

Airline companies to face court over alleged breaches of workplace laws

2 April 2012

The Fair Work Ombudsman today commenced legal action against Australian and New Zealand airline companies for allegedly contravening workplace laws.

Facing court are New Zealand entity Jetstar Airways Limited and Australian companies Jetstar Airways Pty Ltd and Jetstar Group Pty Ltd.

Jetstar Airways Limited allegedly breached workplace laws when it engaged trainee pilots on New Zealand individual contracts, when it was foreseeable the work they were to perform was predominantly in Australia.

Documents lodged in the Federal Court reveal that six pilots were recruited between October, 2010 and January, 2011 and given six months training in Australia under the "Jetstar Cadet Program".

According to the Fair Work Ombudsman, Jetstar representatives erroneously told the trainees that their employment was governed by New Zealand laws, not Australian laws, during the training period - and engaged them on NZ individual employment contracts.

The work performed by the pilots was exclusively in Australia and the Fair Work Ombudsman alleges the pilots were actually covered by the Australian Air Pilots Award 2010.

Court papers allege that after the six employees completed the training, Jetstar sought to have them re-pay the cost of their training, despite this being prohibited under the Air Pilots Award.

The cadet pilots allegedly reimbursed Jetstar a total of \$17,500 between June and September 2011 before the practice was ceased and the money was returned to them in November 2011. It is further alleged Jetstar did not pay superannuation during the training period.

"Multi-national companies with wholly or partly-owned overseas enterprises need to exercise caution and care if they engage workers under those entities and then have them work in Australia," Fair Work Ombudsman Nicholas Wilson said.

"To do so can expose the companies to potential penalties and liabilities, particularly if those arrangements persist for a period of time and the terms and conditions their employees are engaged under are less than provided for by Australian law."

The Fair Work Ombudsman is alleging multiple breaches and is seeking penalties. Each company faces a maximum fine of \$33,000 per breach.

The case is listed for directions in the Federal Court in Sydney at 9.30 am on April 27.

Mr Wilson said Fair Work inspectors were continuing to investigate allegations raised with the Fair Work Ombudsman that Jetstar Airways Pty Ltd was involved in the underpayment of foreign cabin crew working on its Australian domestic flights.

Employers and workers seeking advice or assistance can visit the Fair Work Ombudsman's website at www.fairwork.gov.au or call the Infoline on 13 13 94.

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Contact us

Fair Work Online: www.fairwork.gov.au

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