Qantas eliminates over 2,000 ground crew jobs

By Terry Cook
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In yet another major destruction of its workers' jobs, Australia's former government-owned airline Qantas announced last week that it will outsource ground crew work, including baggage handling, aircraft cleaning and bus services, at airports across the country at the cost of 2,500 permanent jobs.

The federal government is bailing out Qantas as it exploits the COVID-19 pandemic to try to impose a further brutal restructuring. Since March, the company has already received $248 million from aviation-specific government support schemes and $267 million through the government's JobKeeper scheme, which was supposed to keep employees on the books.

The affected airports include Australia's busiest—Sydney, Melbourne, Perth, Brisbane and Adelaide—as well as terminals in larger regional centres such as Canberra, Darwin, Cairns and Alice Springs.

Qantas will outsource some 2,050 jobs, while its low-cost carrier Jetstar will outsource 370. Even before the latest restructure, Jetstar had outsourced ground crew roles at 17 terminals.

The new round of job shedding is on top of 6,000 direct job cuts announced by Qantas in June. The company is gutting its 29,000-strong workforce as part of the drive to slash costs by $15 billion over three years and then $1 billion annually after 2023. Some 4,000 of these jobs will be axed before the end of this month.

Qantas domestic CEO Andrew David said he realised the decision to outsource ground operations "would be tough" for the affected workers, many of whom were among the 15,000 Qantas workers stood down in April without pay or on enforced leave.

For all this feigned sympathy, workers' lives are being ripped apart to maintain shareholder values and fund exorbitant executive remuneration packages. David himself received a $3.5 million pay packet last year, as did Qantas's CEO of international operations Tino La Spina, while Jetstar chief executive Gareth Evans pocketed $4 million.

Qantas Group's chief executive Alan Joyce, whose tenure with the airline has been extended to at least 2023, while thousands of workers lose theirs, received a staggering near $24 million.

The workers discarded under the company's ground operations outsourcing plan will be required to reapply for their positions and negotiate new work agreements with whichever body-hire companies secure the contracts via a cut-throat bidding process. The successful bidders will no doubt take advantage of the growing pool of jobless airline workers to severely cut wages and working conditions.

Backed by one government after another, Qantas has been eliminating jobs, including by out-sourcing, for years. In 2018, the company offloaded its subsidiaries Snap Fresh and Q Catering, which had a 1,200 in-house workforce, to the Emirates Group's dnata catering, cargo and ground handling entity. This resulted in a loss of workers' conditions including a superannuation benefits scheme.

In July 2012, Qantas sold off its Sydney-based Cairns and Riverside catering facilities, which employed 370 people, to Gate Gourmet, a company notorious for a mass sacking at its Heathrow, UK operations in 2005 during a work agreement dispute.

Previous Qantas restructurings included the destruction of 5,000 full-time jobs, the imposition of an 18-month wage freeze and the slashing of working conditions.

Now Qantas, like airlines across the globe, is utilising the pandemic to bring forward even more ruthless cost-cutting measures that were in the pipeline well before COVID-19.

Qantas's outsourcing of ground operations came after CEO Joyce claimed the airline had registered a net financial year after-tax loss of $1.9 billion. He used this to justify further job cuts.

In reality, the loss featured a $1.2 billion write-down of part of the company's fleet, currently in storage. Excluding such one-off costs, Qantas remained in the black with a reported profit of $124 million.

Moreover, when Joyce announced the 6,000 job cuts in June he admitted that the carrier had $5 billion in capital. He said it could "survive even under current restrictions" but declared: "I don't want to continue to burn through cash."

Over the three years to June 2020, Qantas had amassed $4.43 billion in profits, mainly through its ruthless restructurings.

The assault on the Qantas workforce was spearheaded by the grounding of the airline's entire fleet in 2011, under the last Labor government, during a work contract dispute to impose an agreement slashing jobs and conditions.

The airline unions then agreed to enforce the company's demands during closed-door arbitrated negotiations overseen by the Labor government's Fair Work industrial tribunal.

That betrayal ensured the airline unions maintained their role as an industrial police force to contain workers' opposition and retain their place at the negotiation table to broker further regressive work agreements.

Despite some token criticism, the airline unions have again signalled that they will do nothing to oppose the latest Qantas job cuts. Instead, they are calling for even more government financial handouts to the airlines.

Australian Council of Trade Unions (ACTU) president Michele O'Neil pleaded with the Liberal-National government to "act immediately to put in place an aviation industry support plan."

Transport Workers Union national secretary Michael Kaine called on Prime Minister Scott Morrison to personally intervene over a "misuse of taxpayers' money" in relation to Qantas's JobKeeper wage subsidies.

But as the JobKeeper bonanza for Qantas and other major employers demonstrates, the wage subsidy scheme was never a package designed to support the millions of workers hit by the economic fallout from the pandemic. It is a corporate handout aimed at propping up big business, attacking the wages and conditions of workers, and disguising the devastating unemployment crisis confronting the working class.