



FAIR WORK COMMISSION

Matter No: 2021/1 *Annual wage review 2020-2021*

Re: Aircraft Cabin Crew Award 2020

Background

- 1.0 The FWC has invited all parties to comment on how the Expert Panel should deal with:
1. the different operative dates from the 2019–20 Review; and
 2. whether there should be any changes to the composition of the 3 industry clusters identified in the 2019–20 Review, giving consideration to movements in the change in employee jobs and total wages presented in the report by Professor Jeff Borland¹ and the most recent data shown in the Fair Work Commission's *Statistical report—Annual Wage Review 2020–21*.²

- 2.0 We refer to and adopt the ACTU's response to the question posed by the Panel. Without detracting from the ACTU's position, there are some additional matters that the FAAA wish to raise concerning why it would be inappropriate to defer implementation of any increase in minimum wages in the *Aircraft Cabin Crew Award*.

The Flight Attendants Association of Australia (the FAAA) addresses the above questions in the context of the Aircraft Cabin Crew Award 2020³ (the cabin crew award). The FWC identified⁴ the cabin crew award amongst the group of modern awards covering employers and employees substantially impacted by the pandemic. The award was placed in group 3 with the 1.75%

¹ Borland J (2021), [An assessment of the economic effects of COVID-19](#), Version 2, Fair Work Commission Research report 1/2021, 17 February.

² Fair Work Commission (2021), *Statistical report—Annual Wage Review 2020–21*, Version 4, 6 April, Chart 6.11.

³ MA000047

⁴ [2020] FWCFB 3500 @186

increase to minimum wages implemented from the start of the first full pay period on or after 1 February 2021.

- 3.0 The FAAA submits that the industry circumstances in which the cabin crew award operates have improved substantially since the initial categorisation. We also submit that the characteristics of the industry covered by the cabin crew award, an occupational award, are obscured by its minimal size within the totality of ASIC industry Division I- Transport, Postal and Warehousing. Categorising the Cabin Crew Award based on the industry circumstances of ASIC- Division I obfuscates the circumstance of employees and employers covered by the cabin crew award. The vast majority of cabin crew are covered by enterprise agreements. There are however pockets of significant numbers of cabin crew reliant on the award. These employees should not be further disadvantaged where the evidence demonstrates that the employers of those employees are operating at pre covid levels and the impact of the virus is diminishing.

The Industry and the Occupation

- 4.0 There are 673,900 employees engaged in Division I- Transport, Postal and Warehousing.⁵ There are approximately 8,500 flight attendants within that number⁶, comprising 1.3% of the industry. The cabin crew award was not mapped against other industries⁷ however the number of crew engaged outside Division I is limited. The Commission noted in the 2019-20 Minimum Wage case that the impact of the virus on jobs and wages within the aviation sector could not be identified from the available data at the ANZSIC 1-digit level.⁸ The Commission further noted that the categorisation of awards into the three groups was ‘imperfect’ however was based on available information.⁹
- 5.0 Employees in the aviation industry are overwhelmingly covered by enterprise agreements. (refer Attachment 1). Any increase in minimum wages awarded by the Commission will have no or limited impact on the majority of cabin crew and their employers. There are however a significant number of award reliant casual employees engaged by labour hire agencies supplying crew into the Jetstar Group. There are also a number of regional airlines servicing the mining industry and supplying charters whose employees are engaged on the cabin crew award. (Refer paragraph 8 below).

⁵ Fair Work Commission (2021), *Statistical report—Annual Wage Review 2020–21*, Version 4, 6 April Table 6.3

⁶ <https://joboutlook.gov.au/occupations/flight-attendants?occupationCode=451711>

⁷ FWC report 2102/2 *Analysing modern award coverage using the Australian and New Zealand Standard, Industrial Classification 2006: Phase 1 report*, Appendix B

⁸ Op Cit. PN 69

⁹ OP Cit. PN 166

Award Reliance

6.0 The Commission’s statistical report identified 12.7% of Division I – Transport, Postal and Warehousing employees as award reliant.¹⁰ Qantas Group cabin crew employees are all covered by EBAs. MAM, a labour hire agency supplying cabin crew to Qantas Domestic are also covered by an EBA. Virgin Australia prior to administration engaged all cabin crew on enterprise agreements. Virgin recently concluded negotiating an EBA for cabin crew. The EBA is currently before employees for the access period and vote. Rex (Regional Express Holdings) engages its regional cabin crew on enterprise agreements. Rex Airlines Pty Ltd recently commenced flying capital city routes with crew engaged on the Cabin Crew Award, the FAAA estimates the number to approximately 100. The FAAA is currently negotiating an enterprise agreement with Rex to cover the new flying.

The Jetstar Group provided the FAAA a breakdown of cabin crew employees classified as Tier 1 or 2 for the purposes of applying Job Keeper Mark II. On October 20, 2020 Jetstar Group employed 772 cabin crew engaged on a permanent or casual basis under the *Team Jetstar Agreement 2019*¹¹ or the *Jetstar Airways Cabin Crew Agreement 2018*¹². Altara¹³, a labour hire agency supplying cabin crew to the Jetstar Group provided the Tier 1 and 2 breakdown to the FAAA on 2 November 2020. At that time Altara engaged 325 award reliant casual employees, flying in Jetstar Uniform for the Jetstar Group. The ratio of award reliant to enterprise agreement cabin crew within the Jetstar Group is 43%, significantly higher than the 12.7% within Transport, Postal and Warehousing Industry.

7.0 The FAAA submits given the wide coverage of EBAs within the scope of the cabin crew award/occupation and the number of overall cabin crew, it is valid to identify award reliance at the micro/ company level.

8.0 Other Companies engaging cabin crew on the award include:

- * Air North¹⁴ based in the Darwin engages approximately 80 cabin crew as per the cabin crew award;

¹⁰ Op Cit. Table 7.1

¹¹ AE506149

¹² AE500334

¹³ <http://altara.com.au/index.php/cabin-crew-jobs>

¹⁴ <https://www.airnorth.com.au/about-airnorth/careers-with-airnorth>

- * Altara¹⁵ (National Jet System, a Qantas Group Company) engage approximately 70 cabin crew paid as per the cabin crew award;
- * Skippers¹⁶ operates in Western Australia engaging approximately 29 as per the cabin crew award;
- * Skytrans operates in Queensland engaging approximately 12-15 cabin crew as per the cabin crew award;
- * Link Airways¹⁷ , parent company Corporate Air operates scheduled regional passenger services in Queensland, New South Wales, Tasmania and Victoria engaging approximately 12 cabin crew on the cabin crew award.
- * Maroomba Airlines¹⁸ based in Perth

Current Aviation Industry Conditions

- 9.0 International flying remains severely impacted by border restrictions. There is no secure timeline regarding when international flying will resume. Thousands of international cabin crew remain stood down. When flying commences international cabin crew will be covered by enterprise agreements and any increase in minimum wage will not apply. The aviation industry has been, and continues to be, supported by Government assistance, mitigating the worst impacts of the pandemic on earnings.¹⁹ Qantas Group alone received in excess of \$800 million dollars in direct and indirect support prior to the \$1.2 billion Aviation Industry Support package announced in March 2021²⁰.
10. The Qantas Group, including the Jetstar Group recently announced domestic flying was approaching or surpassing pre covid levels with Group Domestic capacity increasing beyond previous estimates to reach 90 per cent of pre-COVID levels in Q4 FY21; Jetstar to exceed 100

¹⁵ <http://altara.com.au/index.php/cabin-crew-jobs>

¹⁶ <https://www.skippers.com.au/about-skippers-aviation/>

¹⁷ <https://www.linkairways.com/about-us>

¹⁸ file:///Z:/Industrial/00%20Industrial%20Matters/A2021_026%20%20NWC%2020_21/Submission/Maroomba%20Airlines.html

¹⁹ <https://www.infrastructure.gov.au/aviation/>

²⁰ <https://www.qantasnewsroom.com.au/media-releases/qantas-group-welcomes-federal-governments-aviation-support-package/>

per cent due to strong leisure demand. The group announced that all Qantas and Jetstar domestic crew now back at work. The Company is continuing to target the resumption of rest of the international network, beyond the NZ bubble, from late October.²¹

11. Jetstar Group is engaging additional crew, currently advertising within Altara for 150 cabin crew roles available across Melbourne, Sydney, Brisbane and Adelaide bases commencing either on 1 July or 1 August 2021. Crew transferring from Altara to Jetstar, currently award reliant, will receive the benefit of the *Team Jetstar Agreement 2019*. Employees engaged under the *Team Jetstar Agreement 2019* will receive a 3% increase from July 1 2021. Altara is also recruiting cabin crew, running approximately 11 ground schools (20-25 crew in each group) during 2021. The ground schools are for cabin crew to be placed in Jetstar. These crew, all casual, will be award reliant.
12. Regional Airlines (refer paragraph 8 above and Attachment 1) experienced fewer and less extreme covid impacts. Demand was not decimated as the mining industry kept operating during shut down, intra state flying benefitted from bans on state border closures, Governments funded minimum networks and continue to provide support extending the Regional Airline Network Support (RANS) and Domestic Aviation Network Support (DANS) programmes until September 2021. There is a capacity within regional airlines to pay annual wage increases , for example recently concluded 2020/ Alliance Airways Agreements and the Regional Services Cabin Crew Agreement (refer Attachment 1) benefit from an increase in base rates, allowances and productivity bonus payments by increases matched to the CPI during the life of the Agreement.
13. Award reliant cabin crew receive lower wages, fewer allowances, less well-paid allowances and diminished roster stability compared to the cohort covered by enterprise agreements.

Conclusion

14. The majority of cabin crew are covered by enterprise agreements. An increase in the minimum wage will have minimal or no impact on their employers. Award reliant cabin crew have fallen further behind their EBA colleagues. The negative impact of the delayed 2019-2020 minimum wage increase should not be extended when industry conditions for those covered by the Award have returned to pre covid demand and crew covered by enterprise agreements are receiving wage increases. The FAAA submits the minimum wage increase being determined should apply to the Aircraft Cabin Crew Award from 1 July 2021.

²¹ <https://www.qantasnewsroom.com.au/media-releases/qantas-group-recovery-gathers-speed/>

ATTACHMENT 1

Aviation Industry Cabin Crew Enterprise Bargaining Agreements

1. Flight Attendants' Association of Australia- International Division, **Qantas Airways** Limited and QF **Cabin Crew** Australia Pty Limited Enterprise Agreement 2017 (EBA10), AG2017/2275
2. Flight Attendants' Association of Australia - Short Haul Division (Qantas Airways Limited) Enterprise Agreement 9 Single-enterprise agreement; Agreements, AG2016/7067
3. Qantas Domestic Pty Limited Cabin Crew Workplace Agreement 2015 Single-enterprise agreement; Agreements AG2015/7026
- 3A. Flight Attendants' Association of Australia National Division / Casual Flight Attendants Enterprise Agreement, AG2015/3487
4. Jetstar Airways Cabin Crew Agreement 2018 Single-enterprise agreement; AG2018/1947
5. Team Jetstar Cabin Crew Agreement 2019, AG2019/4217
6. Jetstar Airways Cabin Crew (Widebody) Agreement 2018, AG2018/6908
7. Virgin Australia Short Haul Cabin Crew Agreement 2015, AG2015/5679
8. Virgin Australia Long Haul International Cabin Crew Agreement 2016, AG2016/6268 ²²

Regional

9. Virgin Australia ATR Cabin Crew Agreement 2016, AG2016/7444
10. Eastern Australia Airlines Pty Limited Flight Attendants' Enterprise Agreement 2016, AG2017/2895 (QantasLink)
11. Sunstate Airlines Pty Ltd Flight Attendants Enterprise bargaining Agreement 2016, AG2016/5754 (QantasLink)
12. Regional Services Cabin Crew Enterprise Agreement 2020, AG2020/8287
13. National Jet Systems Pty Limited Cabin Crew Enterprise Agreement 2019, AG2018/3694
14. Regional Express Flight Attendants' Enterprise Agreement 2017 – 2021, AG2018/2430
15. Alliance Airlines Pty Ltd Cabin Crew (Brisbane) Enterprise Agreement 202, AG2020/3050

²² The Virgin Group has a proposed Cabin Crew EBA currently in an access period prior to a vote by cabin crew employees.

16. Alliance Airlines Pty Ltd Cabin Crew (Nth Qld) Enterprise Agreement 2021, AG2021/243
17. Alliance Airlines Pty Ltd Cabin Crew (Western Australia) Enterprise Agreement 2019, AG2019/1273
18. Alliance Airlines Pty Ltd Cabin Crew (Adelaide) Enterprise Agreement 2019, AG2019/4798