

**ROBBIE KATTER**

Member for Traeger



## MEDIA RELEASE

25 June, 2020

### KAP CALLS FOR GOVT BUY-IN OF DESPERATE QANTAS

As Qantas faces a crisis of unprecedented proportions it is now more vital than ever for the airline to be returned to the hands of the Australian people, Katter's Australian Party (KAP) Leader Robbie Katter has said.

In the face of the ongoing COVID-19 crisis, Qantas has today revealed it will slash 6000 jobs - around 20 per cent of the airline's workforce.

Another 15,000 workers will also remain stood down until further notice.

The national carrier has entered into a trading halt and is seeking to raise equity of \$1.9 billion, through a \$1.4 billion placement and a \$500 million Share Purchase Plan.<sup>1</sup>

Shares will reportedly be sold at \$3.65 each, a 12.9 per cent discount to their last close of \$4.19.

Mr Katter said the Federal Government had already buoyed the airline through ongoing JobKeeper payments and a large portion of a \$715 million bail-out in the form of refunds and waived airline industry charges.

He said Australian taxpayers should not fork out another cent for the airline, unless it is in the form of a "buy-out" that will benefit the public for years to come.

The KAP has suggested the Federal Government urgently consider buying some or all of the equity on offer as part of Qantas's \$500 million Share Purchase Plan.

"We have said this before and will again - if we are considering 'bail out' money for airlines, why aren't we considering 'buy-in' money?" Mr Katter said.

"We are deeply concerned about today's news regarding Qantas, and especially are mindful of the terrible situation those 6000 sacked workers are now finding themselves in.

"However this is an opportunity to return this most valuable asset to the hands of the Australian people, where it has belonged for the majority of its operating life."

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<sup>1</sup> "\$1.9bn Qantas raising won't be aviation's last", *The Australian*, June 25, 2020, Retrieved from: <https://www.theaustralian.com.au/business/dataroom/19bn-qantas-raising-wont-be-aviations-last/news-story/806a59b61ef5b4a9f9b5b08f7e529931>

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Mr Katter said the experiment for market-based solutions for airlines across Australia over the last 20 years had failed, particularly in rural and regional Queensland and this was now an opportunity for the Federal Government to act.

“Qantas currently leads the market and all other operators follow them, so if you have ownership of Qantas then can control the market – you can do this in the interest of all Australians and also our tourism sector,” he said.

“We support the government sustaining Qantas at all costs, however this must not be in the form of a mindless bail-out that offers the public no long-term benefits.”

—ENDS—

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