

Qantas spearheads mass layoffs in Australia as pandemic worsens

Mike Head
20 March 2020

As well as facing the mounting danger of contracting the potentially fatal COVID-19 virus, more than two million Australian workers could soon be jobless or “under-employed” as the federal and state governments rush to prop up big business at the expense of the lives and livelihoods of the working class.

These governments have rejected open letter pleas by thousands of doctors to provide adequate virus testing and pour resources into under-equipped hospitals, and immediately close schools to halt the spread of the disease. Instead, they are giving billions of dollars to the banks and corporate elite as they unleash massive job losses.

Just a day after the Australian government handed the country’s airline companies \$715 million in yet another bailout, Qantas CEO Alan Joyce, the country’s highest paid executive, announced the unpaid indefinite layoff of two-thirds of the company’s 30,000 workforce, and declared that more jobs could soon be axed.

This is just the tip of the iceberg. Business owners, large and small, already are sacking or cutting the hours of hundreds of thousands of workers—all with the ready agreement of the Labor Party and the trade unions, as well as the Liberal-National Coalition government.

Qantas’s layoffs are part of a deliberate offensive designed to help Australian capitalism, to use Prime Minister Scott Morrison’s words, “bounce back” once the pandemic has ripped through the population. In fact, Industrial Relations Minister Christian Porter hailed Qantas’s decision as a “good model” for navigating the coronavirus crisis.

Likewise, Reserve Bank of Australia (RBA) governor Philip Lowe said the bank’s board was “expecting significant job losses.” To shore up the banks, he announced yet another cut in official interest rates, to a record low of 0.25 percent, and unprecedented measures to inject \$105 billion into the financial markets.

Lowe said the ultra-low rates could continue for “decades,” indicating the depth of the expected economic breakdown.

According to modelling released yesterday by ANZ, one

of the country’s “big four” banks, the jobless rate will hit 8 percent by the end of 2020. That means more than a million workers will be unemployed, on top of the “under-employed”—those looking for more hours—who already number 1.2 million.

Morrison’s government this weekend will announce another economic package, pumping much more cash into the pockets of the corporate boardrooms than last Thursday’s \$17.6 billion handout. Its first “stimulus package”—a desperate attempt to stave off a recession—was soon swamped by the intensifying global health and economic crisis.

The billions of dollars being given to the banks and big business dwarf the totally inadequate sums allocated to the hospitals, which could soon be overwhelmed by COVID-19 patients.

Defying growing outrage and opposition among teachers, the “national cabinet” formed by Morrison and his state and territory counterparts, both Coalition and Labor, is so intent on keeping businesses afloat that it has ordered schools to remain open. This is exposing children and teachers alike to the heightened danger of virus transmission in crowded classrooms (see: “Australian teachers defy union and vote for immediate school closures over coronavirus”).

The prime minister even threatened to withdraw funding from Roman Catholic and other private schools unless they kept their schools running. As a result, Sydney Catholic Schools yesterday reversed its decision to close down schools.

With every day, the official response is more draconian and authoritarian. On Wednesday, Morrison’s government declared a first-ever “biosecurity emergency,” giving it powers to issue sweeping directives, backed by threats of five years’ jail.

Under the Biosecurity Act, the federal government can now impose “any requirement” on people, including forced evacuations and restrictions on movement, and “biosecurity enforcement officers” can enter and search premises without a warrant or consent. In effect, the government has seized

the national emergency powers that Morrison previously demanded during the bushfire calamity.

Yesterday, just days after ordering everyone arriving from abroad to self-isolate for 14 days, Morrison said that only Australian permanent residents and citizens would be allowed into the country, as of 9 p.m. today. This leaves about two million temporary residents, including students, workers and touring backpackers, in legal limbo.

Like governments around the world, the overriding response is a nationalist one—to shut the borders, treating the global disaster as a “foreign” threat.

None of these “fortress Australia” measures will be effective in containing the virus. As is occurring internationally, the number of reported infections within Australia is rising exponentially. The total is now close to 1,000, and that is a vast understatement because no mass testing has been done. The government’s pledge to set up 100 “pop up” testing clinics, made weeks ago, has been put back until May.

The World Health Organisation has stated repeatedly that the only way to contain the pandemic is to vastly expand testing, track all those in danger and provide the funding and facilities to care for the ill.

None of the government’s economic measures will halt the lurch into a deep recession or depression. Australian capitalism is acutely vulnerable to the worldwide shutdown because it depends heavily on commodity exports to China and other Asian markets, as well as tourism and the fees and revenues extracted from international students.

That is why the Australian dollar plunged on currency markets yesterday to a 17-year low of around 55 US cents and the local share indexes fell to 33 percent below their recent peak in late February.

This was despite the drastic measures by the central bank, working closely with the federal government. On top of the rate cut, it announced a \$90 billion discounted loan facility for banks to lend to crumbling businesses and heavily-indebted households. It also started “quantitative easing” activities—literally printing money to feed the financial markets—never undertaken before by the RBA.

The government further promised to give smaller banks access to \$15 billion for similar business and consumer loans. These measures indicate nervousness in the money markets about the prospect of waves of corporate collapses and mortgage defaults.

While cynically feigning concern for the workers facing financial disaster, Labor Party leader Anthony Albanese and his colleagues have backed the Morrison government on every front saying they remain committed to being bipartisan and “constructive.”

At a media conference yesterday, Albanese literally

parroted Morrison, saying: “We want to protect lives in this health crisis, but we also want to make sure that we emerge from this health emergency with our economy as intact as it can be, and with jobs saved.”

For both Labor and the Coalition “saving jobs” equates to shoring up the corporate giants like Qantas as they throw workers on the scrapheap. Albanese praised Qantas as a “good business” and an “iconic Australian brand.”

This is a ruthless company that has already eliminated tens of thousands of jobs, in order to make super-profits, since it was privatised by the Keating Labor government in 1993.

On one significant issue, Labor is seeking to outdo the government. Yesterday, Albanese called for the mobilisation of the military, as happened during the bushfire catastrophe, to overcome the dire lack of testing and treatment facilities.

This is another step to “normalise” the domestic deployment of troops to deal with crises, including social unrest, as is occurring already in France and other European states. Having gutted health services for decades, the capitalist class is exploiting the COVID-19 calamity, as with the bushfires, to impose police-state measures.

The real fear in ruling circles is of rising discontent and political disaffection. At a press conference on Wednesday, Albanese suggested that he should appear together with Morrison on national television because “there is a great deal of anxiety out there,” reflected in continuing panic buying in supermarkets and pharmacies.

This united line-up shows the necessity for the working class to take matters into its own hands, take control of society in Australia and globally, and reorganise the world along socialist lines. That is the only way to provide for the needs, health and safety of all, rather than protect the fortunes of the wealthy elite that is responsible for the coronavirus disaster.



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact