Airline unions try to impose wage freeze deal with Virgin Australia

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Within weeks of corporate raider Bain Capital fully taking over Virgin Australia, the country's second largest carrier, the airline unions have signed off on "in-principle" work agreements that would inflict an 18-month to two-year pay freeze on the company's remaining 6,000 workers.

This is on top of the unions opposing any unified struggle against the destruction of thousands of jobs at both Virgin and Qantas, the former publicly-owned airline, and the similar suppression of airline workers' struggles internationally against massive job and pay cuts.

Virgin collapsed and went into administration in March, owing banks and other creditors more than $6.8 billion. It was eventually sold to Bain, a private equity firm selected by the administrators from a gaggle of corporate hyenas circling the failed airline looking for lucrative pickings.

The pay freeze deal, hatched during closed-door negotiations, was brokered by the Transport Workers Union (TWU), Flight Attendants Association of Australia (FAAA), Australian Services Union (ASU) and Australian Licensed Aircraft Engineers Association (ALAEA).

Anxious to prove their worth to Bain as reliable industrial police forces for further cost-cutting measures, the unions are trying to ram through the deal via online ballots, while providing their members with scant and misleading outlines of their agreements.

The unions even claim that the deal is an "achievement," because it supposedly provides the surviving workers with "job security." In reality, they are holding the threat of further job losses over their members' heads to intimidate any opposition.

TWU national secretary Michael Kaine told media that the agreements ensure "Virgin workers will carry out the airline's work as opposed to being outsourced." ASU assistant national secretary Emeline Gaske said it was "pleasing the airline would keep roles in-house instead of contracting work to outside agencies."

Summing up the unions' pro-corporate role, ALAEA federal secretary Steve Purvinas said the pay freeze would help place "Virgin on the footing it needs to be a strong, competitive airline." He called on the Liberal-National Coalition government to provide the company with millions of dollars more in more taxpayer-funded assistance "to ensure the airline's future survival."

The unions' thinly-veiled threats that Virgin workers would face deeper job cuts unless they accept the wage freeze follows confirmation by Qantas last week that it will outsource over 2,000 positions, including baggage handlers, ramp workers and cabin cleaners.

To block any fight by workers against the Qantas outsourcing, the unions are now placing it in the hands of the Federal Court. That was after the TWU failed to convince Qantas to employ the union itself as the cheap labour contractor for the outsourcing operation.

The unions' claim that by accepting cuts to working conditions and wages workers will protect their jobs is a fraud. Like every airline owner around the world, Bain is utilising the COVID-19 pandemic to restructure and slash costs at the expense of the workforce.

Immediately on acquiring Virgin, without any resistance by the unions, Bain slashed 3,000 jobs and ditched the carrier's low-cost airline TigerAir at the cost of hundreds of jobs, including cabin crew and ground staff. All the 220 pilot positions at TigerAir were shed before the Bain takeover to make Virgin more attractive to investors.

Responding to the 3,000 job cull, the TWU's Kaine telegraphed the unions' willingness to police further cost-cutting. He welcomed Bain's plan "to restart

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Virgin Australia" as a "leaner" operation, claiming it offered a "glimmer of hope" for the future.

As they have done for decades, the unions will harness airline workers behind the drive to make their employers "competitive" in the ruthless war for market share. This means that workers will be played off against each other in a continuous driving down of working conditions throughout the global industry.

Virgin's new CEO Jayne Hrdlicka praised the unions for negotiating the pay freeze. "We've asked a lot of them as a result of the operating environment we find ourselves in, and we are grateful for their understanding and support throughout."

Hrdlicka has a record. She left Bain to become head of strategy at Qantas in 2010, mentored by the airline's CEO Allan Joyce. She was directly involved in Qantas's assault on workers' conditions after Joyce grounded its entire fleet and locked out its workforce during a work contract dispute. This paved the way for destruction of 5,000 full-time jobs, the imposition of an 18-month wage freeze and the slashing of working conditions.

After being appointed CEO of Qantas's budget airline Jetstar, a position she held until 2016, Hrdlicka drove through cost-cutting programs, including pay freezes, by promising future bonuses that never materialised. During this process, Hrdlicka clearly learnt that the unions' ritual chest-thumping was empty bluster designed to pull the wool over workers' eyes.

In October the unions initially railed against Hrdlicka's appointment as Virgin CEO, fearing she might try to sideline them. Clearly, she and Bain have decided to retain their services as pro-business industrial enforcers for now.

Typically, the unions have given their members only highly selective and deceptive information about the deals they have reached with Virgin. According to the scant details posted on the ASU web site on December 3, the agreements lock workers into low pay and poor conditions.

Under the ASU proposal, the highest pay rate for the most experienced and most qualified guest services workers will remain at the base rate of just $27.27 an hour, while "trainees" will be stuck at $22.22 and new recruits will be unable to rise above $24.64. Only 18 percent of the workforce must be full-time, leaving the vast majority on part-time work, and only guaranteed a minimum of 20 hours a week.

The response of the unions at Virgin takes to new level their record of collaboration with the employers since the 1980s. They have worked with Labor and Coalition governments alike to enforce the destruction of thousands of jobs, the imposition of ever-more onerous workloads and the decimation of previous hard-won conditions.

Virgin workers should reject the pay freeze deals as a first step in breaking out of this union straitjacket. They have to take matters into their own hands and build new organisations of struggle, such as rank-and-file committees, completely independent of the unions. These committees would be tasked with turning out to airline workers globally for a unified struggle against the ruling class offensive.

To succeed, this struggle needs to be based on a socialist perspective. That means the fight for workers' governments that would place the airlines and all essential industries, along with the major banks and corporations, under public ownership and democratic workers' control.

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