

ACTU Response to Questions on Notice - RURAL AND REGIONAL AFFAIRS AND TRANSPORT REFERENCES COMMITTEE - Future of Australia's aviation sector, post COVID-19. Friday 29 January 2021.

Matters Taken on Notice

Senator Rice: When you say that the OECD and Scandinavian countries are doing it much better than Australia, what are some specific examples of where they're managing the pressures from COVID and long-term planning and looking after workers that Australia's not doing? Are there other striking examples of support for the aviation workforce that other countries are doing that Australia hasn't been doing?

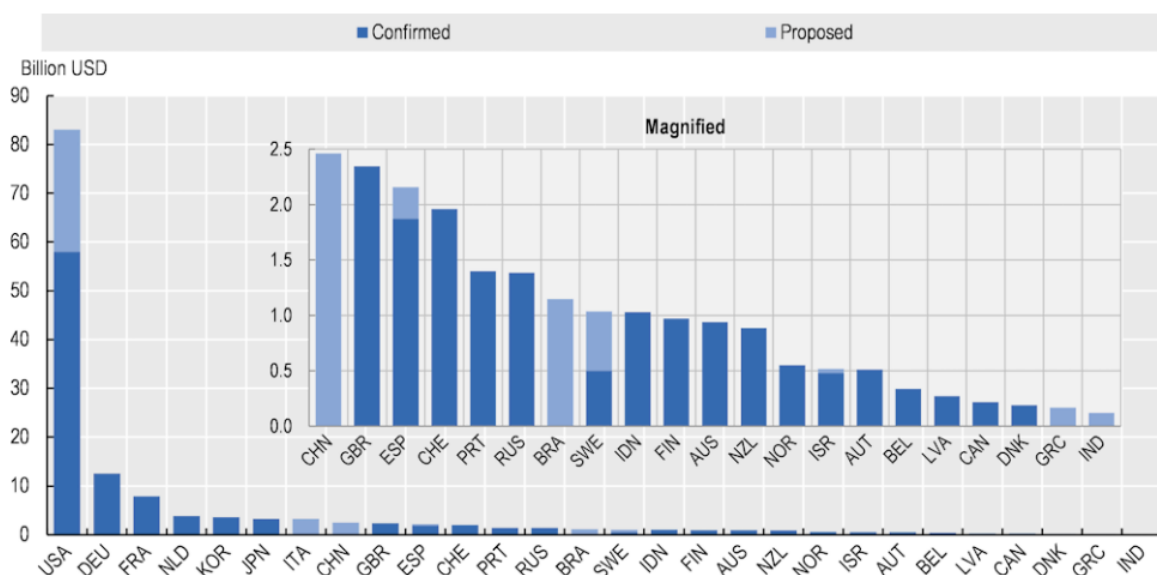
ACTU Response

As outlined in the OECD paper from October 2020 titled *COVID-19 and the aviation industry: Impact and policy responses*, Australia's support for its aviation industry has failed to meet the benchmark set by other OECD nations. As the graph below, taken from that report, shows Australia's support for its industry was only the 18th most generous out of the 28 nations examined in the report. Australia support for its industry was lesser than that provided in: The United States, Germany, France, The Netherlands, Korea, Japan, Italy, China, Great Britain, Spain, Switzerland, Portugal, Russia, Brazil, Sweden, Indonesia and Finland.



Figure 3. **Government support to airlines in the aftermath of the COVID-19 crisis**

Monetary value of relief measures for airlines across economies, as of August 2020



Note: Proposed or confirmed, monetarily quantified relief measures for airlines provided by governments or government-backed entities across 57 countries as of August 20, 2020 in billion USD, Measures include: government-backed commercial loans and government guarantees; recapitalisation through state equity; flight subsidies, nationalisation; deferral and/or waiver of taxes and charges; grants; and private equity.

Source: OECD elaborations on Abate, Christidis & Joko Purwanto (2020) [J. Air Transp. Manag. 89:101931](#).

This is despite, as shown earlier in the report and in the graph below, that Australia's aviation sector is broadly comparable in size to that of Italy, Great Britain and Germany and significantly larger than that of Japan – all of whom provided greater support for their aviation industries and the workers in them than did Australia.

As the Committee will be aware, the submission from the International Transport Workers Federation outlines many of the measures which nations other than Australia have taken to support their aviation industries - including targeted wage subsidies, government-guaranteed loans and, in the case of Alitalia, nationalisation of struggling carriers. Consideration of some of these measures, and a commitment to those already in place commensurate with the importance of the Australian aviation industry, would be a good starting point for Government if they, as we argue they should, commit to provide the assistance that aviation requires.

Link to the OECD Paper - <http://www.oecd.org/coronavirus/policy-responses/covid-19-and-the-aviation-industry-impact-and-policy-responses-26d521c1/>