that these measures would be necessary to avoid redundancies.

Feigning “equal sacrifice,” the company had already announced that it would reduce executive salaries by 15 percent and temporarily suspend bonuses. Virgin’s CEO Paul Scurrah receives a base salary of \$1.3 million per year. If he is subjected to the “pay cut,” he will still receive over \$1.1 million. According to *Glassdoors*, the average annual base pay for a Virgin Australia cabin crew employee is \$45,500, with the lowest-paid receiving just \$38,611 per year.

Virgin’s announcement came a day after Qantas, Australia’s largest airline, reported that it would slash international capacity by 90 percent until at least the end of May. The reduction will also apply to its low-cost carrier Jetstar. Domestic flights will be reduced by 60

percent.

Qantas CEO Alan Joyce had already announced last week that only “the fittest will survive” in the global airline industry. He declared that 2,000 of the company’s 26,000 employees were “surplus to requirements.” Even before the coronavirus struck, Qantas and Jetstar, with the assistance of the trade unions, have been on a cost-cutting offensive, focussed on attempts to slash workers’ wages and conditions.

The federal Liberal-National Coalition government has responded with what amounts to a massive cash handout to the largest airline companies. It has announced an initial \$715 million package, which will include the waiving of a series of fees and charges to Virgin, Qantas and Jetstar. The bailout is not tied to any guarantee against layoffs.

Executive remuneration in the airlines is among the highest of any industry. Qantas CEO Alan Joyce was the highest paid CEO in the country last year, taking in almost \$24 million from his base salary, bonuses and company investments. He has cynically declared that he will suspend his salary until the end of the financial year, just months away. Commentators have noted that Qantas alone spent almost half-a-billion dollars last year on share buybacks, in a bid to drive up the returns for the company’s wealthiest shareholders.

Mass sackings will extend throughout the travel and tourism industries. Earlier this month, Flight Centre, which manages bookings and offers travel packages, announced the closure of 100 stores across the country, threatening the jobs of many of its 20,000 employees.

The tourism sector, which employs almost one million people, accounting for roughly eight percent of the total workforce, is grinding to a halt. Chinese citizens, who are subject to a ban on entering Australia, account for 1.4 million of the country’s annual tourists.

There are predictions of hundreds of hotel closures,

along with the collapse of tour businesses. Employees at major landmarks and tourist attractions will likely face layoffs. The retail, hospitality, nightlife and entertainment sectors, which had already been hit by declining disposable income, face decimation.

On Sunday, the Australian Broadcasting Corporation reported, after industry bodies began calculating losses as a result of government bans on mass gathering, that workers in the arts had already reported \$25 million in lost income as a result of the bushfire and coronavirus crises. Up to 190,000 jobs will be lost in the entertainment sector alone.

The government response to the airline slowdown is of a piece with the stimulus package it outlined earlier this month, providing for cash handouts of around \$1.3 billion to businesses, including in the tourism and hospitality sectors, and up to another \$7 billion in tax deductions and incentives.

By contrast, the stimulus mandated a one-off payment of just \$750 to the unemployed, who are on the poverty-level Newstart allowance, along with old-age pensioners and other welfare recipients. Labor has signalled its bipartisan support for the pro-business policy.

The government has rejected calls for policies that address the plight of the country's 3.3 million casual workers, who have no job security, sick leave or entitlements.

Last Thursday, Prime Minister Scott Morrison declared that casuals with coronavirus symptoms who are required to self-isolate will now be eligible for the welfare Sickness Allowance. It was rapidly revealed, however, that it would take them an estimated five days to register with Centrelink and up to 13 weeks before they received a payment.

In other words, they would not receive a cent of the woefully inadequate \$280 per week payment during the fortnight, or longer, that they were unable to work. The policy, touted by the government as an act of "compassion," places casuals with coronavirus symptoms in a shocking situation. Many people live from week to week and would be unable to pay their rent or buy food without income, raising the prospect that they will go to work, threatening a further spread of the virus.

The callous measure is in line with the declarations of government ministers that they will not be "rushed" into unveiling any policies aimed at ensuring that casual workers who lose their jobs will be able to survive.

Some ministers have contemptuously claimed that casuals, who are among the most impoverished section of

the workforce, will have "put money aside" for an emergency. They have cynically cited the fact that casuals' base rate of pay is supposed to be slightly higher than permanent employees to compensate for a lack of entitlements and sick leave. This ignores the fact that casual employment is most prevalent in the lowest-paid industries.

Australian Council of Trade Unions (ACTU) Secretary Sally McManus has, over the past week, postured as a champion of casual, contract and gig employees, who make up somewhere between 40 and 50 percent of the total workforce. McManus has focused her calls, however, on demands for immediate sick leave for casuals with coronavirus, rather than demands that all workers remain employed amid the economic slowdown.

The ACTU and its affiliated unions, moreover, have played the central role in preventing walkouts by teachers and other sections of the working class, who are demanding that the industries be temporarily shut to ensure health and safety and prevent the further spread of the virus.

Most fundamentally, however, the massive rates of casual and insecure work in Australia are the direct result of the collaboration of the unions with companies and governments over the past three decades.

In the 1980s, the ACTU partnered with the Hawke Labor government and major businesses to impose Accords that deregulated the economy and provided for the destruction of hundreds of thousands of permanent jobs across manufacturing and industry.

In the 1990s, they supported the introduction of enterprise bargaining by the Keating Labor government, which divided employees up company by company, and has provided the basis for countless workplace agreements slashing conditions and wages.

The record demonstrates that it is above all Labor and the unions that are responsible for the fact that the coronavirus has placed millions of workers and their families on the precipice of both a health and financial catastrophe.



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