

Australian Senate hears from Dnata workers

On the 18th of May representatives from the ASU in Victoria, together with ASU members and Delegates from Dnata, gave evidence at a Senate Committee hearing into Corporate Avoidance of the Fair Work Act in Melbourne. We did this because Dnata's recent actions in seeking to avoid current wages and conditions and creating AHSA, are a stark example of how many businesses in Australia are seeking to exploit loop-holes in our industrial laws to the detriment of workers.

Unfortunately Dnata's actions have had a very negative impact on the morale and job security of everyone across the company and yesterday was an opportunity for us to express publicly the injustice and unfairness of what is going on at Dnata.

It was also important for our law makers in the federal parliament to hear from Dnata workers first-hand about how the company's actions have impacted the hard working staff of Dnata.

Your ASU Delegates spoke straight from the heart about how Dnata's tactics have impacted on everyone and we are extremely proud of their courage and strong contribution at the hearing yesterday.

The ASU also gave evidence rebuffing the claims by Dnata that they are uncompetitive in the ground handling market.

As you know Dnata withdrew its application for the AHSA EBA on Friday 12th May.

On the same day the CEO of Dnata Daniela Marsilli, wrote to all staff Australia wide advising that the new company AHSA had successfully bid for a tender for the Fiji Airways ground handling (customer service) work at Adelaide airport – operating 2 flights per week. Ramp & cargo for this contract will be performed by existing Dnata staff under the existing Ramp & cargo EBA. The CEO has indicated that a new EBA would be pursued "in the near future" and until that time staff engaged to

work by AHSA would be paid as per the Modern Award. We understand that current Dnata staff in Adelaide have been told that AHSA employees will report to the current Dnata Airport manager and use the same equipment and facilities as Dnata.

So how does Dnata's claim that they are not competitive stack up?

In Adelaide the current EBA rates of pay are only marginally higher than the Award. The hourly rate of pay in Adelaide for passenger handling is an all-inclusive/rolled up rate of \$26.91 per hour. This rate is inclusive of:

- penalty rates
- allowances
- annual leave loading
- public holidays
- days in lieu

On the ASUs analysis this is currently very close to the Award L2 rate for check-in/customer service of \$20.61 per hour when you un-pack the rolled up rate.

How Dnata can claim that current EBA's put them at a competitive disadvantage beggars belief.

This claim does not stand up to scrutiny at any other airport either.

You can read the transcript of the ASU evidence to the Senate Committee at <http://bit.ly/2rsokAf> .

Dnata also appeared at the Senate hearing represented by Head of Ground Services Brett Fuller and Head of Human Resources

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Robert Larizza.

Dnata's evidence confirmed that they intend to continue to utilise AHSA to bid for work:

"Secondly and critically, we have implemented a new operating model by creating a completely new business, called Airport Handling Services Australia, or AHSA. AHSA aims to replicate the business fundamentals of our biggest competitors so that it is able to secure contracts that Dnata Airport Services is currently losing and any new business that dnata Airport Services is missing out on because we are not cost competitive." Evidence of Robert Larizza, Senate Committee hearing 18 May 2017

When pressed by Senators about how they say they are uncompetitive we heard a series of examples that frankly did not stack up. Larizza and Fuller gave examples that compared different rates (some rolled up and some flat across different ports) this is quite misleading as there are a number of different agreements across the country for both Dnata & Menzies. On a port by port comparison the ASU stands by our claims that Dnata are competitive and in fact pay less than Menzies.

We also heard the company representatives use Qantas Ground Services (QGS) as an example of an agreement they cannot compete with. This is ridiculous as QGS only does ground handling for Qantas companies and only applies to ramp and cargo classifications. The ASU has an EBA commitment from Qantas that QGS will not be used in check-in or any other above the wing work.

If we are going to be given examples of Dnata's uncompetitive position lets actually compare apples with apples.

The Chair of the Committee Senator Gavin Marshall pressed Dnata on how the new structure protects existing Dnata staff.

Chair Senator Gavin Marshall: "Then my question stands—and which you have not really answered: how does having a

minimum-wage-structure company competing against an enterprise agreement company, which you also own to do the same thing, actually protect those employees at the enterprise agreement company. In this instance in Adelaide you did not even bid for the work with the enterprise agreement company."

A proper answer was not really given.

You can read the company's full evidence to the Senate Committee at

<http://bit.ly/2rsokAf>.

So what next?

As you know the ASU & TWU have commenced bargaining for all our passenger handling and ramp and cargo EBA's. We have always said that the proper place to discuss the challenges that confront the business is in bargaining. The ASU will do so in good faith but we will not be negotiating away wages and conditions in a race to the bottom that nobody wins from.

We must all stand together in this endeavour and I commend you all on your unity to date.

We will also hold Dnata to account in respect to the creation of AHSA and any future attempts to approve a sub-standard EBA for that company.

Our next EBA meeting with Dnata is this week so watch out for updates following those discussions.

As always if you have any questions or concerns please speak with your local ASU organiser or delegate:

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