

Qantas grounds planes, CEO forgoes pay as virus spreads

March 10 2020



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Qantas announced Tuesday it was grounding most of its Airbus A380 fleet and its CEO would forgo his salary as the airline slashed international flights in response to the coronavirus epidemic.

The Australian flag carrier and its budget offshoot Jetstar will cut [international flights](#) by nearly 25 percent for the next six months, with routes to Asia and the United States suffering the deepest cuts.

Qantas said it would ground eight of its 10 double-decker Airbus A380s currently in operation as the airline replaces the largest aircraft in its fleet with smaller planes and reduces the frequency of flights.

"In the past fortnight we've seen a sharp drop in bookings on our international network as the global coronavirus spread continues," CEO Alan Joyce said.

"We expect lower demand to continue for the next several months, so rather than taking a piecemeal approach we're cutting capacity out to mid-September."

Joyce—Australia's highest-paid CEO who received Aus\$24 million (\$15 million US) in the 2018 financial year—will forgo his salary for the rest of the financial year.

Other Qantas executives will take a 30-percent pay cut, while management will not receive any bonuses.

Staff are being encouraged to take annual and unpaid leave during the next six months, with the equivalent of 38 planes grounded.

The announcement comes less than three weeks after the airline cut flights to Asia, saying at the time the coronavirus outbreak would impact the company's profits by up to Aus\$150 million (\$100 million) in the 2020 financial year.

Qantas shares have lost nearly 38 percent of their value since then, falling nearly 11 percent on Monday alone as the stock market plunged

on fears over the spread of the coronavirus and diving oil prices.

Among the changes to routes is the suspension of Qantas flights to San Francisco from Brisbane and Melbourne as well as the postponement of a new route between Brisbane and Chicago.

Jetstar will cut flights across Asia, while domestic and New Zealand routes will also be reduced.

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