

Jetstar fined over breaches of workplace laws

6 February 2014

Two Jetstar companies have today been fined a total of \$90,000 for unlawfully making six cadet pilots responsible for training costs and making deductions from their wages, despite receiving advice the deductions contravened workplace laws.

Jetstar Group Pty Ltd and Jetstar Airways Pty Ltd have each been fined \$45,000 in the Federal Court in Sydney after admitting they breached the Fair Work Act.

The penalties are the result of legal action by the Fair Work Ombudsman.

The six pilots were recruited between October, 2010 and January, 2011 and were employed on New Zealand individual contracts through a New Zealand-based Jetstar subsidiary while they underwent six months of training.

At the conclusion of the training, the cadet pilots' employment was transferred to Australian entity Jetstar Group.

Justice Robert Buchanan found that Jetstar continued to pursue plans to recover training costs from the cadet pilots despite advice that this was unlawful under Australia's Air Pilots Award 2010.

Jetstar deducted a total of \$17,500 from the cadet pilots' wages between June and September 2011 before the practice was ceased and the money was returned to them in November 2011, following a legal challenge by the Australian Federation of Air Pilots (AFAP).

Deductions were made from all six pilots' wages, including one pilot who had refused to agree to the deductions.

Justice Buchanan said that there was a lack of evidence of contrition or remorse from Jetstar.

"The respondents used their vastly superior bargaining power to effectively brush aside any personal resistance by cadet pilots, not desisting until the AFAP stepped in," Justice Buchanan said.

"The conduct of Jetstar Group and Jetstar Airways was calculated solely by reference to their assessment of their own commercial interests and their determination that the cadet pilots should be ultimately responsible for the cost of their training.

Justice Buchanan said the companies "undertook their contravening conduct notwithstanding advice (the substance of which is now accepted) that what they were proposing to do, and did do, was contrary to the Award and the Fair Work Act."

Imposing penalties at 68 per cent of the available maximum, Justice Buchanan said, "I think it is appropriate to mark the Court's disapproval of what was done".

"A penalty should be fixed, if possible, with a view to ensuring that the risk of punishment is not seen as an acceptable cost of doing business."

The Fair Work Ombudsman's separate legal proceedings against Jetstar Airways Pty Ltd, as well as Singapore company Valuair Limited and Thai company Tour East (T.E.T.) Limited are ongoing.

In these proceedings the Fair Work Ombudsman alleges that cabin crew employed by Valuair and Tour East (T.E.T.) to work on domestic flights for Jetstar were subject to Australian workplace laws.

These allegations are being contested by Valuair, Tour East (T.E.T.) and Jetstar Airways. A hearing is scheduled for April 7 in the Federal Court in Sydney.

Employers and employees seeking assistance should visit www.fairwork.gov.au or contact the Fair Work Infoline on 13 13 94. A free interpreter service is available by calling 13 14 50.

The Fair Work Ombudsman's website contains a range of tools and resources, including PayCheck Plus and an Award Finder, to assist employers calculate the correct wages and entitlements for employees.

Other website resources include fact sheets, templates for time-and-wages sheets and a range of Best Practice Guides.

An "Industries" section on the website provides extra, specialised information for employers and employees in a range of industries, including retail, horticulture, road transport, accommodation and hospitality, cleaning, clerical, vehicle, electrical, fast food, building

and construction, hair and beauty, joinery, metal manufacturing, social and community services, plumbing and security.

Dedicated website resources for small businesses, including a Fair Work Handbook and tips for new employers about hiring staff, are available at www.fairwork.gov.au/smallbusiness (www.fairwork.gov.au/find-help-for/small-business/default)

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Fair Work Online: www.fairwork.gov.au

Fair Work Infoline: 13 13 94

Need language help?

Contact the Translating and Interpreting Service (TIS) on 13 14 50

Hearing & speech assistance

Call through the National Relay Service (NRS):

For TTY: 13 36 77. Ask for the Fair Work Infoline 13 13 94

Speak & Listen: 1300 555 727. Ask for the Fair Work Infoline 13 13 94

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