
dnata denounces exclusion from Australian aid

By **Rick Lundstrom** on May, 13 2020 | Catering



dnata opened its catering unit in Canberra in January 2019

Thousands of employees from dnata in Australia whose jobs were affected by the COVID-19 outbreak would not get a share of wage subsidies under a recent decision by the Australian government to exclude foreign-owned companies from eligibility.

The move prompted the Dubai-based dnata to issue a statement condemning the move to exclude the company from Australia's JobKeeper program.

"We are surprised and disappointed by the Government's decision to retrospectively amend the JobKeeper legislation," said a statement from dnata. "This change, at short notice and backdated to 30 March, excludes dnata, an employer of 6,000 Australians, from the JobKeeper scheme.

"The Australian Taxation Office previously confirmed that dnata qualifies for the JobKeeper scheme and is eligible to claim and receive wage subsidy on employees' behalf. dnata enrolled for the scheme and implemented plans for the retention and payment of our Australian employees on this basis. The application of the scheme was critical to the company's Australian employees, as it meant that we could reinstate previously stood down workers, and keep the rest of the workforce employed."

dnata said the exclusion puts more than 4,500 jobs at risk. The company added it is also reviewing the medium- and long-term viability of its various Australian businesses including catering, cargo,

ground handling, retail and hospitality.

The company provides services for 46 airlines. Before the COVID-19 outbreak, dnata handled 300,000 tons of cargo, worked with 7 million passengers and uplifted 64 million inflight meals, working from nine Australian airports.

“Operating in Australia since 2007 and employing workers in every state and territory, dnata has strong and longstanding ties to Australia and a significant national footprint of investment, employment and tourism,” said the statement. “As an Australian resident company, dnata pays corporate, employee and social taxes and various other contributions to the Government in Australia. Over the past 13 years, dnata has invested AUD300 million in people, infrastructure and technologies in Australia. This investment has included the \$150 million acquisition of Qantas’ catering businesses in 2018 and the opening of a \$6.5 million catering facility in Canberra in 2019.

“The impact of the COVID-19 outbreak on dnata has been significant, with most of our airline customers dramatically reducing flights or ceasing services altogether. We are committed to retaining our Australian employees and continuing to make a substantial contribution to Australia’s trade, investment and tourism flows. To do this though, we need the Government’s support. Although unintended, the amendment to the JobKeeper legislation will create an uneven playing field in the airport handling and catering sectors as none of our competitors have been excluded from the scheme. We are not asking for anything more than our competitors will also be receiving through the JobKeeper scheme.

“The unintended consequence of the JobKeeper amendment is a loophole whereby thousands of Australian employees are not eligible for wage subsidies while stood down. We urge the Government to reconsider the amendment of the JobKeeper legislation, enabling us to retain our employees and reinstate services when domestic and international travel resume. Our services are critical to maintain the aviation supply chain and the flow of essential goods, and ensure safe operations of domestic and international flights.

“We are working closely with unions and other partners to provide all possible support to affected employees in this situation.”