



# A.S.U *in* AIRLINES

Australian Services Union • National Airlines Division Bulletin

All Airlines • Number 12

January 4, 2010

## Aviation White Paper delivers policy wins, but still more work to be done.

### White paper release

The Rudd Government's Aviation White Paper released on Wednesday 18<sup>th</sup> December marked the end of a 2 year process of policy development within which the ASU made extensive submissions and contributions through many rounds of consultation as well as lobbying of and discussions with Government ministers.

The White Paper details the government's long term policy approach to the Aviation industry, covering issues such as Industry Skills development, Open Skies, Qantas ownership and more. These policy decisions will inform market conditions and airline management decisions and have significant implications for jobs and the wages and conditions of Aviation workers.

### Wins for ASU members

The White Paper commits the government to initiatives on a number of key policy issues important to ASU members.

### Foreign Ownership of Qantas

The 49% cap on foreign ownership of Qantas is a critical safeguard that ensures Qantas maintains its ties and commitment to the Australian national interest, to employing Australian labour and servicing Australian routes. The White Paper reiterates the Australian Government's commitment to this cap. This was a critical concern for the ASU and was an issue we dealt with extensively in every round of consultation. There have been some changes in terms of the composition of

this cap but the overall limit of 49% foreign ownership remains. The White Paper has flagged that the Government will amend legislation in 2010 to remove the 35% cap on shares owned by foreign airlines and the 25% cap on shareholdings by any one individual foreign owner.

### Front of house security

An ongoing concern for the ASU is the introduction of electronic check in machines and the impact they have on airport security as Customer Service Agents, a the vital layer of airport security, are replaced by machines.

The White Paper acknowledges the vulnerabilities in this area of the airport and the importance of staff working there to be trained in the identification of suspicious behaviour. The White Paper had identified number of measures to could improve security in this area.

Unfortunately the obvious measure, keeping staff and removing electronic check in machines was not taken up, but another key ASU recommendation was! The government has committed to improving training to increase awareness and responsiveness to suspicious activity. The ASU will follow up with the Government and Industry to ensure Customer Service Agents have access to this training.

### Car parking prices

The government has committed to ongoing price monitoring of car parking and other services at major airports to be undertaken by the ACCC until 2013. A full review of pricing will be undertaken by the Productivity Commission in 2012. The ASU raised

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the issue of car parking prices in our first submission as ASU members, particularly at Sydney airport, were facing ever increasing and inflated prices for parking in the employee car park. The ASU will continue to lobby airport management to reduce its prices but we think that the ACCC monitoring of prices will act as an important deterrent to airports against any further unreasonable price increases.

### **Air Rage**

Whilst there are still many more battles to fight to stop the unacceptably high rates of Air Rage in our airports, the White Paper does offer some hope and progress on this issue.

The Government has acknowledged that the rise in low cost carriers and no frills packages have resulted in an increase in customer complaints and unfair pressure on Customer Service Agents who bear the brunt of those complaints.

However the solution proposed is less than ideal. The White Paper suggests that airlines should develop a corporate charter to set benchmark standards for the handling of complaints and raises the possibility of an industry ombudsman to whom passenger complaints could be directed.

The ASU has been pushing airlines to implement voluntary measures; charters, signage, warnings and more for years, the reality is until there is regulation in this area, airlines will continue to ignore the problem.

An industry ombudsman equally misses the point. An ombudsman doesn't stop passenger abuse in the queue at an airport, it can only ever attempt to remedy the situation after the fact. Most critically it doesn't protect Customer Service Agents from abuse and unreasonable rage that they are victim to on a daily basis. That is where real action is needed in the form of greater

penalties, better warnings, signage, greater policing and regulation.

The government has committed to review the industry's progress in late 2010 on this issue. The ASU will continue to campaign on this issue with the aim of getting real action at this review.

### **Access issues for travellers with disabilities**

As the Union representing Customer Service Agents who support and facilitate the movement of travellers with disabilities through airports we provided several submissions on the issue of how airport infrastructure and services could be enhanced to meet the needs of these travellers. We were the only Union to address these issues.

In response the Government has established an Aviation Access Working Group to which airlines and airports will need to report on how they are meeting the needs of travellers with disabilities.

### **Air cargo security of the supply chain**

ASU delegates working in freight have long held concerns about the security of the supply chain as freight loaded on to passenger planes is often not scanned. The ASU raised this concern in our submission. This vulnerability has been acknowledged and the Government has committed to investigate these and progressively introduce improved technology to identify explosive devices in air cargo loaded onto passenger planes.

## Future policy challenges

### Open skies

The White Paper has confirmed the Government's commitment to liberalisation of Australia's airways with the pursuit of open skies agreements and the possibility of granting seventh freedom rights over Australian airspace.

Throughout the consultation process the ASU fought to stop this as we believe that open skies heightens unfair competitive pressures resulting in a drop in safety and security standards and the deterioration of Aviation workers wages and conditions.

The only comfort on this issue is that the government will pursue like-minded partners mentioning the prospect of enhanced co-operation on issues such as environmental protection and aviation safety and security.

What this exactly means is unclear, but what we hope it means is that the government will prioritise countries with whom Australia can legitimately compete (for example those that abide by international safety, labour and environmental standards) to engage in open skies agreements. Anything else will accelerate a race to the bottom on standards and result in the International Aviation industry becoming as the shipping industry has become, made up of companies that are merely flags of convenience registered in countries with low safety, environmental and labour regulation.

### Aviation Security Identification Cards

The White Paper announces a number of reforms to the issuing Aviation Security Identification Card that includes increased penalties for ASIC holders failing to report relevant criminal activity and the tightening of access overall. There is not a lot of detail on this and ASIC reform was very recently the subject of another government inquiry to which the ASU

made an extensive submission. We should have a better idea of the policy direction on this issue at the completion of that inquiry.

### Airport Shopping

*"Call me old fashioned, but I believe airports are for aviation."*

This is a quote from Minister Albanese's speech to launch the White Paper. This quote is actually referring to the issue of development around airports, but it could equally apply to the situation inside airports as well. One ASU member put it best in our original survey on these issues in 2008 when they said "airports are to facilitate airline passenger processing not shopping centres with a runway!+

This issue was not taken up in the White Paper and remains a key concern for the ASU. Shopping outlets are an inconvenience and potentially dangerous distraction as they create unnecessary activity within the secure zone, delay passengers and distract everyone from the core purpose of the airport, the transportation of passengers and goods.

### Workforce planning

The paper largely focuses on workforce planning and skills for pilots and engineers. This remains a challenge to get funding and attention on the issue of skills shortages in the tourism section of the aviation market.

### What's next?

The ASU will monitor the outcomes of the White Paper and at our next National Airlines Division Council meeting we will extensively discuss the paper and determine our next steps.

Thanks to all members who participated over the last two years with their input into our response in this vital industry.