

Update: NSW Pax EBA Negotiations – Dnata takes a hardline position

Members would be aware that negotiations for the NSW Pax agreement began a little while ago, post the AHSA scandal. Thus far we have had 5 eba meetings, but dnata will tell you we have had 10 meetings. (More on this point below). The negotiations can be summarised at this point as dnata wanting to significantly reduce the terms and conditions of the current and future employees, while wanting to end these negotiations with an inferior eba as soon as possible.

Dnata's bargaining position

In June, the ASU and the Employee Bargaining Reps (EBR's) were confronted by 2 extreme documents tabled by dnata. (attached). The first attachment tabled by dnata shows where the company has deleted or heavily amended about 80% of the current NSW Pax agreement. To delete or amend a current eba to this extent is unusual and shows a confrontational approach by your employer. The second attachment tabled by dnata is their draft version of what the new eba should look like. You will note it is a thin document, which incorporates very few provisions from the current agreement or the clause is heavily amended to the employees' disadvantage.

The dnata draft also introduces an A and B scale for employees. The B scale is for new employees where their wages and conditions are significantly reduced, whereas the A scale will apply to current employees which safeguards some terms and conditions while reducing many others. The company insists that it needs to do this to "save" the company, but at the expense of current and future employees. It intends to "divide and conquer" current from new employees, knowing well that over the next 2-3 years it will give shifts to the new cheaper employees at the expense of current employees. The ASU is gravely concerned about this bargaining position of the employer. It is simply a continuation of the AHSA strategy to divide employees and reduce the terms and conditions of ALL employees when the company's supposedly "uncompetitive position" is not the fault of employees, who do their job and work hard.

The ASU's bargaining position

Unlike dnata's extreme bargaining position, the ASU has simply tabled a standard Log of Claims, and said that it relies on the current NSW Pax agreement and some selected clauses from the Airlines Award. Over the course of these eba meetings in July and August, the ASU has tried hard to either restore existing eba clauses, table alternative clauses or amend dnata proposed clauses so they are to the advantage of employees. Dnata has largely resisted this while at this point saying no to virtually every item in the ASU Log. Despite this resistance from dnata, the ASU, with the assistance of the EBR's will keep negotiating to attain the best possible result for members.

The wage increase offer

On the critical issue of wage increases, dnata has recently tabled 2 offers. The first was a 4 year agreement, with zero wage increase in the first year and then 2%p.a for years 2, 3 and 4, totalling 6% over 4 years. This offer is below inflation and was rejected by the ASU and EBR's. At the most recent eba meeting on the 30 August, the company made a revised offer of a 5% increase over 3 years. This offer is still below inflation, currently running at around 2%p.a, and it is made on the basis that the new, very much reduced eba, is accepted along with the A and B scales discussed above.

The ASU and the EBR's put forward a counter proposal for a 12% increase over 3 years, with a willingness to negotiate a smaller increase in the first year so to assist dnata, and then have larger

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increases in year 2 and 3. The negotiations continue with the next scheduled meeting on the 11th of September.

Where to from here?

While the ASU is keen to keep negotiating until we come to an agreed position with dnata, the ASU is very concerned that dnata may soon call an end to negotiations and possibly take one of two roads to the disadvantage of employees: go around the ASU and EBR's and table an inferior agreement for an employee ballot or apply to the FWC to terminate the current agreement because dnata believes it is inappropriate for its "new platform".

Dnata claims negotiations are drawing to a close

The ASU has observed of dnata that it increasingly says that it has responded to the ASU claim in writing (usually saying No) and thus it is dealt with and negotiations are drawing to a close. The ASU has responded by saying just because dnata has said no to some item once or twice, this does not mean the negotiation is complete. One keeps negotiating until the parties find a consensus position as happens in 95% of eba negotiations. Supposedly to demonstrate that negotiations are dragging on and the employee side of the table are holding things up, it insists that there have been 10 NSW Pax eba negotiations meetings, when in fact there have been 5. (14/7, 26/7, 10/8, 22/8, 30/8).

To get to their 10 meetings, they include 4 general meetings attended by both Ramp and Cargo and Pax dnata managers, ASU and TWU officials and delegates. These were NOT specifically about negotiating the NSW Pax agreement, but rather dnata managers briefing a room full of people on dnata's profitability, competitive position, financial performance etc.

They also count a brief introductory meeting on the 22nd June 2017 regarding the NSW Pax agreement that went from 4pm till about 4.45pm.

Why do 5 or 10 meetings matter? They matter to dnata, because if it decides to go around the employee representatives at the bargaining table, it will tell you many meetings have occurred before dnata went direct to the workforce. Or, if it applies to the FWC to terminate the agreement, it must show that a significant amount of bargaining has occurred. In the last 18 months many companies in different industries have now used this termination of agreement strategy when they cannot get their way in bargaining. (see attached the latest example where the Murdoch University successfully terminated its agreement last month.)

The ASU will continue to bargain

It is the express desire of the ASU to continue to bargain with dnata to obtain fair conditions of work and a satisfactory wage increase. As you know, it is not unusual for negotiations to renew an eba to go for 6-12 months. We are not in the business of extending negotiations for the sake of it, but when confronted with dnata's extreme bargaining position, we must do our best to improve the terms and conditions of our members, and that may take time.

Members need to be vigilant about any dnata eba document they are asked to vote on without ASU agreement, and inform the ASU if this happens.

Most importantly, JOIN YOUR UNION.

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Got any questions?

If you have any questions about the proposed Agreement please contact your local ASU organiser or delegate:

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National Office	Michael Rizzo	0418 513 843
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