



A.S.U in AIRLINES

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Airlines Modern Award Crash Lands

On 12th June 2009 the ASU filed a submission in the “modern Award” proceedings for the Airlines Operation Ground Staff Award which condemns the cutting of rates and conditions that have been proposed by the Australian Industrial Relations Commission (AIRC) in its first draft Award.

The AIRC appears to have adopted without question the submissions of the overseas carriers and Qantas which see Award rates of pay for airline industry employees slashed by up to \$301.56 per week (\$12,561 per year).

Virtually no level of the ASU’s Overseas Airlines or Airline Operations Award does not suffer a cut. The lowest entry level rates in overseas airlines are cut by \$76.23 per week (\$3,964 per year) and the comparable domestic airlines Award rate is slashed by up to \$57.90 per week (\$3,011 per year). For full details see the tables attached to this bulletin.

The AIRC has ignored the existing Federal Awards in the airline industry and decided to cut Award rates to a level that no employer could ever have hoped to have achieved without this process.

This draft Award is a complete disgrace and the ASU in our response submission has called on the AIRC to change this draft to reflect current Awards and practice in the industry. Check out our submission on our website www.asu.asn.au.

We will be attending the AIRC hearing on 3rd July 2009 in Sydney to put this position in person.

But wait, there’s more...

Not content with slashing the minimum wages in Awards, the AIRC has also

cut vital allowances that have historically been paid and continue to be paid in the airline industry.

The allowances that have been abolished are the transport allowance, the social disability allowance and the tropical zone allowance. The first two allowances are paid to shift workers, particularly at airports.

ASU members may recall that Qantas were the prime supporters of the abolition of these allowances.

Qantas on every level misrepresented the use of these allowances, saying they were obsolete.

In their 1st April 2009 submission Qantas lawyers put forward that the tropical zone allowance should be abolished because it is obsolete, because “there is no rate prescribed in the Australian Public Services (APS) Regulations”. What they omitted to say is there is an allowance in the APS Award and Qantas pays this allowance to its own staff.

One could have taken the April Fool’s Day submission as a joke because it is just that, but unfortunately the AIRC has fallen for it hook, line and sinker and abolished the rate which is payable in North Queensland and the Northern Territory. We are calling on the AIRC to put this allowance and the other allowances back in the modern Award.

Nothing modern about slashing personal leave

If you thought losing allowances was bad, things are about to get worse. The draft “modern” Award cuts personal leave too.

Airline Operations Award entitlements are slashed in the first year of service by 4 personal leave days and then in each year after that by nearly 9 days



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per year. The Overseas Airline Award employees lose 5 personal leave days per year.

This is an arbitrary unexplained slashing of entitlements which we cannot let stand.

But why did the AIRC do it?

No-one knows why the AIRC has cut entitlements and rates to this extent. They don't have to explain anything and they don't in their decision.

One thing is for sure though, the politicians have to explain and it's time to ask them questions as to why the safety net of many thousands of airline employees has been cut so savagely.

Maybe the AIRC thinks that just because employees work under EBAs they will be safe and the new Award won't affect them.

That is not our experience – in the real world we have seen new companies created to take advantage of lower Award rates.

Look at what happened under WorkChoices – new companies like Toll Dnata (owned half by Emirates) or EGH (owned by Qantas) sprang up paying lower rates and offering inferior conditions. It will happen again if the safety net is lowered.

Overseas airlines like Singapore or Lufthansa or British Airways have created other companies outside Australia, they will do it here too if they can utilise lower standard wages and conditions.

The AIRC has ignored the fact that not all workers in the airline industry have EBAs and many are Award reliant and will be affected.

The lowering of the Award standard punishes employers who have bargained on the old standard and rewards companies who only pay the Award minimums.

Even if you have an existing EBA you will not be safe – with a lower safety net the existing companies will never have to give you a pay rise because your rates will be well above the Award.

Employers jump for joy

Not surprisingly the employers like Qantas and the overseas carriers can't believe their luck. The AIRC draft Award fulfils their ambit claims so naturally they aren't criticising it; it's all too good to be true.

The ASU is putting an alternate point of view. We want to keep what we have and not lose it all, and we need to tell our employers that cutting the safety net is not on.

We also need to target the Federal Government which has said no employee should be disadvantaged as a result of the modern Award process – the fact is they will be. It's time for the Federal Government to make good on this promise.

We must maintain the standards.

What can you do?

The ASU has many hundreds of signatures on our petition to the employers. If you have not signed it do so now and get others to do so as well.

You can also join our email campaign on the Federal ministers responsible:

Julia Gillard – Minister for Workplace Relations

Anthony Albanese – Minister for Infrastructure, Transport, Regional Development and Local Government

We must email these ministers before the hearing on 3rd July – so visit our website: www.asu.asn.au/airlines and click on to send an email.

If you need more information – the ASU has been holding briefings across the country – contact your Branch for more information.



Comparison between AIRC Draft Award Classification Rates and the Overseas Airlines Award – 9th June 2009

AIRC Draft Award Classification	Rate per week \$	Overseas Airlines Award	Rate	Difference Per week	Difference per year
Level 1*	610.00	Band A*	686.23	-76.23	-3,964
Level 2*	637.60	Band B*	725.15	-87.55	-4,553
Level 3*	675.00	Band C*	779.63	-104.63	-5,441
Level 4*	710.00	Band D*	876.94	-166.94	-8,681
Level 5*	740.00	Band E*	1006.69	-266.69	-13,867
Level 6**	770.00	Band F	1071.56	-301.56	-15,681
Level 7**	800.00			-271.56	-14,121
Level 8**	830.00			-241.56	-12,561

Skill descriptors taken from:

- Level 1 = Overseas Airlines Award Band A
- Level 2 = Overseas Airlines Award Band B [check-in]
- Level 3 = Overseas Airlines Award Band C
- Level 4 = Overseas Airlines Award Band D
- Level 5 = Overseas Airlines Award Band E

But

- Level 6 = Airline Operations Award Level 6
- Level 7 = Airline Operations Award Level 7
- Level 8 = Airline Operations Award Level 8

Note: direct comparisons between skills are available at Levels 1-5 compared to the Overseas Airlines Award Bands A-E. Beyond those levels the skill descriptors do not match.

Comparison between AIRC Draft Award Classification Rates and the Airline Operations Award – 9th June 2009

Airline Operations Award [Operations]	Rate	Difference per week	Per year	Airline Operations Award [Support]	Rate	Difference	Per year
Level 1	667.90	-57.90	-3,011	Level 1	651.71	-41.71	-2,169
Level 2	682.65	-45.05	-2,343	Level 2	662.90	-25.30	-1,316
Level 3	714.30	-39.30	-2,044	Level 3	693.71	-18.71	972.92
Level 4	730.30	-20.30	-1,056	Level 4	730.30	-20.30	-1,056
Level 5	773.81	-33.81	-1,758	Level 5	759.69	-19.69	-1,024
Level 6**	789.69	-19.69	-1,024	Level 6**	773.81	-3.81	-198.1
Level 7**	798.60	+1.40	+72.80	Level 7**	789.69	+10.31	+536.1
Level 8**	814.85	+15.15	+787.8	Level 8**	798.60	+31.40	+1,632.8
Level 9	859.57	-29.57	-1,538				

Skill descriptors taken from:

- Level 1 = Overseas Airlines Award Band A
- Level 2 = Overseas Airlines Award Band B [check-in]
- Level 3 = Overseas Airlines Award Band C
- Level 4 = Overseas Airlines Award Band D
- Level 5 = Overseas Airlines Award Band E

But

- Level 6 = Airline Operations Award Level 6
- Level 7 = Airline Operations Award Level 7
- Level 8 = Airline Operations Award Level 8

Note: the AIRC draft skill descriptors match the Airline Operations Award only at levels 6-8. The Airline Operations structure also contained a level 9 in the Operations stream only.