

# Aviation

Unifor 2018 Lobby Document



Canada's airports operate under a non-share, not-for-profit business model and have done so since 1992. It is Unifor's view that this model has worked relatively well. Not only must the non-share, not-for-profit model be maintained, but it should be strengthened for the future.

The federal government needs to take action to keep airports public.

## What's the issue?

It has been well documented that airport workers are increasingly facing low-wage and insecure work<sup>1</sup>. What is perhaps less well-known or understood is the connection between precarious employment and airport safety and security.

Today, Canada's airports are facing increased potential for security breaches and workplace accidents. Airport workers have faced significant erosion in the quality of their employment. This decrease in quality has led to high turnover and workers taking multiple jobs and extended shifts in order to make ends meet. **In some cases, turnover has become so high that new employees are being trained by workers with less than one year tenure on the job.**

<sup>1</sup> Airports United, *Record Profits for Airlines; Airport Workers under Pressure*, May 2016.



The current mode of operation at airport authorities continues to impact public and worker interests by driving up the costs of services at the airport including parking and airport improvement fees, exerting additional downward pressure on wages and working conditions. This is not a result that serves travelers or workers well.

## How can we solve this?

It was recently reported in the *Globe and Mail* that the federal government is shelving its in-depth study of airport privatization and has made a decision to maintain public ownership of Canada's airports across the country. This is welcome news and we look forward to an official announcement on the issue.

In addition to full on privatization, the Canada Transportation Act Review (also known as the Emerson Report) recommended phasing out airport rent (Chapter 9, recommendation 3). This too would be folly.

### Keep public assets in public hands

**The C.D. Howe Institute recently reported Canada's airport authorities pay approximately \$305 million a year in land rental charges.**

This revenue directly funds the public services and infrastructure Canadians rely on every day.

# Aviation

Eliminating rent at Canada's airports does nothing to ensure Canada receives revenue from its ownership of public infrastructure. Part of the problem has been that airports are unable to attain sufficient capital funding as a result of lease agreements that are coming closer to an end. Unifor has and continues to recommend those lease agreements be extended in order to improve access to capital funding.

## Implement a new public interest mandate for airports

In addition to our opposition to privatizing Canada's airports, Unifor proposes a number of recommendations to improve employment quality at airports and positively impact safety and security.

In 1999, in response to a decrease in employment quality for workers and service quality for customers, the San Francisco International Airport implemented a Quality Standards Program (QSP) "designed to improve safety and security at the Airport <sup>2</sup>." The QSP went beyond looking at labour as an entry in an accounting ledger and to looking at the airport as a complex system where safety and security are the result of a well-trained, well-rested, securely employed workforce.

As this example illustrates, the increased vulnerability of the aviation industry to accidents and security breaches, due to precarious and insecure work, can and must be rectified.

<sup>2</sup> Michael Reich, Peter Hall, and Ken Jacobs, *Living Wages and Economic Performance: The San Francisco Airport Model*, Institute of Industrial Relations, University of California, Berkeley, March 2003.

## Recommendations

Unifor has several recommendations to maintain airport governance and improve safety and security at airports. They include:

- U Announcing the privately stated intention to maintaining the current non-share, not for profit model of airport governance;
- U Maintaining the current ownership structure of airport land and extending lease agreements where appropriate while maintaining rental revenue;
- U Designating all services at the airport as protected under Section 47.3 of the Canada Labour Code. Currently this section provides protection for compensation levels when contracts are put out for tender in pre-board security screening services, and any other service that the Minister chooses to designate;
- U Granting successorship rights to subcontracting, contract tendering and franchise agreements. This will help ensure modest job quality gains made in a collective bargaining agreement are maintained in a new service provider relationship;
- U Mandating airport authorities lift the employment floor for all airport workers. This includes implementation of a \$15 an hour minimum wage and additional protections and benefits such as, but not limited to, paid sick days, full-time, permanent employment opportunities and fair scheduling; and
- U Limiting the number of companies permitted to conduct ground handling services at a particular airport. This aims to encourage competition based on quality and safety of service instead of low wages and poor working conditions.