



**TWU SUBMISSION: SENATE INQUIRY  
THE FUTURE OF AUSTRALIA'S AVIATION  
SECTOR, IN THE CONTEXT OF COVID-19  
AND CONDITIONS POST PANDEMIC**



**TWU**  
Carrying Australia



**SAFE &  
SECURE  
SKIES**

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## TWU BACKGROUND

The Transport Workers' Union of Australia (TWU) represents tens of thousands of men and women in Australia's aviation, oil, waste management, gas, road transport, passenger vehicles and freight logistics industries.

With over one hundred years' experience, the TWU has been proactive in establishing industry standards that improve the lives and safety of transport workers, their families and the community.

The TWU covers all workers in the aviation industry, with large groups of members in ground handling, fleet presentation, cabin crew, airline catering, security and pilots.

## EXECUTIVE SUMMARY

- The pandemic has had a devastating impact on the aviation industry. By March 2020 tens of thousands of aviation workers had been stood down from their jobs, forced to survive on the much-reduced JobKeeper payment. By the end of the year, at least 11,000 redundancies had been announced.
- The pandemic has been used as an excuse by some companies to take action which will drag down standards on service, safety and security. Qantas is forcing out a further 2,500 workers, aiming to outsource and replace them with workers on lower rates and conditions. The move is a direct attack on unionised workers and means Qantas (or its subsidiaries) will never employ another baggage handler, ramp worker or cabin cleaner.
- Aviation jobs are highly trained. The loss of skill associated with these 13,500 job losses has safety implications in all aspects of aviation; below the wing, cabin crew and pilots. Any further job losses must be avoided to ensure the industry has the appropriate skill and experience to safely operate without delay when borders open.
- While the pandemic has devastated aviation, it is an industry sadly accustomed to shocks. Aviation has borne the brunt of drastic changes due to volcanic ash, 9/11 and other terrorism incidents and restrictions, swine flu and avian flu.
- Many aviation workers in Australia previously held jobs at Ansett and closely witnessed its demise.
- Just seven years ago Qantas was on the eve of reporting a massive \$2.8 billion loss and sought a bailout from the Federal Government. It was Qantas workers however who bailed the company out, by taking an 18-month pay freeze which has never been paid back. Thousands of QGS workers were promised a cash bonus in lieu of the 18-month wage freeze, but it was conditional on signing the next Enterprise Agreement. Due to outsourcing, the workers will never receive that bonus.

- Long before the pandemic, aviation workers battled the uncertainties of the industry: from job insecurity; underemployment and how many hours they will be able to pick up in any given week; and whether their rates will rise enough to allow them to support themselves and their families.
- An industry as vital as aviation should not have this level of uncertainty shrouding it. Many governments around the world recognise aviation as a critical infrastructure given its essential role in the physical and economic security of their nations. The US government owns the airports while governments in Europe, the Middle East and Asia maintain large stakes in their airlines.
- We believe the Federal Government must take a bigger role in aviation and guide the industry to ensure it serves those who matter most: the travelling public and workers.
- This submission aims to:
  - Chart a pre-pandemic industry already facing difficulties though awash with money
  - Pinpoint how the crisis has been mismanaged through lack of a strategic national plan which has resulted in:
    - an airline allowed to collapse;
    - thousands of job losses and associated loss of skill;
    - workers being outsourced and replaced by workers on lower wages and conditions in insecure jobs;
    - workers shut out of national wage subsidy;
    - no conditions being placed on the national wage subsidy;
    - workers ripped off their wages and denied the sick leave they had built up;
    - frontline aviation workers put at risk and infected by COVID and service;
    - funding to airlines skewed because of political bias; and
    - safety, service and security downgraded.
  - Set out the decisions by aviation companies and the Federal Government during the pandemic which have devastated the industry which will impact future generations
  - Provide solutions in the form of a national aviation plan, a standing tribunal and 'AviationKeeper' payments to keep skilled workers engaged by their employer.

# AVIATION PRE-PANDEMIC

## A rich but sick industry

Prior to the pandemic outbreak, aviation appeared to be a thriving industry where chief executives, investors and shareholders reaped significant benefits. It had an overall annual revenue of \$45.98 billion, adding \$18.42 billion to the economy in 2018 [1]. Aviation employs 126,500 people, according to data from the Australian Bureau of Statistics [2].

On the eve of the pandemic, the companies at the top which control the aviation supply chain - the airports and the airlines - were making large profits.

Qantas's annual reports show the airline had been doing well since a disastrous loss in 2014. In February 2020 Qantas announced half year results of \$771 million underlying profit before tax and announced an interim dividend to shareholders of 13.5 cents per share. In the five years before COVID hit, Qantas made \$6.8 billion in underlying profit before tax.

Since his appointment as CEO in 2008, Alan Joyce has received a total of \$89.3 million from Qantas, almost half the total paid in senior executive remuneration of \$192.8 million. The airline announced his total pay packet for 2018 was \$24 million, making him not only the highest paid CEO in Australia but the highest paid airline executive in the world [3].

In February 2020, the Australian Competition and Consumer Commission's annual monitoring report showed the four main airports were also in rude health. Profits had ballooned to \$2.3 billion for 2018/2019 [4].

The report shows Sydney made operating profits of \$958.9 million, Melbourne \$576.1 million, Brisbane \$497.1 million and Perth \$237.4 million. The report states: "The airports have collectively generated aeronautical profit in every year over the 17-year lifespan of the airport monitoring regime, and have increased their profit in almost all of those years."

But all was not well in aviation. The industry may have been experiencing one of its booms but there had been many busts in the not too distant past.

Terrorism and the restrictions post 9/11; avian flu and the SARS outbreak; volcanic ash eruptions were just some of the outside events which crippled the industry at various points over the previous two decades.

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1. <https://nationalindustryinsights.aisc.net.au/industries/transport/aviation>
  2. <http://www.abs.gov.au/ausstats/ABS@Archive.nsf/log?openagent&6291006.xls&6291.0.55.003&Time%20Series%20Spreadsheet&7BC15E4930DE007FCA2582B20018B5CA&0&May%202018&21.06.2018&Latest>
  3. <https://investor.qantas.com/investors/?page=annual-reports>
  4. [https://www.accc.gov.au/system/files/1655\\_Airport%20monitoring%20report\\_D09.pdf](https://www.accc.gov.au/system/files/1655_Airport%20monitoring%20report_D09.pdf)

Then there were self-inflicted wounds, borne out of mis-management.

A capacity war between Qantas and Virgin in 2008-2014 hit Qantas particularly hard. In 2014 Qantas reported a \$2.8 billion loss, prompting the CEO to request a Federal Government bailout. The Government refused and the airline instead demanded an 18-month wage freeze from its workers.

The impact of this wage freeze continues to be felt today with a 2017 report detailing how the retirement savings of Qantas workers face a \$30,000 hit as a result.[5] A separate report shows Jetstar workers face losing close to \$200,000 in lifetime wages and superannuation as a result of the wage freeze between 2014 and 2016.[6]

It is worth noting that in lieu of a pay rise for 18 months Qantas promised its workforce a cash bonus upon entering into a new Enterprise Agreement. Jetstar workers were denied this bonus despite entering into a new Enterprise Agreement because they exercised their statutory right to take protected industrial action. Qantas Ground Services (QGS) ground handlers and fleet presentation will not receive their bonus due to Qantas outsourcing their jobs prior to completion of a new Enterprise Agreement which workers had agreed to put on hold negotiating in good faith during Covid-19.

Despite the crises facing aviation and the obvious impact on jobs and wages, privatisation of Qantas and airports in the 1990s meant successive Federal Governments had lost the ability to influence the industry's direction, protect workers, passengers and save businesses.

Privatisation also resulted in a fractured industry where labour hire firms, outsourcing, casual work and part-time jobs became the norm. It meant aviation companies made decisions that boosted their bottom lines, CEO pay packets and shareholder dividends but saw them reluctant to invest in their companies and left them exposed long-term. For example, Qantas had one of the oldest airline fleets in the world which S&P Global had warned about in 2018: "We believe increased aircraft investment is inevitable for Qantas given its older fleet and large international exposure. The airline's international strategy emphasizes aircraft that are capable of servicing a new ultra-long haul network that bypasses regional hubs. This is important given Australia's 'end-of-the-line' location. The airline will then need to turn its attention to replacing the oldest of its domestic fleet." [7]

Lack of investment in equipment at Qantas is also an issue which reared its head when the company pushed to outsource its entire ground operation in 2020. The company announced the outsourcing was necessary partly because ageing equipment would need

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5. [https://d3n8a8pro7vhm.cloudfront.net/theausinstitute/pages/2536/attachments/original/1505837957/Wage\\_Suppression\\_and\\_Superannuation\\_Final.pdf?1505837957](https://d3n8a8pro7vhm.cloudfront.net/theausinstitute/pages/2536/attachments/original/1505837957/Wage_Suppression_and_Superannuation_Final.pdf?1505837957)

6. [https://d3n8a8pro7vhm.cloudfront.net/theausinstitute/pages/3229/attachments/original/1582492210/Consequences\\_of\\_Wage\\_Freezes\\_FINAL.pdf?1582492210](https://d3n8a8pro7vhm.cloudfront.net/theausinstitute/pages/3229/attachments/original/1582492210/Consequences_of_Wage_Freezes_FINAL.pdf?1582492210)

7. <https://www.spratings.com/documents/20184/86966/Can+Qantas+Or+Virgin+Afford+To+Take+A+Capital+Holiday.pdf/a489a23d-5ac3-4c6d-b5d5-73fe9026bdc8>

\$80 million to be upgraded. Despite accumulating profits of \$6.8 billion over the previous 5 years and paying its CEO \$89 million since he took over the job, the airline refused to invest in its fleet and its equipment and, like the enforced 18 month wage freeze, pushed the cost onto its workforce, this time by outsourcing the entire ground handling operation and introducing lower paid workers with lower conditions and insecure jobs.

By the outbreak of the pandemic, profits may have been at an all-time high for airports and airlines, but the industry was insecure with all risk being passed onto frontline, essential workers such as ground handlers. Jobs had been downgraded to the extent that many aviation workers struggled to pay bills and support their families with low and unpredictable minimum hours becoming the industry norm.

### **Conditions for aviation workers**

Aviation workers have faced the twin problems that have bedevilled the Australian economy: they are likely to suffer from low wages and underemployment.

The Reserve Bank Governor has warned about the impact of these problems on the wider economy [8], yet the Federal Government has turned a blind eye to how they have imbedded themselves so deeply in the aviation industry. Former Minister for Finance Matthias Cormann even admitted to low wage growth being government policy, saying that it was “a deliberate design feature of our economic architecture” [9].

A 2018 submission by the TWU to the Productivity Commission’s inquiry into Economic Regulation of Airports outlines the extent to which part-time roles had become the dominant form of employment in aviation.

It shows that the five main aviation ground operators, involved in baggage, ramp work, cleaning and catering, employed almost 6,000 workers, 92% of whom are part-time workers. Workers at some operators such as Swissport are guaranteed no more than 60 hours per month and three-hour shifts.

Combined with low rates (and below award rates in the case of Swissport) the take home pay of some aviation workers falls below minimum wages and even the poverty line. A survey of Australian aviation workers shows that 68% of respondents said their income did not meet living costs while 76% said they would not be able to afford to retire at 65.[10]

The report by the Australian Institute’s Centre for Future Work mentioned above showed the effect of low wages on aviation workers, forecasting that workers’ dignity in retirement was under threat due to the compounding effects of the race to the bottom. The report illustrates the effect on superannuation outcomes of wage freezes and below award payments - both of which have become recent features of the aviation industry:

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8. <https://www.abc.net.au/news/2020-07-21/rba-governor-philip-low-e-rba-cannot-do-much-more-for-economy/12476942>

9. <https://theconversation.com/ultra-low-wage-growth-isnt-accidental-it-is-the-intended-outcome-of-government-policies-113357>

10. [https://www.twu.com.au/wp-content/uploads/2020/12/The-Qantas-Effect\\_071215.pdf](https://www.twu.com.au/wp-content/uploads/2020/12/The-Qantas-Effect_071215.pdf)

“When workers’ wages are unduly suppressed, then the normal flow of employer contributions into their superannuation accounts is also constrained. They will have smaller superannuation balances when they retire, and will consequently experience a lasting reduction in post-retirement income.”[11]

## **Swissport: a case study**

Swissport, formerly Aerocare, operates a low-cost model to win contracts from airlines over competitors. The company grew 300% over a four-year period, it employs 3,000 workers in ground-handling services. It is contracted by the major airlines operating in Australia to work in all major airports.

Swissport is set to grow even further, after winning the ground handling operations at Australia’s two busiest airports, Sydney and Melbourne after Qantas outsourced its entire ground operations in 2020.

Swissport employs all of its workers, save for senior managers, on a “permanent part-time” basis or as casuals. The company’s downward pressure on the industry arises out of an enterprise agreement, approved in 2012 despite union objections. This agreement allowed for:

- 60 hours guaranteed a month (no weekly guarantee);
- Shift lengths of just three hours;
- Below award rates for weekends, Good Friday, Christmas and other public holidays;
- Absence of payment for overtime, night work and relevant aviation
- Allowances per the minimum standards in the Airline Operations – Ground Staff Award; and
- The introduction of split shifts, which are precluded under the Award.

These conditions meant many Swissport workers have struggled with daily life, unable to earn enough money and continually desperate to pick up extra hours.

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11. Stanford, J., ‘The Consequences of Wage Suppression for Australia’s Superannuation System’ (2017) Centres for Future Work at the Australia Institute, p.4.

In 2017, an expose by the media revealed low paid Swissport workers were sleeping at the airports between split shifts.[12] Media also revealed that the working conditions had compromised safety with high injury rates among workers.[13] Failures at Swissport on security and safety were also exposed.[14]



The 2012 agreement was in place paying thousands of workers below award rates for over seven years before it was terminated by the Fair Work Commission in 2020.[15] By then Swissport had failed already to get a subsequent agreement approved [16], had lost a Federal Court case seeking approval for its split shifts [17] and was on its way to seeing yet another enterprise agreement fail at the Fair Work Commission [18].

Despite the high-profile media exposure and the multiple court cases that the company was embroiled in, the Federal Government refused to step in and hold the company to account over its treatment of workers and over its standards in safety and security. In fact, then Federal Employment Minister Senator Michaelia Cash backed the company in 2017, accusing the TWU of “smears” by speaking out on behalf of workers.[19]

The Qantas board also appears to have expressed no reservations about awarding the airline’s entire ground operations to Swissport at its two biggest sites, Sydney and Melbourne domestic terminals at the end of 2020.

Companies like Swissport continue to have a degrading effect on the aviation industry, our community and the wider economy by dragging standards down. But it is the airlines and airports at the top of the supply chain which profit from the low-cost contracts awarded to Swissport. This profit is then funnelled into the pockets of investors, shareholders and senior management.

12. <https://www.abc.net.au/7.30/airport-workers-speak-out-about-poor-work/8371230>

13. <https://www.abc.net.au/7.30/airport-workers-speak-out-about-poor-work/8371230>

14. <https://www.smh.com.au/national/workers-point-to-security-flaws-at-canberra-and-perth-airports-20170803-gxousf.html>

15. <https://www.smh.com.au/business/workplace/wages-agreement-terminated-for-airport-workers-who-slept-at-terminal-between-shifts-20190806-p52egw.html>

16. <https://www.theguardian.com/australia-news/2017/aug/31/wage-deal-that-union-said-ripped-off-airport-workers-rejected-by-fair-work>

17. <https://www.smh.com.au/business/workplace/airport-workers-should-not-be-used-and-abused-court-rules-against-airport-split-shifts-20190125-p50trd.html>

18. <https://www.smh.com.au/politics/federal/after-four-years-aviation-giant-s-enterprise-agreement-is-still-not-approved-20200814-p55lq6.html>

19. <https://www.theaustralian.com.au/nation/michaelia-cash-slaps-twu-for-smear-on-aviation-firm/news-story/6b648f0e1463fbd845be8ef03522b45c>

## The Qantas model

Following the enactment of the Fair Work Act 2009 the newly established Fair Work Australia (as it was then known) was tasked with making multiple enforceable Modern Awards, including what became the Airline Operations – Ground Staff Modern Award 2010. Qantas, as the largest and most dominant employer in aviation, at that point had the option of arguing that Modern Award wages and conditions should be close to the level of their relevant industrial instruments so that their market gap in terms of labour costs were lower.

They instead chose to argue that the lowest possible rates and conditions should be included in the Modern Award.

The reason for this decision became apparent when, in spite of just having agreed to a new Enterprise Agreement with the TWU and its ground handling workforce in 2008, Qantas then announced plans to create its own ‘labour hire’ company as a subsidiary of Qantas Airways Limited (QAL), known as Qantas Ground Services Pty Ltd (QGS). It then entered into an Enterprise Agreement with QGS which drastically cut the wages and conditions in almost every facet as compared to the equivalent QAL Enterprise Agreement. At this point Qantas committed to never again employing any workers under the QAL Enterprise Agreement.

The QGS Enterprise Agreement also introduced minimum 20 hour part-time arrangements with part-time workers being the preferred method of employment. By mid-2020 the QGS workforce more than doubled the QAL workforce with around 90% of the QGS workforce either part-time or casual.

This move precipitated the drastic fall in aviation standards, forcing all other ground handling operators to compete directly on labour costs and conditions with QGS rather than QAL and thereby keeping wages and conditions as low as possible.

As an example in wages alone, a QAL Level 4 worker with four years or more experience on 1 July 2013 received \$22.61 per hour [20]. The equivalent QGS worker in 2021 is receiving \$23.78 [21], meaning a rise in wages over a period of over seven and a half years of just 5.2%, a pay rise of less than 0.75% per annum. This equates to a real wage fall over the seven year period of 7.4%. Part-time work has also become the dominant form of employment at all companies across ground handling operations.

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20. Qantas Airways Limited and Q Catering Limited – Transport Workers Workplace Determination 2012

21. Qantas Ground Services Pty Limited Ground Handling Agreement 2015

Qantas Airways Limited Level 4 2013	Qantas Ground Services Level 4 2020	Seven Year Wage Growth	Seven Year CPI at 1.8% per year	Seven Year Real Wage Growth
\$22.61	\$23.78	5.2%	12.6%	<b>-7.4%</b>

The recent decision by Qantas to outsource all its QAL and QGS ground handling operations will have the effect of further eroding wages and conditions across ground handling.

### **Exploitation of workers**

At the bottom of the supply chain, workers are exploited through low wages and conditions (as in the case above of Swissport workers paid below the minimum standards). Contracts with low minimum guaranteed hours place all the financial risk onto workers and are designed to deliberately prevent workers acting collectively to improve their conditions.

This is illustrated by the case of Jetstar ground handlers, most of whom were only guaranteed 20 hours per week at the minimum Award rate. Last year these workers took collective protected industrial action in order to try and improve their conditions, only to have their jobs outsourced six months later. The workers also lost their cash bonus, which was supposed to compensate them for an 18-month wage freeze, for taking the action. Conversely ground handlers directly employed by Qantas had built their wages and conditions through a strong collective voice over many decades. As will be detailed below, Covid-19 provided the excuse for Qantas to outsource this workforce in order to cut the existing wages and conditions to the minimum standards, or below minimum standards in Swissport's case.

Put simply during good economic times airports, airlines, shareholders and senior executives see their profits and pay packets sky rocket while workers that keep airports and airlines moving experience low wages growth, conditions and insecure work. When issues arise that affect aviation, workers bear the brunt through wage freezes, cuts to minimum conditions and outsourcing.

# COVID AND SAFETY

## Frontline aviation workers at risk

COVID-19 began its deadly spread via the travel of humans across the globe, with aviation workers at the forefront of the spread. When it became apparent that the virus was both highly contagious and deadly, workers became fearful about the safeguards in place to protect them, their families and the wider community.

In late January 2020, the TWU wrote to all major aviation companies, including airports, airlines, ground handlers and catering companies requesting information on procedures and protections they were implementing to keep workers safe [22]. Few responded with detailed information on changes they had instituted to protect workers from COVID and reduce the risk of spread.

There were early signs that the aviation industry, instead of working with its workforce to protect them and reduce the risk of spread, would try to do the bare minimum. When a COVID positive passenger flew to the Gold Coast from Melbourne early on in the outbreak, the TWU wrote to Swissport requesting information on how workers who operated and serviced the flight were being protected. In reply the ground handler refused to give details merely stating that the company was “following the advice of the relevant experts, including the Australian Government Department of Health and the World Health Organisation on how to respond to this unfolding health issue”[23].

Throughout the pandemic when it came to public pronouncements on the virus, policies for workers, strategies for dealing with clusters and policies to keep passengers safe, Qantas, the biggest aviation player in Australia, has continually failed workers on a number of fronts, including virus clusters, serious illness, threats and even a suspension from work.

## Worker and passenger safety at Qantas

The following is a timeline of problems encountered at Qantas:

### ● January 27 through to February 2:

A cabin cleaner, who is a trained and elected health and safety representative (HSR) [24], asks Qantas about COVID-19 measures, and for evidence on consultation and compliance with Work Health and Safety regarding COVID-19. He gets brushed off.

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22. <https://www.twu.com.au/document/twu-letters-to-aviation-companies-and-airports-covid-19/>

23. <https://www.twu.com.au/wp-content/uploads/2021/01/Swissport-letter.pdf>

24. HSRs have powers and responsibilities under the sections 68 and 69 of the Work Health and Safety Act 2011 - <https://www.safework.nsw.gov.au/safety-starts-here/consultation@work/health-and-safety-representatives>

Due to concerns of contracting Covid-19 and passing on to families, including vulnerable family members, the HSR went on to advise workers not to service planes arriving from China unless they were satisfied that they had adequate PPE and would be safe doing so.

● **January 31**

Qantas sends aircraft cleaners in Sydney letters threatening disciplinary action including sacking if they refuse to work on planes from China. Qantas states in the letters the risk to workers is “negligible” [25].

● **January 31**

Qantas Group Medical Director Dr Ian Hosegood (not an infectious disease specialist) informs workers that COVID-19 can’t be caught from surfaces, and again that the risk is “negligible” [26].

● **January 31**

TWU calls for a ban on flights from China to keep aviation workers safe [27].

● **February 1**

Federal Government releases information that COVID-19 could be contracted from surfaces.

● **February 1**

Federal Government announces a ban on passengers flying from China. Australian citizens and permanent residents are exempt but must self-isolate after arriving. On the same day Qantas says it will suspend flights from China, effective from February 9.

● **February 2**

Qantas stands down the cabin cleaner HSR for advising colleagues regarding their concerns. Qantas management confirm to a TWU Official that he was stood down due to giving the direction to cease unsafe work, and allegedly causing anxiety to workers for giving the direction.

● **February 3**

The Transport Workers’ Union of NSW puts in a request for service to SafeWork NSW regarding the standing down of the worker noting that the worker was stood down by Qantas management a short time before flights from China arrived. Qantas conducted a “Toolbox talk” with other workers while the HSR was being stood down.

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25. <https://www.twu.com.au/wp-content/uploads/2021/01/QGS-letter-to-workers.pdf>

26. <https://www.ft.com/content/2f9afd2b-e322-4baa-a4bc-31ecf265ddb0>

27. <https://www.canberratimes.com.au/story/6608784/union-wants-all-flights-from-china-banned/>

### ● **February 6**

Qantas states in a media statement that the HSR was stood down for providing misinformation to workers.

### ● **February 7**

Qantas change their tune about why they stood the HSR down, and inform him that he was being investigated for spreading misinformation, and inciting unprotected industrial action. He found this out in the media on 6 February before he was told by the company what the formal allegations against him were.

### ● **February 10**

Qantas workers across Australia are complaining about the lack of personal protective equipment, training and extra time to wash themselves after servicing and cleaning flights. An email from Qantas on February 10 in response to queries from the TWU states that “no new policies or operating procedures have been developed, or need to be developed specifically in response to the Novel Coronavirus”.

### ● **March 5**

Safe Work NSW concludes a damning report following the standing down of the HSR and issues Improvement Notices. Its report states, “workers and other persons may be exposed to a risk of injury or illness from the inadequate system of work used to clean planes that may have transported passengers with an infectious disease”[28]. The inspector reported they “observed workers wiping over multiple tray tables with the same wet cloth with no disinfectant and cleaning unknown liquids on floors and surfaces.” It says cleaners were “required to handle wet and used tissues, used face masks, soiled nappies and the workers advised they occasionally have to clean vomit and blood off surfaces. PPE [personal protective gear] was not mandated for the majority of these tasks.”The Improvement Notices also included directions to Qantas to consult properly with the workforce. Qantas subsequently stated that they were seeking to challenge the Improvement Notices issued by the Regulator, but failed to follow through on this statement. They did not lodge an appeal.

### ● **March 11**

The World Health Organisation declares a global pandemic.

### ● **March 18**

The Fair Work Commission releases a statement stating that employees who do not work, because they have a reasonable concern about an imminent risk to their health and safety, are not taking industrial action.

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28. <https://www.twu.com.au/wp-content/uploads/2021/01/Qantas-Airways-Limited-Improvement-Notice-Safe-Work-NSW.pdf>

### ● **March 27**

SafeWork NSW serves notice on Qantas and CEO Alan Joyce informing the airline that it will formally investigate them and that they may face prosecution under section 104 of the NSW Work Health and Safety Act 2011. Section 104 stops individuals and companies from engaging in discriminatory behaviour for prohibited reasons. The legislation states that health and safety representatives have protections under the Act when exercising their powers and functions, and it is unlawful to cause any detriment to a worker's employment for speaking out about, or acting on, safety.

### ● **March 28**

First COVID-19 case is confirmed of a Qantas baggage handler at Adelaide Airport. A cluster develops which sees 34 people infected, including 21 workers at Adelaide Airport, and 750 Qantas staff are quarantined.

### ● **April 3**

Qantas doctor Dr Russell Brown on a webinar call with staff across Australia addresses the Adelaide cluster. During the call he questions health advice from experts at SA Health, stating their advice for people to wipe down their bags and for crew to self-isolate was "disappointing" and "misleading". He stated to staff that the expert advice was "really not in line with anything we know about the outbreak" and that: "you don't get the virus by walking through Adelaide airport"[29].

### ● **April 3**

At the same time as downplaying the risk of the virus and questioning the advice of state authority health experts, Qantas was blaming workers for the outbreak. A spokesman is quoted in media as saying: "We can provide the safest workplace in the world, but if people come to work when they are sick, they are potentially putting their workmates at risk of contracting the coronavirus." [30] While providing these quotes Qantas was still forcing workers in the Qantas baggage room at Adelaide Airport who had worked closely with the original infected case to turn up for shifts.

### ● **April 6**

A cluster of 11 cabin crew who returned from a flight in Chile is reported by the media. Qantas again shifts the blame: "The crew from the Santiago (cluster) almost certainly contracted it while on the ground there". It states "Previously crew were allowed to interact within hotels, and we suspect that's how a number of crew contracted the virus in Santiago." [31]

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29. <https://www.theaustralian.com.au/business/aviation/qantas-reports-50-staff-coronavirus-cases-but-wiping-your-suitcase-wont-prevent-contagion/news-story/f0221a85985110c697f98bc036d7abde>

30. <https://www.theaustralian.com.au/business/aviation/coronavirus-stay-away-from-work-qantas-tells-staff-who-feel-unwell/news-story/2f642f8df6b7fb49a76429a037436772>

31. <https://www.smh.com.au/business/companies/number-of-qantas-crew-with-covid-19-after-chile-flight-climbs-to-11-20200407-p54hwx.html>

## ● May 6

TWU safety experts publish a dossier on the Adelaide Airport cluster which includes analysis on documents obtained from Qantas under WHS right of entry powers [32]. The information shows Qantas throughout Australia repeatedly referred in communications to its workers that the risk of infection and spread was “low”, even comparing the virus to the “seasonal flu”. The airline relied on putting up notices about hand-washing rather than providing training or protective gear to workers.

In Adelaide most worryingly:

- Qantas delayed a deep-clean by almost three days of common areas of the Adelaide Airport baggage room after the first infection case was confirmed;
- Workers who had been exposed to the first infected worker over several days involving close contact were directed to continue turning up for work; and
- No soap or hand towels were available in the bathroom used by baggage handlers the morning after the first case was confirmed.

## ● May 19

Qantas announces “fly well” plan for a return to flying during the pandemic [33]. It has not consulted workers on the plan, despite Government guidelines stating that employers “must allow workers to raise and express their views on work health and safety issues that may arise directly or indirectly because of COVID-19”.

The plan will allow passengers to choose whether or not to use masks and hand sanitisers onboard, to pack the plane rather than practice social distancing inflight and to “enhance” cleaning - but without saying how often this will occur.

The focus of the plan is on passenger “well-being” and “peace of mind”, rather than protecting people, and in particular its workforce, against a deadly virus.

## ● August 14

A NSW inquiry into failings surrounding the Ruby Princess detailed airlines seeking the ship’s manifest so they could cross-check with their passenger records but were denied them on the grounds of privacy. However, cabin crew had complained in March when operating flights with passengers boarding with Ruby Princess baggage tags [34]. Qantas ignored the concerns and refused to protect cabin crew after flights when they returned to their families. One cabin crew member has told the TWU she took it upon herself to isolate from her family for two weeks after finishing work on a Honolulu to Sydney flight because of fears of transmission.

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32. <https://www.twu.com.au/wp-content/uploads/2020/05/TWU-Qantas-Adelaide-Airport-Safety-Investigation-1.pdf>

33. <https://www.qantasnewsroom.com.au/media-releases/qantas-group-announces-fly-well-to-prepare-for-travel-restrictions-easing/>

34. <https://www.abc.net.au/news/2020-08-14/border-force-ruby-princess-qantas-virgin-manifest-coronavirus/12550558>

## ● August 20

Qantas CEO Alan Joyce criticises state decisions to close their borders amid the pandemic, stating it will “will cost jobs and businesses” [35]. Five days later Qantas announced it was axing and outsourcing its entire 2,500 ground workers, not because their jobs were no longer needed but because it wanted other workers on lower rates and conditions to perform the work (more below).

## ● October 20

Mr Joyce continues to pressure states with closed borders to reject the advice of their chief medical officers and open, calling the Queensland border closure “ridiculous”. “Queensland may find that by the time it does open up to Sydney, people have made other plans,” he said.[36]

## Conclusion

Qantas knowingly put workers at risk by failing to put in place systems to protect workers and prevent the spread of the virus. When workers spoke up they were threatened with sacking and in one case a cabin cleaner and elected health and safety representative was stood down from his job. This worker remains suspended from his job to this day, despite the vindication of his concerns about the risk of spread of the virus from the Safe Work NSW report in March. The Safe Work NSW investigation into Qantas’s suspension continues.

When clusters did break out, workers were blamed rather than the airline taking responsibility.

Management has continued to downplay the risk of the virus, criticising the SA health authorities’ advice, pressurising states to open up and bringing in a “peace of mind” policy for passengers rather than a commitment to protection.

As an industry on the frontline of the spread of the virus to this day, workers should not have been left to fight for PPE and training as the country’s major airline continued to downplay the seriousness of the situation. Qantas also should not have been allowed to decide how little it was willing to do in terms of keeping passengers safe on flights and workers safe in their jobs. Protocols on quarantining of workers, including cabin crew, should have been made at Federal Government level, not inside Qantas headquarters.

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35. <https://www.abc.net.au/news/2020-08-20/coronavirus-qantas-boss-alan-joyce-slams-state-border-closures/12578146>

36. <https://www.abc.net.au/news/2020-10-30/queensland-border-decision-covid-coronavirus-reopening-nsw-close/12802652>

The behaviour of Qantas throughout the pandemic demonstrates the need for a national aviation plan and illustrates what happens when Government leaves critical decision making regarding worker and passenger safety to private operators only interested in maximising profits, shareholders dividends and executive remuneration. With no ownership of most major airports around the country and no equity stake in any major airlines, this lack of any legislative or regulatory response in the wake of a major health pandemic is even more perplexing.

# GOVERNMENT SUPPORT FOR AVIATION DURING THE PANDEMIC

## Funding without conditions, unequal support

The pandemic has exposed the Federal Government's uneven and biased attitude on aviation. The refusal to develop a national plan on aviation compounded the serious mistakes the Federal Government has made.

Backed by rival Qantas, the Federal Government refused to financially assist Virgin, forcing it to collapse. It refused to participate actively in the administration process and appears to have paid little or no interest to what its new owners have in store for the airline.

While the Government has committed billions of dollars to the industry in wage subsidies and financial assistance to the airlines, funding has been handed out unevenly and with no conditions attached.

## Virgin is left to collapse, Federal Government lends little help

Virgin had approached the Federal Government requesting financial assistance before it suspended trading and went into administration in April 2020. The Federal Government rejected the requests with senior government ministers repeatedly stating the Government wanted a “market-led solution” to the airline's woes, despite the fact that it was Government-imposed restrictions which brought a halt to air travel [37].



The Federal Government's action was supported by the chief executive of Qantas, who despite asking for a bailout from the Government just six years previously, was now stating the Government should not “pick winner and losers” [38].

The Federal Government appointed former Macquarie Group boss Nicholas Moore as

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37. <https://ministers.treasury.gov.au/ministers/josh-frydenberg-2018/media-releases/virgin-australia>  
<https://www.financeminister.gov.au/transcript/2020/04/21/sky-news-first-edition>  
<https://minister.infrastructure.gov.au/mccormack/media-release/media-statement-virgin-australia-0>  
38. <https://www.skynews.com.au/details/6142929192001>

its representative in the Virgin administration process but set down no formal terms of reference for his role [39]. In July, Mr Moore later told a Senate committee that his role was to act as “a path between potential bidders and the government” [40].

But there was little transparency on what this entailed and what assurances, if any, the Government was providing.

Virgin’s administrators were so concerned about the lack of guarantees that they reportedly wrote to the Federal Government in June requesting the airline receive financial support including an extension of JobKeeper [41].

With the lack of Government action, workers and unions stayed in constant contact with bidders and the administrators to ensure the future of the airline. As the major shareholders in the process, workers made their voices heard.

The TWU set down a list of criteria for potential new owners, which included agreeing to:

- Work with the workforce on the path forward including maximising jobs;
- A fuller capacity airline; and
- Long term commitment rather than a cut and run approach, the usual hallmark of private equity.

After Bain Capital was announced by administrators as the successful bidder, workers and their unions continued to press for a future for the airline which would serve the most critical interests: passengers and workers. The role of Federal Government remained unapparent with little evidence that it was setting down criteria or providing assurances for Australia’s second airline.

Instead workers won guarantees that Virgin would remain a strong second airline. This included: a fuller capacity airline, maximising jobs, retaining regional operation VARA, tiered cabin classes, airport lounges and the airline’s international arm.

It was workers not the Federal Government which held the new owners to account over their commitments. Following abrupt senior management changes and speculation about Virgin opting for a low-cost model, the TWU suspended negotiations on new Virgin Enterprise Agreements. This was quickly followed by an ASX announcement by the airline reiterating worker demands [42].

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39. <https://www.afr.com/companies/transport/mystery-surrounds-nic-moore-s-virgin-role-20200504-p54piv>

40. <https://www.smh.com.au/business/companies/too-early-to-call-virgin-sale-a-success-says-moore-20200721-p55e31.html>

41. <https://www.abc.net.au/news/2020-06-10/virgin-administrator-plea-government-support-airlines-covid/12338760>

42. [https://asx.api.markitdigital.com/asx-research/1.0/file/2924-02263169-2A1240504?access\\_token=83ff96335c2d45a094df02a206a39ff4](https://asx.api.markitdigital.com/asx-research/1.0/file/2924-02263169-2A1240504?access_token=83ff96335c2d45a094df02a206a39ff4)

It is not every day that an airline collapses. The immense efforts required to get it back up and running should not be seen as a normal financial transaction, it is a community transaction impacting upon workers, passengers, the entire business community, the tourism industry and the overall economy. Put simply the absence of a second viable airline in Australia would have catastrophic consequences yet the Federal Government was missing in action during this momentous event.

Ensuring Virgin's future should have been seen by the Federal Government as an opportunity to provide direction to the airline, ensure reliable and affordable access to air travel for regional Australia, protect jobs and protect businesses dependent on the airline industry. Instead the Federal Government to date has remained as a passive observer neither lending guidance, strategy nor financial assurances to Virgin.

### **Financial support for the industry**

Despite its refusal to provide financial assistance to Virgin, forcing the company to collapse, the Government did set up several streams of support for the industry to help deal with COVID. But there is a serious lack of transparency on this funding and major questions remain as to how the funding has been doled out, with the subsidies for airlines not linked to their size and private jet owners allowed to cash in. Regional Express, whose chairman John Sharp is a Former Deputy Prime Minister and senior official in the Coalition's National Party, appears to have received a vastly disproportionate amount of the funding.

The most glaring problem with the public funding has been the lack of conditions. The community and taxpayers expect businesses to work hard to retain as many jobs as they can, rule out outsourcing, cap senior executive salaries and cancel bonuses while they receive public funding and have their wages bill paid for.

Qantas has been given a huge amount of public support financially through Jobkeeper and other financial aids and yet is outsourcing its entire ground operation in a direct attack on collectivised workers, to push out the union and engage labour-hire workers on lower wages and conditions. This is a poor return for taxpayers given the obvious knock on effect of these downgraded jobs on the local economy where these workers are based and the wider economy in terms of dragging down already low wage growth. Repeated calls by the TWU to tie public funding to the condition of halting the outsourcing have gone unanswered [43]. The move by Qantas is also an explicit violation of the spirit of the JobKeeper scheme, which the Prime Minister outlined at its unveiling was to ensure the "connection between the employer and the employee and keeping people in their jobs" [44].

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43. <https://www.twu.com.au/press/twu-condemns-airline-funding-without-conditions/>

44. <https://www.pm.gov.au/media/130-billion-jobkeeper-payment-keep-australians-job>

Several streams of funding have aimed to keep airlines afloat during the crisis. They include:

Regional Airlines Funding Assistance - This aims: “to assist air service operators providing services to regional and remote locations to continue to remain financially viable through the unprecedented downturn in aviation due to the impact of the COVID-19 pandemic. The Program will provide cashflow assistance where required according to certain criteria.” The funding does not actually involve paying airlines to fly routes. According to the Government grants portal, Rex received almost \$54 million of this funding with Qantas and Virgin receiving none.

Domestic Aviation Network Support - Involves paying airlines to fly domestic routes. There is a lack of transparency on this funding stream and no public information on how much the three main airlines each received.

Regional Airline Network Support - Involves paying airlines to fly regional routes. Rex, according to the Government’s grants portal, received over \$64.2 million of this fund, while Qantas received \$62.2 million and Virgin received \$18.2 million.

Australian Airline Financial Relief Package - Involves waiving Government charges including aviation fuel excise, Airservices Australia charges on domestic airline operations and domestic and regional aviation security charges. The benefit to Qantas and Virgin is \$67 million each while to Rex is \$3 million, according to the Government grant portal.

## **JobKeeper**

The problems with how the Government administered the JobKeeper Programme for the aviation industry will be outlined in greater detail in a subsequent chapter, particularly on how thousands of aviation workers were shut out of the scheme.

Another major issue includes transparency, with the Government failing to disclose which companies received the scheme and how much they received. This is in stark contrast to New Zealand which has set up a searchable website detailing the companies in receipt of public wage support, the amounts they receive and how many employees are covered.

## **Funding for private jets**

In October documents were released in Senate estimates detailing subsidies under the Australian Airline Financial Relief scheme. It included relief for the owners of luxury private jets, including \$40,377 for miner Clive Palmer and \$30,579 for Crown Casino [45].

The move showed how the lack of a national plan also leads to inequities in the system of public subsidies and scrutiny as to where funds are being directed. Virgin was collapsing, thousands of aviation workers were shut out of Jobkeeper and at the same time billionaires were receiving state subsidies.

## **Qantas uses HQ to pitch for state funding**

In September 2020, Qantas announced it was considering moving its headquarters from Mascot in Sydney. State premiers subsequently made comments publicly about attracting Qantas and the thousands of jobs at its headquarters to each state (which of course would not create new jobs but rather move existing jobs from one geographical location to another).

Yet again the taxpayer was being leveraged by Qantas to meet the demands of the airline without tying conditions to ensure a public return to the taxpayer in the form of ensuring good standards and quality jobs.

The TWU wrote to all state premiers following this announcement urging them to set strict conditions on labour standards and outsourcing before offering any financial incentives for Qantas to move its headquarters [46].

Again, the incident showed the need for a co-ordinated national plan which can take a big picture look at the funding going to individual airlines and companies and assess conditions that need to be attached. Qantas is run by senior executives known to enjoy paying themselves exorbitant salaries and bonuses and is owned by shareholders who demand profits and dividends. Public money should not be funnelled to serve these interests. Public money should be used to benefit the entire community and should come with conditions.

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45. <https://www.couriermail.com.au/business/palmers-mineralogy-among-rich-companies-pocketing-subsidy/news-story/3e8aea3b966174403ab5bf3b0856ab3a>

46. <https://www.twu.com.au/press/union-urges-states-to-set-strict-conditions-for-qantas-hq-move/>

## AVIATION JOB LOSSES

The aviation industry has suffered colossal loss of highly-trained workers through the COVID-19 pandemic. The loss of skill and experience in the industry, which has significant safety implications for workers and the travelling public, cannot be underestimated.

Last year, around a third of airline workers lost their jobs across the two major airlines Qantas and Virgin Australia, totalling 12,500 workers. From the Qantas Group, 6,000 were made redundant and a further 2,500 outsourced [47] under the guise of the pandemic (see Qantas outsourcing section). Virgin lost 1,000 through redundancies in March, with a further 3,000 redundancies announced in August [48]. A further 1,000 jobs were made redundant at catering and ground handling company Dnata [49].

Whether the redundancies could have been prevented is a question for the Federal Government, which failed to come forward with a national plan for aviation and ignored united calls from unions, airlines and aviation companies for an 'AviationKeeper' scheme [50] to keep workers engaged by their employer and retain the skill and experience the aviation industry relies upon.



Qantas announced 6,000 redundancies on 24 June, just a few weeks ahead of the Federal Government confirming an extension of the JobKeeper wage subsidy to March 2021 [51], announced on 21 July. While Qantas was planning to cut its workforce, other airlines and aviation companies had joined unions in campaigning for 'AviationKeeper' - an extension to the government wage subsidy for aviation workers right up until the industry recovers, to provide workers the financial assistance they desperately needed while giving employers the confidence to retain more jobs [52].

Representatives of the TWU entered into negotiations with Qantas to ensure a fair process of voluntary redundancies in the first instance. At no point during these negotiations were TWU representatives or the wider workforce made aware that Qantas was actively considering the outsourcing of its entire ground handling operations, announced weeks later, resulting in a further 2,500 jobs lost across Qantas, Qantas Ground Services (QGS), and Jetstar.

47. <https://www.abc.net.au/news/2020-08-25/qantas-plans-to-cut-another-2500-ground-crew-jobs/12593454>

48. <https://www.smh.com.au/business/companies/virgin-back-in-business-to-take-fight-to-qantas-20200805-p55it3.html>

49. <https://www.twu.com.au/press/1000-aviation-workers-shut-out-of-jobkeeper-to-be-made-redundant/>

50. <https://www.twu.com.au/press/aviation-workers-employers-send-joint-appeal-to-extend-jobkeeper/>

51. <https://www.pm.gov.au/media/jobkeeper-payment-and-income-support-extended>

52. <https://www.twu.com.au/wp-content/uploads/2020/07/Aviation-Letter-to-Prime-Minister.pdf>

Virgin's first redundancy announcement of the loss of 1,000 jobs came amid the Federal Government refusing the airline's pleas for a package of assistance to help it through the pandemic and closed borders. Virgin collapsed into administration just five days later. A second tranche of 3,000 redundancies came as the new owners, Bain Capital, announced their plans to 'relaunch Virgin 2.0' in keeping with the continued closed borders and pandemic restrictions enforced by Federal and State governments.



The 1,000 redundancies at Dnata were a direct result of the Federal Government blocking these workers from the JobKeeper wage subsidy (see JobKeeper section). In a rare move, workers and their union, the TWU, appealed to the company to provide redundancies as a last resort to give workers some certainty when it was apparent the Federal Government would not reverse its decision to exclude Dnata workers from JobKeeper payments. These workers spent months stood down without pay, without JobKeeper, and in many cases without JobSeeker assistance. Redundancies brought temporary relief to some workers who desperately needed cash simply to get through a few weeks of bills, but left little hope for the future.



All jobs in aviation have significant safety implications for both workers and passengers, and are therefore highly trained. Working in aviation whether a baggage handler, airline caterer, flight attendant or pilot tends to be a long-term career decision.

In September 2020, a TWU survey of over 1200 aviation workers revealed 62 per cent had worked in the industry for over ten years [53]. Their knowledge, skill and safety record cannot be undervalued.

“I don’t want to leave my beloved industry I have been in for 30 years but I am going to be left no choice. It’s heartbreaking.”- anonymous survey respondent.

### **Impact on regional jobs**

The plight of the aviation industry has affected regional communities where tens of thousands of jobs are reliant upon tourism and domestic travel.

Virgin’s collapse into administration sparked fresh calls for equity in airlines to ensure not only a competitive two-airline model, but that regional areas of Australia would not be cut off, or too difficult or expensive for the general public to access.

Throughout Virgin’s administration process, the TWU pushed for new owners Bain Capital to retain its regional service, VARA. Although Bain has confirmed VARA will continue, it is currently under a review and restructure – the focus on profit rather than serving regional communities.

Virgin’s domestic budget airline, TigerAir, which was a competitive alternative to Qantas’ budget airline Jetstar, now no longer exists.

A further blow to Queensland and WA’s regional offerings came in August, when Qantas axed the QantasLink air bases at Cairns and Perth airports [54], moving its 717 fleet to Melbourne. This triggered further regional job losses among workers who could not relocate. In December, QantasLink Chief Executive John Gissing instead announced seven new regional routes across New South Wales, Victoria and South Australia [55].

As outlined in a previous chapter, the Federal Government’s uneven distribution of funding saw Rex Airlines receive the lion’s share, without any conditions to ensure regional routes continue to operate. Following the cash injection, Rex swooped in to take up a fleet of 737s that were initially to be leased by Virgin, with Rex later announcing plans to delve into popular domestic routes including between Sydney and Melbourne [56].

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53. <https://www.twu.com.au/wp-content/uploads/2020/05/Aviation-Workers-Survey.pdf>

54. <https://www.theaustralian.com.au/news/latest-news/qantaslink-to-axe-cairns-and-perth-air-bases-to-better-reflect-travel-demand/news-story/643be8d82b1d3d1f1ce4fed0b9a11d45>

55. <https://www.abc.net.au/news/2020-12-18/qantas-regional-expansion-sees-anti-competitive-accusations-fly/12996778>

56. <https://www.theaustralian.com.au/business/aviation/rex-leases-exvirgin-planes-to-fly-east-coast-capitals/news-story/07627f114c5ee5debfb531a71f11e150>

In short, the Federal Government's failure to intervene and apply funding with conditions to ensure vital regional air services continue is leaving the survival of regional Australian communities in the hands of airline executives and their profit-based priorities. This is having an economic impact on regional Australia, redistributing jobs and services to already crowded markets in capital cities.

### **Qantas outsourcing**

Qantas workers were dealt a devastating blow on 25 August 2020 when the airline made the shock announcement that it would axe and outsource its entire ground handling and fleet presentation operations. This announcement came without a notion of consultation with either the 2,500 workers to be let go or their union. As aforementioned when this announcement was made TWU representatives were involved in negotiating the 6,000 redundancies announced two months previously.



As a result of the outsourcing announcement, Qantas will never again employ another baggage handler, ramp worker or cabin cleaner, roles that Qantas had been involved in since its inception 100 years previously. The move will utterly alter the airline and Australia's aviation landscape.

Despite the nearly \$1 billion Qantas received since the pandemic began, through JobKeeper and other financial assistance streams, Qantas was pushing its workers out the door. This was a direct attack on a unionised workforce and sought to avoid collective bargaining with workers, instead engaging workers through labour hire companies on worse pay and conditions, in spite of the fact that as above real wages at Qantas had actually fallen by 7.4% from 2013 to 2020. It is again worth noting that a core reason Qantas gave for the outsourcing was the \$80 million cost of necessary equipment upgrades, which Qantas had ignored throughout the previous 5 years during which they raked in \$6.8 billion in profit and paid the CEO \$89 million.

Qantas has spun the line that this decision to outsource is an unfortunate consequence of the COVID-19 pandemic. However, an internal document from 2010 obtained by the Sydney Morning Herald revealed that the move to 'exit' ground operations by 2020 was planned 10 years ago [57].

Qantas has used the cover of the pandemic to push ahead with a decade-long plan to outsource unionised workers which the TWU believes contravenes the Fair Work Act. Qantas is purposefully engaging in a race to the bottom in aviation, prioritising low-cost contracts over workers' rights, passenger safety and quality service.

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57. <https://www.smh.com.au/business/companies/qantas-pandemic-ground-crew-exit-had-been-on-the-cards-for-a-decade-20200907-p55t4x.html>

Qantas announced scandal-ridden Swissport would get a major portion of the outsourced work, set to employ around 1,000 workers on much lower rates of pay and conditions. Swissport is notoriously an anti-union company and has failed over almost five years to get a new Enterprise Agreement approved [58], with the Fair Work Commission rejecting successive deals because they paid below Award wages and did not meet minimum standards. Swissport has also been exposed over low paid workers working gruelling split shifts and being forced to sleep at the airports [59].

The TWU and renowned waterfront lawyer Josh Bornstein have launched a Federal Court case over the outsourcing, which we believe contravenes the Fair Work Act for targeting unionised workers who over many years had exercised their collective strength to improve their workplace conditions. We believe the case will also expose Qantas' biased 'In-House Bid' (IHB) process, whereby workers were forced to bid for their own jobs, which were ultimately outsourced anyway, as was planned by the airline 10 years ago.

Qantas initially gave workers just six weeks to prepare an IHB without any professional support. To make an effective and competitive IHB across ten ports in just six weeks was simply not possible and called into question Qantas' intentions.

Qantas workers immediately took to the airports to protest over the move to wipe all ground handling jobs. Over the following 12 weeks, workers continued to share their stories in the media and protested regularly at airports, Qantas HQ, parliamentary offices and Parliament House, Canberra. Workers gained the support of politicians from all parties, though the Prime Minister and Deputy Prime Minister, Transport Minister Michael McCormack remained silent.

The Senate [60] and NSW Parliament [61] both passed motions to condemn Qantas' plans to outsource its ground handling operations and called on the airline to reinstate the workers. These calls were ignored.

See below a timeline of Qantas' actions and workers' campaign to keep their jobs.

## ● 25 August

Some Qantas workers received a text message from the airline at around 11.30am AEST with a link to join "an important announcement about our business" at 12pm AEST. The message stated that if workers could not join that announcement, there would be another at 5pm. At this meeting, workers were informed that Qantas' ground handling operations would be outsourced.

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58. <https://www.smh.com.au/politics/federal/after-four-years-aviation-giant-s-enterprise-agreement-is-still-not-approved-20200814-p55lq6.html>

59. <https://www.abc.net.au/7.30/airport-workers-speak-out-about-poor-work/8371230>

60. <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22chamber%2Fnotices%2F7941a769-a309-42cc-adb1-06d69a95de68%2F0001%22;src1=sm1>

61. <https://www.parliament.nsw.gov.au/Hansard/Pages/HansardResult.aspx#/docid/HANSARD-1820781676-83461/link/115>

Some workers did not receive any such text message. Others reported receiving the news via an automated message [62]. The Union received notification only minutes prior to the announcement.

At 12.44pm the story broke across national press [63].

## 27 August

Workers protested at Sydney, Brisbane, Perth and Adelaide airports, followed by Darwin airport a few days later (with protests unable to take place in Melbourne due to the Covid-19 enforced lockdown).



## 3 September

The TWU took Qantas to the Fair Work Commission, over the unreasonable timeframe workers had been given to submit an In-House Bid (IHB). Weeks later, the TWU secured an extension from the original deadline of 6 October to 19 November to give workers as much time as possible to prepare a competitive IHB.

Qantas workers attended Parliament House to implore politicians to support their fight for their jobs.



62. <https://www.facebook.com/150958744960585/videos/364099448217739/>

63. <https://www.afr.com/companies/transport/qantas-says-2500-more-jobs-are-at-risk-20200825-p55p30>

## 8 September

The Sydney Morning Herald revealed Qantas planned the move to outsource its ground operations 10 years ago. According to the newspaper: “The “private and confidential” document outlines a “2020 Vision” strategy for the airline which includes “BTW (below the wing) ground handling exited” by this year.” [64]

## 14 September

To give workers the best possible chance at submitting a competitive bid, the TWU engaged global consultancy Ernst & Young and the renowned waterfront dispute lawyer Josh Bornstein.

## 15 September

Qantas started a bidding war between States, by dangling the carrot of its head office location and associated jobs. The TWU urged State Governments to apply conditions to any bid for the head office to ensure job security at Qantas [65].

## 17 September

Following involvement in meetings and documents requested from Qantas relating to the IHB process, Ernst & Young made the assessment that the bid timeline workers had been given was “unrealistic and unattainable”[66].

## 18 September

Qantas’ annual report showed Qantas management paid themselves \$12 million in remuneration and deferred shares during the pandemic. Meanwhile workers were stood-down without being paid any of their accrued sick leave entitlements, JobKeeper was being manipulated to ensure workers received only the minimum Government rate, and 2,500 workers were planned to be axed and outsourced. [67].

Qantas workers opened a Save Qantas Jobs campaign hub next to Prime Minister Scott Morrison’s office [68].



64. <https://www.smh.com.au/business/companies/qantas-pandemic-ground-crew-exit-had-been-on-the-cards-for-a-decade-20200907-p55t4x.html>

65. <https://www.twu.com.au/press/union-urges-states-to-set-strict-conditions-for-qantas-hq-move/> | <https://www.twu.com.au/companies/qantas/letter-to-states-re-qantas/>

66. <https://www.twu.com.au/press/qantas-outsourcing-bid-unattainable-unrealistic-ey-report-to-go-before-fair-work/>

67. <https://www.twu.com.au/press/sickening-12m-qantas-remuneration-as-workers-face-outsourcing/>

68. <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2F7585818%22;src1=sm1>

## 24 September

Qantas workers protested at Adelaide, Darwin and Perth airports and met with Hon Warren Entsch MP at his office in Cairns.



## 25 September

Qantas workers protested at Qantas HQ, Sydney and Hon Luke Howarth MP's office, Brisbane.



## 28 September

The TWU called for a condition to reinstate workers be attached to the extended public subsidies for airlines announced by Transport Minister Michael McCormack.

## ● 29 September

The TWU successfully had its 'Save Qantas Jobs' Facebook page reinstated after Qantas had it shut down. This followed a letter from the TWU to the Attorney General and Minister for Communications over the attack on workers' right to fight for their jobs.

## ● 1 October

Qantas workers delivered letters to offices of politicians Prime Minister Scott Morrison, Hon Mark Speakman SC MP, Craig Kelly MP, and Hon David Coleman MP.

## ● 7 October

The TWU formally complained to the Qantas Board over the outsourcing. [69]

## ● 15 October

Hon Martin Pritchard MLC condemned Qantas outsourcing in a speech to the WA legislative Council.

The TWU held an aviation summit with politicians, unions and industry stakeholders over Qantas outsourcing and the plight of aviation workers.

## ● 16 October

Qantas workers met with Dr Jim Chalmers MP at Brisbane Airport.

## ● 17 October

ALP politicians in Victoria State Parliament signed a pledge supporting Qantas workers.

## ● 19 October

Hon Matt Thistlethwaite MP delivered a speech to Federal Parliament condemning Qantas for outsourcing workers in the middle of a pandemic.

## ● 21 October

Unprecedented motion passes the NSW Parliament condemning Qantas for its outsourcing of ground handlers and calling for the workers to be reinstated.



## 22 October

Following TWU & EY negotiations in the Fair Work Commission, Qantas granted workers an extension to 19th Nov to submit their IHB.

## 23 October

The Qantas AGM was moved online, with only pre-approved questions asked of the Qantas Board, giving no chance for shareholders, including workers to ask questions about the move to axe and outsource 2,500 workers in the middle of a pandemic.

Qantas workers, frustrated that they would not be able to ask questions of the Qantas Board at the AGM, held their own parody AGM at Sydney airport, with workers asking their questions to an actor playing 'Allen Joyce'. Qantas Board Chairman Richard Goyder hit back saying the union "have been overlooking the fact that COVID has presented extreme times." Goyder in this statement completely overlooked the airline's own document which revealed the push to outsource was planned 10 years ago.



## 29 October

Matt Thistlethwaite MP attempted to question the Prime Minister on subsidies for private jets while remaining silent on Qantas outsourcing its entire ground handling workforce. The Prime Minister is seen walking away as the question is asked. [70]



70. <https://twitter.com/TWUAus/status/1321662140952948738>

### 3 November

Jetstar ground handling workers who were excluded from the IHB process, work their final days at the airline across the country.

### 9 November

Qantas workers appealed to politicians for support at Parliament House, Canberra.

The Senate passed a motion condemning Qantas for outsourcing workers and calling for their immediate reinstatement [71].



### 16 November

Workers marked the Qantas centenary with protest actions at Sydney Opera House, Gladys Liu MP office, Adelaide airport, and Industrial Relations Minister Hon Christian Porter's electorate. [72]



71. <https://www.twu.com.au/press/senate-passes-motions-to-set-up-aviation-inquiry-to-halt-qantas-outsourcing/>

72. <https://www.twu.com.au/press/today-qantas-100-years-workers-hold-day-of-action-to-fight-for-jobs/>

### 19 November

Ernst & Young and TWU delegates across all ports made a competitive IHB submission to Qantas which comes in at below the average market price. The IHB outlined a plan for the airline to save millions of dollars in cost savings while retaining highly trained staff. [73]

### 30 November

Qantas rejects workers' IHB and reveals the labour hire companies that have been granted the work [74].

### 2 December

Workers protested over the IHB rejection at Sydney airport.



### 3 December

Qantas workers meet politicians at Parliament House, Canberra to express the toll on mental health, families and financial hardship that having their bid rejected had caused.



73. <https://www.twu.com.au/press/qantas-workers-submit-bid-for-their-jobs/>

74. [https://www.facebook.com/watch/?v=415345959604245&link\\_id=0&can\\_id=0ee9937ba0d48b2a99d6fedd21a2ae4e&source=email-qantas-rejects-workers-bid-for-their-own-jobs&email\\_referrer=email\\_1008364&email\\_subject=qantas-rejects-workers-bid-for-their-own-jobs](https://www.facebook.com/watch/?v=415345959604245&link_id=0&can_id=0ee9937ba0d48b2a99d6fedd21a2ae4e&source=email-qantas-rejects-workers-bid-for-their-own-jobs&email_referrer=email_1008364&email_subject=qantas-rejects-workers-bid-for-their-own-jobs)

[https://www.facebook.com/watch/?v=415345959604245&link\\_id=0&can\\_id=0ee9937ba0d48b2a99d6fedd21a2ae4e&source=email-qantas-rejects-workers-bid-for-their-own-jobs&email\\_referrer=email\\_1008364&email\\_subject=qantas-rejects-workers-bid-for-their-own-jobs](https://www.facebook.com/watch/?v=415345959604245&link_id=0&can_id=0ee9937ba0d48b2a99d6fedd21a2ae4e&source=email-qantas-rejects-workers-bid-for-their-own-jobs&email_referrer=email_1008364&email_subject=qantas-rejects-workers-bid-for-their-own-jobs)

## 7 December

Hon Andrew Leigh MP asks Morrison Government why Qantas workers received no support. [75]

## 9 December

The TWU launches a Federal Court case led by renowned waterfront dispute lawyer Josh Bornstein over the move to axe and outsource over 2,000 unionised workers. [76]



## 21 December

The TWU files a dispute in the Fair Work Commission over Qantas' plan to rush through redundancy negotiations, which would have begun the process to axe workers just two days before Christmas [77]. The TWU successfully postponed this process until 11 January.

## 11 January 2021

Qantas delegates and the TWU met with Qantas, at which time the airline announced that almost all workers in Sydney would be axed by 2 February, despite previous commitments from the company that it would seek to accommodate the majority of workers preference which was the latest possible departure date in March.

Qantas has pushed ahead with the outsourcing while the Federal Court dispute over the matter has not yet been heard.

Throughout this unfair and unjust process, Qantas has completely disregarded the spirit of the JobKeeper scheme – which was to keep workers engaged with their employers.

Qantas has continually ignored workers' pleas to keep their jobs, rejected their competitive IHB, ignored the Australian Senate and NSW Parliament's calls to reinstate workers, pushed ahead with redundancies despite a pending Federal Court case over the outsourcing, and ignored workers' preferences to keep working until the last possible moment offered by Qantas, which was to be March 2021. To date they have not offered any assistance to workers seeking employment with any of the third party operators. Qantas is instead forcing workers into dole queues early, rather than allowing them to continue to receive JobKeeper payments.

Qantas has shown callous indifference over the future of its workforce, who have spent decades building Qantas to what it is today.

75. <https://www.facebook.com/SaveQJobs/posts/160955419071899>

76. <https://www.abc.net.au/news/2020-12-09/twu-federal-court-case-against-qantas-over-outsourcing-2000-jobs/12962104>

77. <https://www.twu.com.au/press/fwc-dispute-qantas-redundancies/>

## THE RAMIFICATIONS OF STAND-DOWNS

The aviation industry was one of the first to be impacted by the pandemic and will be one of the last to recover. By March 2020 tens of thousands of aviation workers had been stood down from their jobs. Many are still today impacted by stand-downs, either permanently or periodically. Even during the peak of post-pandemic flying, which occurred in November before state borders closed again, Sydney airport was down 90.6 per cent on the previous year's traffic [78].

Stand-downs and the subsequent examples of unfair treatment of workers has had a huge impact on families, mental health and financial hardship, as will be outlined in this section.

### **JobKeeper**

The TWU first campaigned for a government wage subsidy in a letter to the Prime Minister sent on 15th March following restrictions that would directly impact the aviation industry and its workforce [79].

The subsequent JobKeeper wage subsidy announced by the Federal Government has been a lifeline to thousands of aviation workers, but the system is flawed. Workers have suffered the effects of a skewed system which has forced them to exhaust their leave entitlements, excluded thousands from the subsidy and enabled Qantas to manipulate the system to pocket workers' entitlements, which is being challenged by the TWU and other unions in the High Court.

### Workers excluded from JobKeeper

A last-minute loophole introduced by the Federal Government excluded thousands of workers in Australia from JobKeeper if they worked at a foreign government-owned company. Although the changes impacted aviation workers at Dnata and SNP, Swissport which is owned by Chinese controlled HNA continued to receive the subsidy.

The exclusion of Dnata and SNP workers from the JobKeeper subsidy served a devastating blow that forced thousands of families into financial hardship. The repercussions of this are still deeply felt in many Australian households while the majority of planes remain grounded. Some workers were forced to take redundancy to pay off some debts in spite of having no other employment options, while others are still stood-down without pay, or picking up shifts wherever they can - though these tend to be few and far between.

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78. [https://assets.ctfassets.net/v228i5y5k0x4/6GPGknVLmByEIsCxbv1PR/b0ec27f7cc2fbb325fb202433f0d2807/Full-Year\\_Distribution\\_Update\\_and\\_November\\_Traffic.pdf](https://assets.ctfassets.net/v228i5y5k0x4/6GPGknVLmByEIsCxbv1PR/b0ec27f7cc2fbb325fb202433f0d2807/Full-Year_Distribution_Update_and_November_Traffic.pdf)

79. <https://www.twu.com.au/press/morrison-airline-package-wont-save-jobs-says-twu/>

Dnata workers campaigned for months for the JobKeeper scheme to be extended to them, including workers visiting Parliament House to meet politicians. A Senate vote on the matter tied [80], but failed without a majority.

These workers are paid in Australia and pay taxes in Australia. Over a thousand of the workers were originally employed by Qantas, until the airline sold its Q Catering arm to Emirates-owned Dnata in 2018 [81]. The Federal Government did not intervene in the sale of an Australian business to a foreign-owned business, yet used this distinction to exclude thousands of tax-paying workers from wage subsidy support.

According to TWU's survey [82], 67 per cent of workers not receiving JobKeeper were also not receiving JobSeeker support. A further 64 per cent of Dnata and SNP workers said they were suffering financial hardship, and 72 per cent had, or intended to withdraw their superannuation to pay the bills. These statistics applying to Dnata and SNP workers who could not access JobKeeper support were much higher than the overall results of the survey which included all aviation workers.

Dnata and SNP workers left without support were longstanding aviation workers struggling to find a job elsewhere; 78 per cent had worked in the industry for seven years or more, and 62 per cent were actively seeking work.

One worker said: "It is very sad that being an Australian means nothing because you work for a company that they sold you too. But you pay your taxes here. And the Government give themselves a pay rise in this pandemic."

Another said: "Both my husband and I have been stood down from work due to COVID and as a result we are facing extreme financial hardship."

Another said: "I have no income at all. I find it hard to survive with the bills, mortgage, health and other insurances, to make ends meet."

Another said: "This has been terrible for us. I can't explain to you how this has impacted my life! I have no future I have no life. I am very depressed. I've worked for Dnata Catering for 28 years, my whole life. I don't even feel like living anymore. That's the impact that this has done to my family."

### Workers' access to JobKeeper impeded by companies

The JobKeeper scheme was set up to entrust companies to do the right thing by their workers, leaving workers powerless and reliant upon their employer to claim and pass on the full amount of the subsidy. The Federal Government said the scheme was

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81. <https://www.qantasnewsroom.com.au/media-releases/sale-of-qantas-catering-business/>

82. <https://www.twu.com.au/wp-content/uploads/2020/05/Aviation-Workers-Survey.pdf>

designed in this way to maintain relationships between workers and their employers, though no conditions were placed on companies receiving the subsidy to retain staff, as was evident with Qantas' plans to outsource 2,500 workers in the middle of the pandemic.

In the first instance, aviation workers were asked to use their annual and personal leave to cover the industry downturn. Qantas even demanded workers use long service leave and annual leave not yet accrued – without any promise to pay this back [83].

It took campaigning from the TWU and wider union movement for the Federal Government to introduce a provision to the JobKeeper scheme that meant long service leave would be protected, and that workers could retain two weeks of annual leave [84]. This still meant that many were forced to use up their hard-earned leave during a period of national lockdowns while allowing companies to remove liabilities from their balance sheets. The TWU successfully negotiated with Virgin Australia to recredit all leave workers had been forced to use [85], and Dnata agreed to give workers more flexibility over how they used their leave. Qantas refused to do the same, and instead used JobKeeper to pay down leave entitlements [86], causing workers to miss out twice.

Qantas flight attendants employed by labour hire company MAM were put under significant stress, with the company initially refusing to apply for JobKeeper on their behalf. It took a great deal of pressure from the TWU for the company to reverse this decision [87]. MAM workers have less secure jobs than those directly hired by airlines and are always at higher risk because of their precarious employment.

### Qantas' abuse of JobKeeper

Qantas from the start tried to arbitrarily enforce an inflexible and unworkable method to the stand-downs of its workers across Australia. In contrast to what was agreed at the start of the stand-down in March, Qantas began engaging part-time QGS staff to fill full-time Qantas Airways staff roles, and standing those workers down instead.

The origins of QGS are described in more detail above, and since its inception this has allowed Qantas to carve up its workforce and reduce conditions and pay, with the vast majority of QGS workers guaranteed no more than 20 hours a week. This was a disgraceful attempt by Qantas to pit one type of Qantas worker against another at a

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83. <https://www.facebook.com/watch/?v=233430601117819>

84. <https://www.fwc.gov.au/jobkeeper-benchbook/agreements-about-annual-leave>

85. <https://7news.com.au/politics/virgin-gives-annual-leave-back-to-workers-c-967464>

86. <https://www.afr.com/work-and-careers/workplace/qantas-to-use-jobkeeper-to-pay-down-annual-leave-20200406-p54hgz>

87. <https://www.twu.com.au/wp-content/uploads/2020/04/TWU-Aviation-newsletter-260420.pdf>

time when workers were fearful about being able to support their families and what their future holds.

In a separate case which unions are challenging in the High Court, Qantas has manipulated the JobKeeper system to pocket workers' entitlements for overtime, public holiday and weekend allowances. Workers' pay did not reflect these earned allowances because Qantas rolled them into a separate period of stand-down in order to avoid paying workers a dollar over the JobKeeper amount.

Qantas has mounted an expensive legal battle over this decision to avoid paying workers what they're owed. The TWU, ASU and FAAA won a legal challenge in September, with the Federal Court ordering Qantas to pay back thousands owed to workers. Instead, Qantas appealed and the Full Court of the Federal Court backed their interpretation of the subsidy in a 2-1 decision. Unions are now taking the matter to the High Court to attempt to get struggling workers the pay they're owed [88].

### Qantas' refusal to pay sick leave

Sick Qantas workers, including those battling cancer, heart disease and other life-threatening illnesses were left wondering how they'd pay for medical treatment when the airline withdrew their sick leave entitlements at the start of stand-downs. Workers received an email informing them they were being transferred to JobKeeper only payments, which in many cases was not enough to cover medical expenses on top of their mortgage, bills and food.



Some workers have been forced to take redundancy to help pay for medical bills and support their families. Many workers, like Peter Seymour who had to borrow money from family to pay for his \$600 PET scan, had worked at Qantas for over 30 years.

Qantas' refusal to pay these workers their owed sick leave has been upheld in the Federal Court and the Full Court of the Federal Court in a 2-1 decision.

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88. <https://www.abc.net.au/news/2021-01-13/unions-take-qantas-to-high-court-jobkeeper-allege-wage-theft/13051884>

The TWU and other unions ETU, AWU and AMWU have taken the case to the High Court [89].

Qantas claims the judgments prevented them from paying workers sick leave, but Qantas made this decision to cut workers off, and subsequent decisions to fund legal battles rather than support their loyal workers when they need it most.

Again, this matter points to the Federal Government's failure to apply conditions to the JobKeeper system to ensure workers were not unfairly penalised while companies pocket their owed entitlements.

### **Ignored Calls for AviationKeeper**

On 9th June, the TWU called on the Federal Government to implement a specific wage subsidy for the aviation industry to acknowledge its importance to the Australian economic recovery and its unique challenges in bouncing back from the pandemic [90]. The urgent call for an 'AviationKeeper' scheme, intended to apply to all aviation workers right up until the industry recovers, came as both Qantas and Virgin had expressed concern that thousands of jobs would be lost if the JobKeeper scheme were to end, as originally slated, in September.

In July, nine unions and seven employers representing tens of thousands of workers and contractors across aviation, joined the TWU in a letter to the Prime Minister calling for AviationKeeper [91]. The letter outlined the scheme would:

- Be extended to all aviation workers;
- Extend beyond September 2020; and
- Be phased out as domestic and international borders are phased open and confidence in aviation returns and flying returns to normal.

Aviation workers put in calls to politicians, signed a petition [92] and visited Parliament House in Canberra to appeal to the Federal Government to support aviation workers.

Following these calls, the Federal Government announced an extension of JobKeeper to end in March 2021 [93], but with reduced rates and still no inclusion of stood-down Dnata and SNP workers.

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89. <https://www.afr.com/companies/transport/qantas-sick-leave-decision-set-for-high-court-20201222-p56pm0>

90. <https://www.twu.com.au/press/twu-demands-aviation-keeper/>

91. <https://www.twu.com.au/wp-content/uploads/2020/07/Aviation-Letter-to-Prime-Minister.pdf>

92. <https://actionnetwork.org/petitions/scott-morrison-we-need-aviationkeeper>

93. <https://www.pm.gov.au/media/jobkeeper-payment-and-income-support-extended>

Today and for the foreseeable future, international border closures and intermittent state border closures are keeping planes grounded throughout Australia.

In January, employers and unions again wrote to the Prime Minister and Transport Minister calling for AviationKeeper to come into effect to support workers after the planned JobKeeper cut off in March.

Australian's need AviationKeeper to retain the skill and experience needed to keep the travelling public safe. If highly-trained workers are forced to leave the industry in search of other jobs, we can expect delays to the aviation industry bouncing back, delays to flights once it does, and potential safety risks for passengers.

### **Financial hardship**

A TWU survey of over 1,200 aviation workers [94] in September revealed that workers across the board were struggling financially. Almost 60 per cent said they were experiencing financial hardship, over 70 per cent had dipped into their savings, and 62 per cent had or planned to withdraw their superannuation.

Around a quarter of respondents said they were unable to pay their rent or mortgage, and more than 20 per cent had maxed out credit cards. Just under 10 per cent had been forced to move or downsize.

With planes still largely grounded for the foreseeable future, JobKeeper reductions at the end of January and planned termination of the scheme in March, 2,000 Qantas workers soon to be outsourced, refusal by Qantas to pay the bonus owed to QGS employees, workers still battling Qantas in the High Court for their owed allowances, and terminally ill workers still being denied their accrued sick leave, these financial burdens are only set to worsen over the coming months unless the Federal Government steps up.

Some quotes from the aviation worker survey:

“Previously there were 2 incomes contributing to this household, although I receive JobSeeker it is only a minimal amount as my wife’s income is taken into account. Currently I have lost 75% of my fortnightly income.”

“It's a really difficult time for us as a family to meet every day expenses. Jobseeker payments are just enough to manage household expenses. Not enough to pay all the bills and other expenses.”

“We are working 3 in the family in Qantas, and we are paying a mortgage. We already withdrew super just to pay our bills and for the food on our table.”

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94. <https://www.twu.com.au/wp-content/uploads/2020/05/Aviation-Workers-Survey.pdf>

## Mental health

With no plan, no policy and no strategy from the Federal Government workers are despairing that their jobs and their future are lost. They have received no signal that the Government will support their industry, in fact its mantra remains that it prefers a 'market-led solution' [95]. They see Scott Morrison and Qantas CEO Alan Joyce carving up their jobs and replacing them with exploitative labour hire companies like Swissport. This is leading to a mental health crisis among aviation workers.

In the aforementioned TWU survey, some workers shared that they had been having suicidal thoughts, while 60 per cent said they were experiencing depression and anxiety. Over 60 per cent were having difficulty sleeping and more than 40 per cent said their relationship was under strain, with almost 10 per cent experiencing family separation.

Quotes from the aviation survey:

“Mental health is a struggle and with no end in sight from stand down which is currently 5 months and counting.”

“My anxiety levels are so high I ended up in hospital due to a massive panic attack.”

“I'm so stressed I'm losing my hair.”

“The mental toll is huge. After 20 years of loyal service I feel completely in limbo and don't know whether I will ever get my job back on a fulltime basis.”

“It's like walking on broken glass every day every week not knowing when you're going to get cut.”

## THE NEED FOR STRUCTURAL REFORM

The last decade has seen aviation standards for workers drop in real terms. This has been through a combination of deliberate employer strategy and a total lack of Government intervention to prevent this from occurring.

Aviation is one of the most susceptible industries when it comes to external economic shocks, whether it be terrorist attacks such as 9/11, health scares (such as SARS), general economic turbulence such as the GFC or natural weather events such as volcanic ash. While Covid-19 itself was unexpected, the fact that there was an economic shock caused by a major global event is part of the normal volatility of the aviation economic cycle.

As has been seen through Covid-19, frontline aviation workers have borne the brunt of the economic shock whether it be through redundancies, stand downs or wage freezes. As has been referred to earlier, frontline aviation workers have in the past been forced to make similar sacrifices such as taking an 18-month wage freeze while Qantas was operating at a loss.

The problem is that when the aviation economic cycle is on the upswing and companies are making profits, workers do not see the commensurate rise in their wages, while senior executives and shareholders see massive increases to their pay packets and dividends.

In many other industries Government plays an interventionist role in order to smooth the volatile economic cycle and to ensure that workers have some protections during downturns and the ability to reap some of the rewards at the peak of the cycle. Around the world, governments have similar interventionist roles in aviation, with many taking stakes in airlines.

With little to no Government ownership or intervention in the aviation market in Australia, this volatile cycle keeps repeating itself during every economic shock. Therefore, the shock absorber most often used in the aviation industry is the jobs, wages and conditions of workers themselves.

## THE SOLUTION

In order to address the fundamental market imbalances apparent in aviation – airports with near monopolistic power and major airlines able to dictate the terms and conditions of increasingly insecure and low paid work – the Government must intervene.

## **Government ownership**

As has been stated previously, the Federal Government has no ownership in any major airlines nor stake in most major airports around the country.

If there had been a Government equity stake in any of the major airlines (which could easily have been obtained in return for the over \$1 billion in taxpayer money given to the industry throughout Covid-19) this would have given the Federal Government an important seat at the table when major decisions, such as mass redundancies and outsourcing, were being made. It would have had a moderating effect on the behaviour of executive and institutional board members who would have been forced to not simply focus on the short term but rather the longer term interests of the industry and workers that the Government represents.

Further, during the recovery phase Government would be able to have a moderating effect on the board when it comes to decisions regarding executive remuneration, shareholder dividends, necessary capital investment and the tendency to neglect the sacrifice made by frontline workers.

## **The need for a standing aviation tribunal: The Safe and Secure Skies Commission**

In order to address the fundamental market imbalances apparent in aviation – airports with near monopolistic power and major airlines able to dictate the terms and conditions of increasingly insecure and low paid work – the Government must intervene.

Rather than simply react to each inevitable crisis as it comes, and particularly if Government ownership is not going to be pursued, there needs to be an independent body in place capable of intervening in the market to correct the fundamental power imbalances within the industry and better manage the volatile aviation cycle. This is even more necessary than ever given the decision by Qantas, as the country's largest airline, to outsource its entire ground handling operations to third party companies which will provide workers with lower wages and less secure work.

These workers will no longer have the capacity to take on the top of the supply chain and the real economic decision maker – Qantas – as they now only have the capacity to bargain with their direct employer who in turn has its terms and conditions dictated by Qantas. This means that workers cannot use the one industrial power available to them – their collective strength – to achieve improvements to their wages and conditions.

An independent body which brings together Government, Employers, Unions and Airports, the Safe and Secure Skies Commission (SSSC), must be urgently introduced with the power 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 SSSC; 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.

### **An industry in crisis: the need for a national plan**

- Aviation is a cornerstone of the Australian economy given the country’s unique dependence as a large island nation on air travel.
- Aviation is also a major contributor to the health of the economy and employs over one hundred thousand workers.
- Privatisation in the 1990s of airlines and airports has constrained the ability of Government to guide and direct the industry as it deals with various crises and volatility from terrorism, viral outbreaks, natural disasters and mismanagement.
- Privatisation of airports and airlines has also meant the focus of companies has been on serving investor and shareholder interests rather than on ensuring high standards on service, safety and security. Senior executive pay at Qantas in particular has been out of control.
- The privatisation of the aviation industry in Australia stands in stark contrast to the decision of the US government to retain control over its airports and of various European, Asian and Middle Eastern governments to retain stakes in airlines.
- The industry has become fragmented with various companies competing for work at the airport and with the airlines.
- This fragmentation has meant insecure, casual, part-time and low paid work has replaced once full-time quality jobs.
- The twin problems of low wages and underemployment in the aviation industry are problems faced by the wider economy, as flagged by the Reserve Bank and International Monetary Fund.
- The pandemic has hit the aviation industry hard, resulting in mass stand downs and redundancies.
- Qantas has used the pandemic to outsource its entire ground operations and 2,500 workers. These workers will be replaced with workers on lower wages and conditions.
- The refusal of the Federal Government to devise a national plan for the industry during the crisis has resulted in many failures and bad decisions which has cost jobs.

- Virgin was allowed to collapse, Dnata was shut out of Jobkeeper and Rex, whose chairman is a senior National Party official, was given a disproportionate amount of funding support. All of these events came about from specific decisions the Federal Government made.
- There has been a lack of transparency on funding to aviation but together with JobKeeper we estimate the figure must be in excess of \$2 billion currently.
- No conditions were tied to Jobkeeper or other public funding schemes for the industry. No demands were made on retaining jobs, ruling out outsourcing, committing to regional Australia, keeping fares affordable, capping CEO salaries, cancelling executive bonuses or cancelling dividends.
- A lack of a national plan resulted in a lack of coordination across the airlines and aviation companies on how to keep workers safe and reduce the risk of infection and spread of the virus. Qantas repeatedly stated the risk of infection was negligible and threatened to sack workers who raised concerns. The airline even suspended a cabin cleaner Health and Safety Rep for advising coworkers and is being investigated by safe Work NSW over this incident. Virus clusters occurred among workers with the airline trying to shift the blame onto workers rather than taking responsibility for not protecting workers with adequate PPE, training, allocating extra time to wash and change PPE or enhanced cleaning in common areas.
- Qantas in particular was allowed to set its own rules and protocols on protections for cabin crew travelling from abroad and systems for keeping passengers safe.
- The Federal Government continued to act as a passive observer during the Virgin administration. It was workers who stood up and held prospective new owners to account to ensure a fuller capacity airline, maximum jobs retained, retention of an international division, regional arm, tiered classes and lounges.
- The lack of a national plan meant thousands of job losses in aviation and no intervention in the outsourcing the entire Qantas ground operation.
- The future of aviation remains in doubt as the virus continues to affect state border closures and predictions that the international border will remain shut for another year.

## **The national plan**

In order to secure the industry, the TWU calls on the Federal Government to devise a national plan for the aviation sector with the aim of protecting jobs, businesses and passenger interests.

The plan should cover:

- How airlines and aviation companies can survive into the future and the maximum amount of jobs can be saved.
- Set down the parameters for further public funding for the industry including strict conditions as outlined above.

- Set out strict protocols for keeping workers and passengers safe and reducing the risk of infection and spread.
- Improving working conditions at the airport into the future and ending the practice where workers for different companies doing the same job are paid vastly different rates.
- Ensure that contracts are awarded at the airport among airlines, not based on how cheap an operator can carry out a function but how standards on labour, safety, security and service can be improved.
- Stamp out the problems in aviation which also bedevil the wider economy, low wages and underemployment.
- Examine taking an equity stake in airlines and airports to secure the critical infrastructure and protect jobs and business across Australia as the industry weathers the current crisis and prepares for the next crises.
- Establish the Safe and Secure Skies Commission, a body which will bring together Government, Employers, Unions and Airports and has the power to make enforceable determinations to redress the power imbalances and volatility in the aviation sector.