

Australia: Qantas to axe hundreds of international cabin crew jobs and freeze wages

Terry Cook
28 May 2021

Qantas, Australia's largest carrier, is moving to axe hundreds more jobs and freeze wages, exploiting the COVID-19 pandemic to deepen the decades-long assault on airline workers.

Qantas CEO Alan Joyce last week launched an "expression of interest program" to encourage international cabin crew to register for "voluntary redundancies." He expected the program to generate "several hundred applications."

Joyce also announced a two-year wage freeze across all operations, to be imposed via new trade union enterprise agreements that are coming up for renewal. The freeze would be followed by 2 percent annual increases—another real pay cut after years of wage suppression, including a two-year freeze inflicted in 2014.

Qantas, like its global and domestic competitors, has ruthlessly utilised the pandemic to bring forward previously-prepared restructuring plans, loading the cost of the crisis on the backs of workers. The company has already slashed 8,500 jobs since the pandemic erupted in March 2020, restricting air travel.

Joyce sought to justify further gutting the 29,000-strong workforce by declaring the company was heading for a loss of more than \$2 billion this financial year.

In reality, the restructuring measures implemented last year were designed to slash costs across the airline's operations by \$15 billion over three years and then \$1 billion annually after 2023. Qantas now expects to realise before interest, tax and depreciation earnings for the June half of around \$450 million, and to be cash flow positive by the first half of 2022.

This anticipated outcome is the result of Qantas's

aggressive drive to gain a competitive edge over its rivals in domestic travel, which has been its most profitable market since the Keating Labor government privatised it in the 1990s.

According to Qantas, it is now well on the way to reach 95 percent of its pre-COVID domestic capacity by mid-2021, while its low-cost carrier Jetstar is expected to hit 120 percent of its pre-COVID capacity. The Qantas Group has added 38 new routes since the start of the pandemic, many more than it did in the previous 10 years.

While it cries poor, Qantas's bottom line has been bolstered by massive tax-payer funded subsidies handed to it by the Liberal-National federal government, with the support of the Labor Party opposition, even as the company axed thousands of jobs and gutted workers' conditions.

Qantas has been the majority recipient of government support to airlines during the pandemic, raking in \$1.2 billion in direct payments, waived charges and underwritten flights during 2020.

This included \$726 million through the JobKeeper scheme, which was supposed to keep employees on the books by subsidising wages. The scheme allowed major companies like Qantas to slash their wages bills at public expense.

Qantas also received 59.5 percent by value of the subsidies dished out under the government's so-called aviation relief package. Now it is tagged to get the biggest share of the \$200 million new government international aviation support program and from an extension of the Domestic Aviation Network Support and Regional Airline Network Support programs.

Transport Workers Union's (TWU) Michael Kaine

decried the decision to freeze wages and destroy more jobs, declaring that management was “acting like a dictator” by “using public resources to shore up its position, cut jobs and impose unilateral decisions on its workforce.”

Any condemnation by the TWU or any of the airline trade unions is empty blather designed to distract from their own decades-long role in suppressing workers’ opposition to the airlines’ ongoing assault on jobs and conditions.

Kaine’s beef with Qantas is not over its vicious treatment of its workers but is generated out of fear that Qantas is tending toward sidelining the unions and moving to more direct means of imposing its demands.

When Qantas last year announced the outsourcing 2,000 ground crew positions, the TWU only complained that it had not been brought into the consultation process, during which it would have undoubtedly offered to provide other cost-cutting alternatives, as it has in the past. The TWU then unsuccessfully attempted to convince Qantas to employ the union itself as the cheap labour contractor for its outsourcing operation.

Just last month, the TWU and other airline unions pushed through new three-year enterprise agreements at Virgin Australia that featured 18-month to two-year pay freezes and stays on the payment of a range of allowances. The Virgin Independent Pilots Association (VIPA) is set to impose a similar outcome on its members.

Such deals, always sold by the unions to workers as necessary to make “their” particular airline competitive, only serve to play workers off against each other, resulting in a never-ending downward spiral of conditions.

The TWU has called on the federal government to take a part stake in Qantas, declaring “we need level-headed management at the helm of our biggest airline to guide us through the difficult coming months.” A “part stake” would actually maintain private ownership and funnel even more government funds into the airline.

The reference for “level-headed” management smacks of an appeal by the TWU for the inclusion of union representatives in lucrative board of management positions, where they could collaborate even more closely to impose further restructuring.

Airline workers need to draw lessons from the years of bitter experiences and union betrayals. The struggle to defend jobs and working conditions requires a definitive break with the unions and the construction of new genuine working-class organisations, including rank-and-file committees across the aviation industry in Australia and globally.

That is why the International Committee of the Fourth International has called for the building of an International Workers Alliance of Rank-and-File Committees (IWA-RFC).

This is based on a global socialist perspective that rejects the dictates of the financial elite. That means fighting for workers’ governments to place aviation and all essential industries under public ownership and the democratic control of the working class, to be used for social need, not private profit.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact