

Urgency Resolution ALP State Conference - May 2017

Airline Ground Handling Sector – The Need for Stronger Laws to Protect Workers

This conference notes with concern recent examples in the airline industry of employers seeking to reduce wages and conditions and actively avoid their obligations under current collective agreements.

Recent examples of employers in the airline industry seeking to game the IR system at Aerocare & Dnata highlights the urgent need to overhaul our industrial laws to protect workers.

Aerocare is an example of all that is wrong with our aviation industry. It has expanded by 300% in just 4 years and made over \$13 million last year. Latest figures suggest around 60% of staff are casual.

The company was set up to provide workers to carry out work for airlines on the ground - baggage handlers, ramp workers, aircraft-towing drivers, check-in staff, catering staff and cleaners.

Aerocare guarantees its workforce just 60 hours per month – there is no weekly guarantee. It pays below the award for weekend work, overtime and night work.

The rostering arrangements and split shifts at Aerocare are creating significant hardships. Over a two week period, one worker spent over 80 hours at the airport but was paid for just 50 hours. His total take-home pay for 2 weeks was \$1,196 – that's \$594 below the poverty line for a worker with two kids. The monthly wages for an Aerocare worker on the 60 hours they are guaranteed ranges from just over **\$1,200 to \$1,400**.

Both the TWU & ASU are challenging the approval of the latest Aerocare EBA that both unions believe falls below the minimum Award standard across a range of conditions, and undermines industry standards.

In the case of Dnata, workers have faced the threat of lower wages and conditions as a result of the company creating a new subsidiary and seeking to sneak through sub-standard collective agreements voted on by just 2 employees, in concert with a labour hire provider.

Dnata intends to use the new subsidiary to bid for ground handling contracts using a lower wage cost structure. This will be to the detriment of the livelihoods and job security of existing workers who are already on modest rates of pay and conditions.

The proposed agreements contained the following attacks on ASU & TWU members pay & conditions:

1. Lower rates of pay & fewer classifications
2. Less guaranteed hours per week - 60 hours per 4 week cycle
3. No minimum shift engagements – currently 4 hours minimum shift engagement
4. Inferior overtime provisions
5. Cuts to **penalty rates** on Saturday, Sunday & public holidays
6. Reduction in shift loadings

7. Removal of industry allowances
8. Reduction in personal leave and paid parental leave
9. Reduction in pay for not receiving a minimum 10 hour break between shifts

The Dnata & Aerocare cases show that corporations are gaming the system.

Current laws are not strong enough to prevent corporate restructuring resulting in a race to the bottom on wages and conditions. This kind of trend will further entrench insecure work and under-employment.

Laws designed to protect workers, such as transfer of business, and related corporations provisions under the Fair Work Act, are being easily avoided via sham arrangements with third party labour hire providers.

Head contractors must be held responsible for ethical supply chains and contracting out arrangements associated with their business and brand.

Australia cannot afford to have a second class set of workers develop in the airline industry. If employers are able to drop the employment standards, other companies wanting to cut costs are likely to follow suit. There would be nothing to stop employers looking for other options to further subcontract their work and pay employees inferior pay and conditions.

We call on state and federal Labor to support the overhaul of the Fair Work Act to close these loopholes and provide proper protection for workers in this and other industries.