

**Submission
Industry Commission Inquiry
Into International Air Services
The Flight Attendants' Association of Australia**

· The Flight Attendants' Association of Australia (FAAA) is an airline industry union. The FAAA resulted from an amalgamation of two unions in 1992 - The Australian Flight Attendants' Association and the Australian International Cabin Crew Association.

· The FAAA represents in excess of 8,858 flight attendants who fly for Australian airlines internationally, domestically and regionally.

· One of the main objectives of the FAAA is to ensure that flight attendants maintain their high level of safety standards thus ensuring that every possible effort is made to keep passengers safe. Flight attendants are responsible for air travellers both around Australia and throughout the world.

· Australia currently enjoys an excellent safety record in the aviation industry. The FAAA believes that any changes to the current arrangements would see this record deteriorated. Increased competition from foreign carriers and a price war in air fare prices could lead to a decrease in aircraft safety.

· The FAAA is concerned that increased competition within the Australian airline industry would result in a drastic reduction in employees which would create a slump in the Australian economy.

· Should further deregulation occur within Australia and foreign airlines are granted open skies, the FAAA is gravely concerned that this will place huge pressures on labour costs and conditions of employment for Australian employees. Especially when these costs are compared to airlines from foreign countries where the cost of living is far cheaper than Australia. Further, and perhaps more importantly where the laws of foreign countries do not provide a fair and equitable system for regulating wages and conditions.

· Deregulation in the United States had a devastating effect on flight attendants and their employment. It also had a devastating effect on the safety of American airlines. The losses due to aircraft accidents in America far outweighed the profits to carriers. This recognises the fact that in order to compete with a greater number of carriers, costs were cut in safety areas. This also brought about the disappearance of a number of well known and established airlines in America.

· American airlines who have managed to survive deregulation, now operate some of the oldest aircraft in the developed world. This would indicate that deregulation has caused airlines within America to concentrate more on discounted air fares. Therefore, the capacity to purchase new aircraft to keep their fleets up to date has become extremely difficult or impossible given the capital outlay required. This in turn creates more safety related problems.

· America, similar to Canada and Europe have seen the merger of a number of airlines. This would appear to be the only way many airlines have been able to survive.

· Australian flight attendants currently benefit from an excellent training programme. Aircrew in Australia are trained to the highest safety standards and this results in an excellent quality in service for passengers. Deregulation in America saw a lower level of training for their flight attendants and a massive reduction in passenger service.

· Operational standards must never be compromised.

· Should Australia become more deregulated due to its geographical location and size, Australian airlines could find themselves with destinations being over serviced and routes currently being operated solely by Australian airlines would result in a slump in passengers. Consequently, routes would be cancelled resulting in a massive reduction in employees throughout Australian capital cities.

· The 1980's saw a huge reduction in numbers of employees in the Australian airline industry when Airlines began sub-contracting their maintenance out to overseas companies. This led to very few young Australians being given the opportunity to achieve apprenticeships within the airline industry. This short term view, quite apart from denying young people with career opportunities, has a devastating effect for the long term interest of the economy and the country as a whole, that it reaches a point where highly specialised skills are no longer available.

· Should further airline deregulation be considered, the FAAA is concerned that Australian airlines will look at further contracting out to reduce their costs which would result in more Australians becoming unemployed.

· Aircraft accidents in the past that have resulted in loss of life to both passengers and crew have sometimes been blamed on contracting out. Contracting out can lead to poor standards of maintenance, cheaper and imitation parts being used in aircraft and subsequently, who is to blame for the accident? Our members have to operate on board the aircraft and we do not want to see them being placed in an unsafe environment within the cabin of their aircraft.

· Increased use of contracting out should not be promoted in the aviation industry.

· Japan Airlines currently employ a large number of their workforce, including flight attendants from Thailand. This is because they only have to pay them one-tenth of the

salary they would need to pay to a Japanese flight attendant. It would not benefit this country to lose jobs to non Australian workers.

- The FAAA is not against competition however when looking at further deregulation of airlines within Australia, the living standards, health, safety and welfare of the Australian community should be taken into consideration. Some industry can afford to cut costs and reduce prices through competition however the airline industry needs regulations to ensure that safety standards of employees and passengers are not jeopardised.

- Australia currently enjoys the reputation of being one of the most technically advanced and operationally safe aviation countries in the world.

- The 1992 merger between Qantas and Australian Airlines saw Qantas being able to not only cover the International market but also the domestic market. Similarly, on a smaller scale, when Ansett moved into the Asian market, this saw the airline industry in Australia gain to date an extra 400 plus flight attendants being employed by Ansett International. The Association believes that the airline industry within this country has restructured itself and continues to do so in an ongoing effort for the industry to grow in a positive way. Further deregulation, in particular at this point in time, when our own industry is going through major development would be counter productive, if not irresponsible.

- Code sharing arrangements, which a number of airlines around the world have entered into has become a way of cost saving and providing increased services. However, passengers need to become more aware as many board aircraft believing they are flying one airline only to find themselves on a completely different carrier which has in the past caused stress and upset amongst passengers. Some passengers would prefer to have the option of paying more to fly on the carrier of their choice.

- Sydney airport currently experiences difficulties in having enough space for arriving aircraft and they find themselves having to circle the skies of Sydney until such time as there is space available. With more airlines having the ability to fly domestically, this would increase the problem dramatically. The government must view this as being a safety hazard with extra aircraft movements. The Government will have to look at upgrading air traffic control, expanding facilities and perhaps even look at removing airport curfews, not to mention the environmental and political difficulties this presents to both State and Federal Governments.

In conclusion, the FAAA urges the Committee to pay due regard to the Association's submission in terms of what can only be described as a difficult task. We would however reiterate that it is incumbent upon the Committee not to make any determination that would compromise the safety and well being of the travelling public and the citizens of this country.

John Walker
Federal Secretary