



ASU Submission

Senate Standing Committees on Rural and Regional Affairs and Transport

The future of Australia's aviation sector, in the context of COVID-19 and
conditions post pandemic

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1. Introduction

1.1 The ASU

The Australian Services Union (ASU) is one of Australia's largest unions, representing approximately 135,000 members.

ASU members work in a wide variety of industries and occupations because the Union's rules traditionally and primarily cover workers in the following industries and occupations:

- Airlines and ground handling companies
- Transport, including rail transport, road, rail and air freight transport
- Administrative employees
- Disability support
- Social and community services
- Local government
- State government
- Call centres
- Electricity generation, transmission and distribution
- Water industry
- Higher education (Queensland and South Australia)
- Health
- Australian Taxation Office

1.2 Our submission

The ASU is pleased to provide this submission to the Rural and Regional Affairs and Transport References Committee.

In aviation, our members are employed in customer service (check-in, boarding gates, call centres, retail, reservations etc.), airline freight, maintenance, engineering, stores, catering, finance and administration to name a few.

Our members work for Qantas, Jetstar, Virgin Australia, Regional Express, Eastern Australia Airlines, Sunstate Airlines, Singapore Airlines, Thai Airlines, Malaysia Airlines, Emirates and other overseas airlines, as well as contractors in the industry like Menzies Aviation Services, dnata and Swissport/Aerocare or air freight companies like Australian Air Express.

In December 2020 the ASU conducted a survey of our members in aviation to understand how COVID-19 has impacted them and what matters most to them at work. A total of 564 aviation workers took part in the survey with participants working in a range of different roles and for different airline providers. We draw on these survey results throughout this submission.

We hope these survey results will assist the Committee to make informed decisions about Australia's aviation recovery plan.

2. Summary of our recommendations

We make a number of recommendations in this submission. In summary:

- **Recommendation 1:** The Federal Government should extend JobKeeper in aviation past the current expiry date of March 2021, at the original JobKeeper rate of \$1,500, with the extended scheme to apply to all aviation workers.

- **Recommendation 2:** Aviation sector government financial assistance must be linked to airline employers committing to decent conditions and secure jobs for their workers.
- **Recommendation 3:** The Government should introduce Paid Pandemic Leave for aviation workers who are required to self-isolate or be absent from work due to COVID-19.
- **Recommendation 4:** Where a government or employer introduces a restriction on an airport-based employee engaging in alternative employment in order to reduce the risk of spread of COVID-19, they must financially compensate the employee.
- **Recommendation 5:** The Government should urgently implement measures to oversee and regulate labour hire and supply chain behaviour in aviation.

3. Australia's aviation industry and COVID-19

The ASU holds serious concerns for the future of the aviation industry. As a vital industry that connects Australia to the world economy through the provision of international and domestic travel and access to world markets, it is of critical importance to Australia's future economic success.

Aviation also facilitates the social inclusion and connection of regional and remote communities with the wider Australian community. Regional aviation services deliver medical and educational supplies into communities, as well as flying people to capital cities to access services.

Aviation also underpins Australia's commercial interactions with the rest of the world. Whether it is transporting overnight freight or fresh produce to Asian markets, or getting Australians to meetings all over the world, aviation is integral to the Australian economy.

Aviation contributes enormously to our economic strength as a nation, including as a major employer. The COVID-19 pandemic has caused major disruptions to society and the economy, with social distancing measures, lockdowns, domestic border closures and international travel bans all contributing to a major decline for airline passenger services.

The pandemic has also seen the loss of almost 10,000 aviation jobs at major carriers, including Qantas, Virgin and dnata.

Without a viable aviation industry, Australia's economic recovery will suffer. It is therefore imperative the Australian Government develop an aviation recovery plan immediately to provide a policy and regulatory framework to help the industry recovery from the pandemic and Australia's current economic downturn.

4. Support for the aviation workforce through the recovery

4.1 A highly skilled and experienced workforce that we will need now and in the future

ASU members in aviation are part of a highly qualified, trained and experienced workforce. This is a workforce that is needed now, and will be needed in large numbers in the future, and these are workers we cannot afford to have leave the aviation industry forever as a consequence of this temporary crisis.

The skills and decades of experience these workers have in assisting us to travel safely cannot be easily replaced when things in aviation improve. Airport staff must understand and comply with an extensive set of regulations and requirements to ensure a safe and secure airline environment. Each person in a critical front-line aviation occupation must have licenses, certifications, training, and experience.

By way of example, just some of the qualifications and formal training ASU members in aviation have include:

- ASIC
- CSAD (Domestic)
- CSAI (International)
- Dangerous Goods Handling
- Customers & Border Protection
- Aircraft Movement Control
- Load control
- Forklift licence
- Certificate or Diploma in Travel and Tourism
- Bridge driving
- Flight dispatch
- RACA
- OH&S training
- Certificate IV in Airport Operations
- CRS systems training
- Drug & alcohol training
- Certificate IV in Training & Assessment
- Diploma in Management
- Fares and Ticketing

The aviation industry will continue to depend on a highly-skilled workforce to support the pandemic recovery.

4.2 JobKeeper & Job Security

The respondents to the survey of ASU members in aviation in December 2020 were evenly split between workers who are ordinarily employed on a full time basis and those that are ordinarily employed on a part time basis. Women respondents were much more likely to be ordinarily employed on a part time basis, with 60% of women respondents employed part time.

Unsurprisingly, 88% of respondents had been stood down from work due to the pandemic. Workers also experienced reduction of pay (45%), and reduction in other conditions in response to the pandemic (21%).

More than 20% of respondents had been forced to take annual leave or long service leave whilst 20% had found other employment on a casual or temporary basis.

An overwhelming 78% of respondents were receiving JobKeeper in December 2020. Given the large reliance on JobKeeper in the industry ASU members are deeply concerned about the scheduled end to JobKeeper in March 2021 and the impact this will have on their finances and job security. 67% of respondents to our survey are, as at December 2020, worried about losing their job. In particular, aviation workers are concerned about their job security once JobKeeper ends, as it is presently scheduled to do in March 2021.

Stories from the frontline – airlines worker views on the end of JobKeeper

“I have been working in the aviation industry for over 25 years but I am now out of work and struggling to find similar work. I only have experience in the aviation industry so finding work in another industry is very difficult. Furthermore, I received no support from the government as Dnata is not an Australian company. At the moment, my future is still uncertain and I have no idea when I will find work again.”

“If I have not found alternative employment or my hours dramatically increase from [airline employer] I will be unable to retain my home loan and will face the possibility of having to sell our home.”

“Both my husband and I are in the travel industry. We are struggling with both of us on JobKeeper. Without it we will be unsure how to pay the mortgage and buy food.”

“I have a mortgage and If JKP ends in March, I may be forced to sell my home of 35 years. I will not be able to support myself and at 60 years old and being female, my future job prospects are extremely limited.”

ASU members in aviation are incredibly concerned about their job security going forward. In our survey, only 18% of respondents felt that their job was secure, and 86% of respondents felt it would be difficult to find a new job if they lost their current job.

This is why we are calling on the government to either extend JobKeeper or alternatively create an AviationKeeper or a targeted industry assistance scheme to ensure that all aviation workers receive financial support and remain employed until the industry recovers.

We also note that thousands of Australian aviation workers (such as those employed by dnata) were denied access to JobKeeper for no reason other than a technicality around their ownership structure. Any extension to JobKeeper/Aviation Keeper must include all aviation workers, regardless of who their company is owned by.

Finally, the very strong feedback from our members is that the reduced rate of JobKeeper is simply not enough to make ends meet. The reduced JobKeeper amount may be adequate to assist the payment of wages in industries that are well on their way to recovery, for industries like aviation which are still bearing the full brunt of COVID-19 restrictions and where it remains the sole source of income for the workforce it is just not adequate.

- **RECOMMENDATION 1: The Federal Government should extend JobKeeper in aviation past the current expiry date of March 2021, at the original JobKeeper rate of \$1,500, with the extended scheme to apply to all aviation workers.**

4.3 Employer behaviour – cutting conditions, sacking workers

Of course, the unprecedented international and domestic border closures have had an impact on the airlines. Unfortunately, some aviation employers have tried to use the cover of the pandemic to reduce conditions, outsource jobs, and implement restructures.

We have seen thousands of job losses at major aviation employers, despite the significant amount of financial assistance these companies have received from taxpayers to keep workers employed. We are gravely concerned that the financial assistance the government has provided airlines is being used as corporate welfare rather than a way to ensure workers keep receiving an income while planes are grounded due to the pandemic.

By way of example:

- Qantas has manipulated the JobKeeper Payment scheme to reduce the take home pay of some employee who work overtime and hours that attract penalty rates – this is now the subject of a High Court case.
- Qantas has made several thousand employees redundant based on their projected need for labour in 2022. This was described by the company as a 'right-sizing process'. These include several hundred ASU-covered employees at airports, lounges and corporate areas. Following the right-sizing process the company proposes to restructure its airport, lounges and freight operations. This restructure targets better paid, high-skilled staff, shifting the work to centralised call-centres. The ASU is concerned that if the restructures are implemented, Qantas will lack the operational capacity to provide continuity of service in emergencies or disruptions.
- Virgin has made thousands of employees redundant, and sought long term wage freezes and drastic permanent cuts to conditions from its workforce. Through months of campaigning and negotiations the ASU was able to prevent these cuts.
- Rex attempted to vary their enterprise agreements covering customer service staff, flight attendants and aircraft engineers to remove pay increases due to employees on 1 July 2020. The company backed-down after employees organised against the proposal.
- Menzies Aviation forced its employees to use their accrued leave while they were stood down and being paid JobKeeper. For many employees, they saw no additional income while their accrued leave balances were run down. This meant that the company reduced its accrued liabilities using taxpayer money without offering any benefit to the affected employees.

- Singapore Airlines also made a significant number of their airport staff redundant, including all employees at Canberra Airport.

Stories from the frontline – airlines worker views on their employers' failures to stand by them

"Stop airlines shedding staff while collecting huge amounts of financial support from the Government"

"Very disappointed to see sneaky practices when we were all supposed to work together to see our industry through this unprecedented pandemic. Shame on our airline leaders that had the responsibility for all those workers who made them what they are today."

"My employer is making money out of the situation. However at the same time they are using the pandemic as an excuse to try to cut wages and conditions."

"COVID has been used as an excuse to implement many cut backs/outsourcing that the airline has wanted to do for years".

"I believe outsourcing may continue to be used as a cost cutting device and customer service will be next to be sacrificed under the veil of COVID to get a cheaper workforce with less rights."

Further, shift workers in the industry ordinarily have a predictable roster pattern, and some certainty around their hours of work, with minimum notification periods for any changes to that roster. However through the pandemic we have seen the employers abandon any roster patterns, and stand employees up and down with very little notice. Of course there is significant unpredictability in the flying schedule due to COVID-19 so some of this uncertainty is unavoidable, however it is increasingly the case that the employers are moving all of the burden of the unpredictability on to the employees with little regard to the impact it has on their lives. Such unpredictability makes it almost impossible for workers to supplement their JobKeeper income by working in alternative employment, or organising care for their children – and this has been the way they have worked for almost a year now. ASU members are willing to work with their employers to ensure that the airlines have the staffing levels they need to meet the ever-changing flying schedule, but it must be done in such a way that provides as much predictability to the workforce as possible.

Further, we have seen employers refuse to accommodate existing Job Share and Flexible Work Arrangements (FWAs) during this crisis, using the pandemic as an excuse as to why those arrangements cannot be accommodated. Many of our members work under a Job Share/Flexible work arrangement. Such arrangements are important in providing employees the autonomy to balance other commitments such as caring for children or caring for elderly relatives.

Sixteen per cent of survey respondents identified as working under a Job Share/Flexible Work Arrangement before the pandemic. 84% of those are women.

Of the workers who had Flexible Work Arrangements before the pandemic, only 48% are currently working under one. 86% are concerned they won't be able to get the flexibility they need around working hours in the future and 76% said their employer is not giving them the flexibility they need during the ramp up of hours in aviation.

Stories from the frontline – airlines worker views on Flexible Work Arrangements (FWAs)

"There is no option for FWA and as a returning worker who has come off maternity leave, this makes me super stressed and anxious on how I will juggle work and my kids."

"I'm worried that I'll never be able to have an FWA that would suit me again."

"They will blame Covid19 for the inability to provide employees with any FWA. In fact, blame Covid19 for every workers conditions they want to erode."

"Without a FWA care for my children is irregular and sometimes unavailable."

Aviation employers need to stand by the workforce that has stood by them during this crisis, and the government should insist that government subsidies it provides are linked to protecting decent, secure jobs – not lining the company's pockets.

- **RECOMMENDATION 2: Aviation sector government financial assistance must be linked to airline employers committing to decent conditions and secure jobs for their workers.**

4.4 Paid Pandemic Leave

Although we hope the rollout of a vaccine will be swift and effective, it is likely that we will be dealing with COVID-19 for some time yet. This is particularly so as we open our domestic and international borders, and being exposed to a positive case or close contact is a particularly acute risk for airport workers.

Twenty per cent of respondents to our survey have had to self-isolate during the pandemic. Unfortunately, only a quarter of them received any special paid leave to cover the period of isolation. Others accessed their own sick leave or annual leave. Another 25% took unpaid leave and received no payment at all.

The Government should implement Paid Pandemic Leave, as this would ensure a worker receives access to paid leave each time they are required by the government, their employer or a doctor to self-isolate due to exposure to COVID-19.

- **RECOMMENDATION 3: The Government should introduce Paid Pandemic Leave for aviation workers who are required to self-isolate or be absent from work due to COVID-19.**

4.5 Airport "Bubbles"

During the pandemic airline employees have been repeatedly stood up and down from their employment (sometimes unexpectedly or with little notice), or given very few hours of work. To supplement their income to make ends meet many employees have obtained additional casual or fixed-term employment, such as working at a supermarket.

Various governments and airport employers have considered or implemented requirements that are aimed at stopping the potential spread of COVID-19 from airline workers into the community, however these requirements restrict the employee from working in any other employment in order to be allowed to work in their ordinary employment at the airport. The worker cannot work in any other employment.

While we are supportive of reasonable measures to reduce the risk of spreading COVID-19, these measures cannot be implemented at the expense of the worker's (already significantly reduced) take-home pay. Where such measures are considered or implemented, the impacted workers must be financially compensated for any restriction on them supplementing their income with additional casual, part-time or fixed-term employment.

- **RECOMMENDATION 4: Where a government or employer introduces a restriction on an airport-based employee engaging in alternative employment in order to reduce the risk of spread of COVID-19, they must financially compensate the employee.**

4.6 Labour hire and outsourcing

The ASU has historically held ongoing concerns in regard to the use of labour hire and contracting arrangements in the aviation industry. Contracting out and competitive tendering have consistently shown to be associated with reductions in terms and conditions of employment and reductions in numbers of employees.

Only recently the Qantas Group has used the pandemic as an excuse to outsource ground operations performed by Qantas Airlines, QGS and Jetstar Services staff working in ramp, baggage handling and fleet presentation at 11 Australian Airports. This work has been awarded to: Menzies, Swissport/Aerocare, dnata and Oceania to name a few.

Employers such as dnata and Swissport/Aerocare have over the years sought to reduce the wages and conditions of employees and actively avoided their obligations under collective agreements.

Dnata/ Airport Handling Services Australia

In 2017 the ASU caught international airline service company dnata setting up a side company called Airport Handling Services Australia (AHSA), in a bid to undercut its existing employees.

This new company was established so that labour hire employees could be brought in to do the same work that dnata's existing employees were performing, but for less pay and conditions. AHSA employees were only guaranteed the legal minimum wage.

dnata Australia then commenced using AHSA to directly compete with dnata for contracts, taking work away from existing employees bit by bit and undermining job security.

Following a protracted campaign to defend the rights of the permanent workforce, dnata dropped their plan to put AHSA staff on a separate Agreement. The ASU successfully negotiated a watershed Agreement which covered all dnata and AHSA employees. Job security was increased under the new Agreement, with requirements to move labour hire and casual staff into permanent positions.

Swissport/Aerocare

In Australia, Swissport (formerly Aerocare) operates at multiple airports as a low-cost ground handler, partnering with all major domestic airlines and many international carriers in the region including Qantas, Jetstar, Virgin and Regional Express to name a few. Aerocare predominately employs staff on a 'permanent part-time' basis or as casuals.

Since 2012 the ASU along with other Unions has been to the Federal Court or the Fair Work Commission on 9 difference occasions in regards to the underpayment of employees at Aerocare or to object to an application to approve an enterprise agreement for reasons such as: rates of pay being less than the modern award, split shifts, poor rostering conditions, unfair payments for working extra shifts and penalty rates being absorbed into ordinary rates of pay.

The race to the bottom in aviation is being fuelled by the proliferation of labour hire and outsourcing arrangements. This has seen thousands of aviation workers being underpaid and exploited. In addition, the high turnover rates and poor conditions among labour hire firms results in low pay, poor conditions and insecure work and in turn can impact on the safety and security at airports.

We believe the Government needs to urgently intervene and regulate labour hire and supply chain behaviour in the aviation industry.

We advocate for the establishment of a Safe and Secure Skies Commission (SSSC) which brings together Government, Employers, Union and Airports and has the ability to:

- Make binding and enforceable orders to ensure that there are appropriate standards (including safety) for all participants in the aviation supply chain which will ensure that competition is underpinned by a level playing field aimed at creating jobs and a sustainable and viable aviation industry;
- Provide for enforceable terms and conditions for all aviation workers based on the principle of 'same job, same pay' that maximises secure and direct hire jobs and ensures that any tenders do not undercut existing terms and conditions of workers;

- Resolve any dispute on a single or industry basis within the supply chain;
 - Make any orders on any supply chain participant/s necessary to fulfil the aims of the SSST; and
 - Inquire and make recommendations to Government with regards to any issues facing the industry including the use of significant Government purchasing power through procurement policy.
- **RECOMMENDATION 5: The Government should urgently implement measures to oversee and regulate labour hire and supply chain behaviour in aviation.**

5. Conclusion

Our members love the work they do, and they are incredibly experienced and qualified. They enjoy the variety and diversity of the passengers, the team work, helping people, the vibrant airport atmosphere and the opportunities to travel. Our members want to see the industry not only recover from the recent pandemic but to also grow and prosper in the future. This is going to require swift and meaningful action from the Government.

Finally, the ASU, including frontline aviation workers, would be pleased to participate in any public hearing to give additional evidence and to represent our concerns more fully.