

Qantas is **ONE BIG LOOPHOLE**

How Qantas has gamed the system



AUSTRALIA NEEDS A
Pay Rise
Australian Unions
Win for workers



Qantas was once an Australian icon.

Using expensive lawyers, and all the tricks it uses to avoid paying tax, Qantas has worked out how to game the Australian workplace laws to pay staff doing the same jobs vastly different rates of pay on vastly different conditions.

Qantas has forecast a record \$2.5 billion profit. Qantas workers know that a huge share of this profit is the result of a deliberate strategy to splinter the workforce across multiple entities to suppress wages for as many workers as possible, by outsourcing jobs to labour hire companies, and setting up lower-paying subsidiaries.

Did you know that Qantas has split its workforce across 21 external companies and a further 17 subsidiaries?

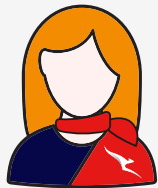
One of the tactics used by Qantas - the axing and outsourcing of 1700 ground staff, baggage handlers and cleaners – has twice been found to be illegal in the Federal Court.

Those essential jobs are now dispersed among labour providers, with Qantas able to dictate wages through low-cost contracts rather than enterprise bargaining.

This booklet provides 4 case studies setting out in detail how Qantas uses these legal structures to rip off workers, with a specific breakdown of conditions for flight attendants on page 8 of this booklet.

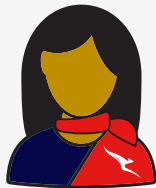
CASE Study: QF555 – flying from Brisbane to Sydney

Let's look at an example, this is QF555 – flying from Brisbane to Sydney. It's the fourth flight for the crew today, let's meet them:



Melissa

Qantas Airline
Direct Permanent Employee



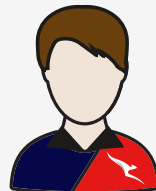
Anika

Qantas Domestic
Labour Hire - Permanent Employee



Anthony

MAM
Labour Hire - Casual Employee



Blair

Altara
Labour Hire - Casual Employee

Melissa and Anika were rostered on for this flight. As labour hire employees, Anthony and Blair aren't always rostered in advance. Anthony got two hours notice, Blair only got 90 minutes.

Melissa has been working at Qantas since 2004, so she is one of the few remaining workers directly employed by Qantas airlines. Anika started more recently, so she earns around \$15,000 less than Melissa and works for 'Qantas Domestic' – a wholly owned subsidiary of Qantas.

The flight was scheduled for 9:45, but was delayed. For the crew, this means extra work.

Melissa and Anika do not have to work more than 12 hours in a shift, and if they choose to they get paid more.

Blair has to work up to 15 hours with no overtime payments.

For Anthony, it depends on which of five workgroups he is assigned to. He may get the Qantas trigger for overtime, he may get the labour hire conditions. It depends on when you started.

The tight turnarounds mean that there are no breaks scheduled. Again, this means different things to different crew members.

Melissa and Anika will get a penalty payment instead of their break.

Blair isn't compensated for missing his break. Anthony might be compensated, again, it depends on which category he is assigned to.

The crew should be supplied a meal as there is no opportunity to leave the aircraft to access catering facilities. But the outsourced catering company did not cater for the crew, so they miss out.

Melissa and Anika will again receive a penalty payment. Anthony and Blair miss out.

When they finally finish work, Melissa and Anika have been paid their normal salary, as well as overtime rates.

Anthony and Blair receive an hourly rate, for Blair, there is no overtime at all. For Anthony, his hourly rate depends on his category. All new employees are being placed into the category without overtime rates.

All four of the crew did the same job on the flight, but because of these legal structures, they were paid very differently. Melissa was paid around \$43 per hour, Anika received only \$29. Even though they should receive a casual loading, Blair received only \$30 – and Anthony will possibly earn the same or if he started on another date, a higher rate.

Let's take a look at QF2 – flying from London to Sydney with a stopover in Singapore.

There are 22 crew members on this Qantas A380. They're all doing the same work, but as you can guess – they're earning different wages.

From London to Singapore, the crew are mainly employed by 'Qantas Cabin Crew UK'. Two of the crew are lucky enough to have been employed directly by Qantas Airlines.

The directly employed Qantas Airlines crew will be paid just under \$56* an hour. Crew employed by the UK Subsidiary will be paid just over \$20 an hour.

Once we get to Singapore, there's a crew change.

For the Singapore to Sydney leg, 9 of the 22 crew members are employed directly by Qantas airlines. 10 are employed by another subsidiary, 'Qantas Cabin Crew Australia'. Two work for Qantas Cabin Crew UK, and the last works for JetConnect NZ – a New Zealand based labour hire firm.

If you're unlucky enough to work for the Australian subsidiary (Qantas Cabin Crew Australia), you'll earn just over half of what the directly employed workers are paid - \$30. The New Zealand labour hire worker will only receive \$24.

* \$56.64/hr (salaried, hourly rate is a nominal rate), additional duties paid at \$30.75/hr.

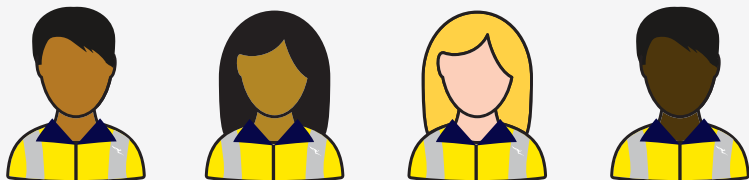
Now let's look at Jetstar – an airline wholly owned by Qantas.

If you're working on a Jetstar International flight, you might be working for one of four different 'employers'.

Australian-based employees receive nearly \$26 per hour. However, this is often less than a third of the crew working a Jetstar international flight.

The remainder could be based in Singapore and being paid \$6 an hour. If they're Bali based, they'll get \$2. For the Thai based crew, this drops to \$2 per hour.

For Jetstar's domestic flights, the directly employed Jetstar crew are paid \$35 per hour. For employees of 'Team Jetstar' – this drops to \$25. Like Qantas, Jetstar flights will also use labour hire, with workers earning award wages, around \$24 per hour.



Qantas Freight Service Operators

At Sydney's Qantas Freight facility there are six different employers each with different pay and conditions despite freight service operators doing the same jobs. Qantas Freight in other states operates its freight service operations with a similar model, mixing Qantas businesses and labour hire to pay workers different pay and conditions for doing exactly the same jobs.

In 2012, Qantas acquired Australian Air Express (AaE). The agreement in place at AaE includes clauses that state labour hire workers must be paid the same rates as directly hired employees, and employees must not be made compulsorily redundant as a result of lower-paid QGS or labour hire workers.



Qantas found a loophole in the labour hire protections in the AaE agreement, by moving the workers into the Qantas Freight facility. In doing so, it was able to introduce its lower-paying subsidiary QGS and labour hire workers on wages comparable to the Award.

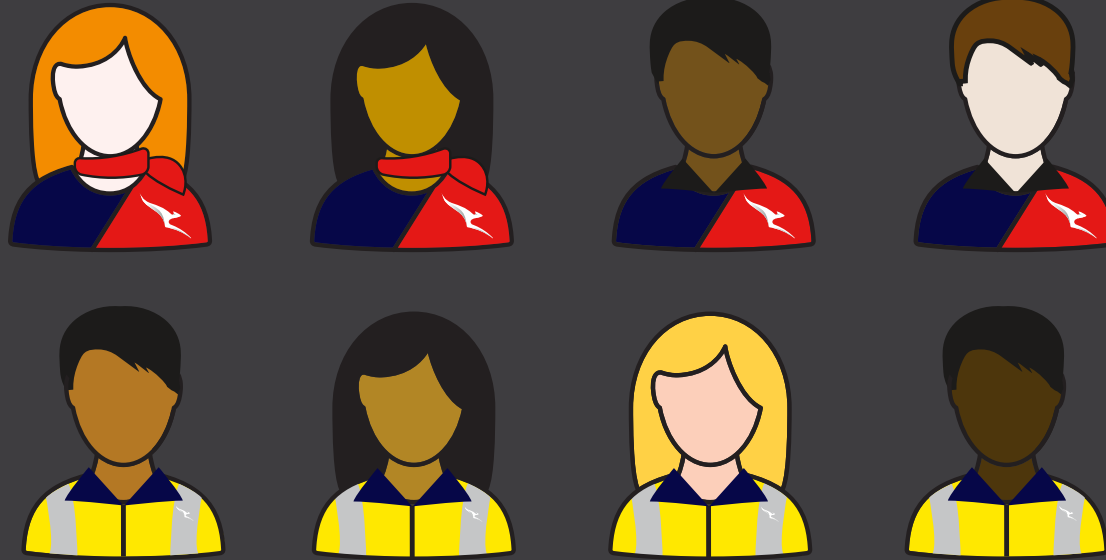
Qantas Freight in Sydney now has workers engaged through 6 different companies.

- » AAE
- » QAL
- » QGS
- » Blue Collar – labour hire (Award)
- » Program – labour hire (Award)
- » Baileys – labour hire (Award)

The below base rates of pay refer to a level 2 ground handling worker, as at 1 September 2018:

AAE	QAL	QGS	Award
\$23	\$21 - \$23	\$21 - \$22	\$20

Where AAE has approximately 95% full-time staff on good pay and conditions, QGS is 95% part-time with lower pay and conditions, and insecure workers at the three labour hire companies paid at basic Award rates and conditions, usually as casuals.



This booklet shows four examples of how workers can be doing the ***exact same work on vastly different wages and conditions.***

Why is it happening?

It's simple.

The current laws allows Qantas to sidestep their obligations to employees and further drive down wages and conditions.

If you want a complete overview of how Qantas "games" the system to drive down flight attendant wages check out the next four pages.

We need to close these loopholes and keep wages moving

QAL LH: \$56.48 p/hr

Predominantly international operations

Direct employees: Permanent

Threatened termination of the agreement during COVID-19; now same as QCCA

No new hires since 2008

QAL SH: \$42.51 p/hr

Predominantly Qantas Domestic operations

Direct employees: Permanent

Benchmark Conditions. The original Short Haul Crew

No new hires since 2008

QCCA \$30.75 p/hr

Qantas Cabin Crew
Australia

(wholly owned subsidiary
of Qantas)

Labor Hire, Permanent

All new hires are employed
under QCCA.

QCCUK \$20.34 p/hr

Qantas Cabin Crew UK

(wholly owned subsidiary
of Qantas)

Permanent

Qantas strategy
replacing Australia crew
with cheaper UK crew,
operating out of UK and
Australia.

JCNZ \$24.37 p/hr

JetConnect NZ

Contractor

Labor Hire, Permanent

Qantas strategy replace
Australian based crew
for Qantas on their
international flights.

A (C) \$30.35 p/hr as casuals rate

Altara

Contractor

Employs Casual and
permanent employees.

QD \$29.20 p/hr

Qantas Domestic (wholly
owned subsidiary of
Qantas)

Labor Hire, Permanent

All Australia-based new
hire employees.

MAM - A \$37.43 p/hr

Maurice Alexander
Management Pty Ltd
(contractor)

Labor Hire, Casual

JETSTAR JQD: \$35.53 p/hr

Jetstar Domestic

Direct employees: Permanent
No new hires

JETSTAR JQI: \$26.39

Jetstar International

Direct employees: Permanent
Denied promotional opportunities as management favours offshore and Team Jetstar Crew for promotions due to costs.
No new hires

MAM - B \$37.43 p/hr

Maurice Alexander Management Pty Ltd (contractor)

Labor Hire, Casual

Employed before 27/10/2010 must nominate a minimum of 11 days but only guaranteed 3 days work.

Employed after 27/10/2010 must nominate 3 days of duty, employed after 27/10/2010 must nominate 6 days per roster.

MAM - C \$37.43 p/hr

Maurice Alexander Management Pty Ltd (contractor)

Labor Hire, Casual

Allocated 19 days (full-time).

MAM - D \$37.43 p/hr

Maurice Alexander Management Pty Ltd (contractor)

Labor Hire, Casual

Allocated 14-19 days of duty and guaranteed 14 days. Allocation dictated by MAM, not employee.

TET \$2.16 p/hr

Tour East Thailand (part-owned subsidiary)

Labour Hire

Various offshore Labour Hire companies providing offshore crew, cross crew or fully replace Australian based crew.

TJ \$25.39 p/hr

Team Jetstar (wholly owned subsidiary of Jetstar)

Labor Hire, Permanent

All new permanent Australian crew are employed in this entity for International and Domestic.

S SDAviasi \$2.93 p/hr

(Indonesia) - Value Air (Singapore merged with Jetstar Asia)

MAM - E Maurice Alexander Management Pty Ltd (contractor) - \$30.35 p/hr

Labor Hire, Casual

Despite being classified as Casual hires, the employment restrictions resemble permanent employment without the benefit annual leave and sick leave.

Company advised up to 6 days of required availability, plus crew must bid either 11, 12 or 13 days as decided by the MAM.

As of March 2023, all new hires employed under MAM E.

Airline / workgroup	Conditions	Same Job, <i>Not</i> Same Pay			
		Qantas Short Haul	Qantas Long Haul	Jetstar	Qantas Link (Regional)
QAL SH - Qantas Airlines Limited Short Haul	Direct employees of Qantas	Direct employees of Qantas Airways Ltd (QAL), benchmark conditions. No one employed into QAL since 2008. No new hires. The original Short Haul Crew.		✓	
QD - Qantas Domestic	Wholly owned subsidiary labour hire	Labour hire – QD wholly owned subsidiary of QF. All Australia based new hires are employed in Qantas Domestic.		✓	
Altara (C)	External labour hire	Labour hire company provides crew to QAL SH, Jetstar and QantasLink. Maximum duty hours depend on the airline and the roster length. Qantas and Jetstar placements are treated as true casuals.		✓	✓
Altara (P)	External labour hire	National Jet Systems (part of QantasLink) are the regional operator who employ crew from Altara. Some of these crew are permanently employed by Altara in the Aircraft Cabin Crew Modern Award 2020. QantasLink is a wholly owned subsidiary of Qantas Airways Ltd operating various regional airlines for the Qantas group.			✓
MAM A - Maurice Alexander Management Pty Ltd	External labour hire	Casual labour hire, QF Domestic. Crew use employment at MAM a potential entry point to Qantas Group.		✓	
MAM B - Maurice Alexander Management Pty Ltd	External labour hire	Casual labour hire, QF Domestic. Crew use employment at MAM a potential entry point to Qantas Group. Despite being classified as Casual hires, the employment restrictions resemble permanent employment without the benefit annual leave and sick leave. Employed before 27/10/2010 must nominate a minimum of 11 days but only guaranteed 3 days work.		✓	
MAM C - Maurice Alexander Management Pty Ltd	External labour hire	Casual labour hire, QF Domestic. Crew use employment at MAM a potential entry point to Qantas Group. Despite being classified as Casual hires, the employment restrictions resemble permanent employment without the benefit annual leave and sick leave. Allocated 19 days (full-time).		✓	
MAM D - Maurice Alexander Management Pty Ltd	External labour hire	Casual labour hire, QF Domestic. Crew use employment at MAM a potential entry point to Qantas Group. Despite being classified as Casual hires, the employment restrictions resemble permanent employment without the benefit annual leave and sick leave. Allocated 14-19 days of duty and guaranteed 14 days. Allocation dictated by MAM, not employee.		✓	
MAM E - Maurice Alexander Management Pty Ltd	External labour hire	Casual labour hire, QF Domestic. Crew use employment at MAM a potential entry point to Qantas Group. Despite being classified as Casual hires, the employment restrictions resemble permanent employment without the benefit annual leave and sick leave. Company advised up to 6 days of required availability, plus crew must bid either 11, 12 or 13 days as decided by the MAM. As of March 2023, all new hires employed under MAM E.		✓	

Airline / workgroup	Conditions	Same Job, <i>Not</i> Same Pay			
		Qantas Short Haul	Qantas Long Haul	Jetstar	Qantas Link (Regional)
QAL LH – Qantas Long Haul International Operations	Direct employees of Qantas		✓		
QCCA – Qantas Cabin Crew Aust	Wholly owned subsidiary labour hire		✓		
JetConnect NZ	External labour hire	✓	✓		
QCCUK - Qantas Cabin Crew UK	Direct offshore employees		✓		
JQD – Jetstar Domestic	Direct employees			✓	
JQI – Jetstar International (Widebody)	Direct employees			✓	
TJ – Team Jetstar	Wholly owned subsidiary labour hire			✓	
Various offshore Labour Hire companies like Tour East Thailand	Partly owned subsidiary labour hire			✓	
NJS - National Jet Systems (QantasLink)	Direct employees				✓
NJOS - National Jet Operations Systems (QantasLink)	Direct employees				✓

IT'S TIME TO

CLOSE THE LOOPHOLES

