

Submission 97 – Transport Workers’ Union of Australia

Infrastructure planning guidelines for drone delivery services



**Submission by Transport Workers' Union of Australia
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About the Transport Workers' Union of Australia (TWU)

The Transport Workers' Union of Australia (TWU) represents 70,000 transport workers, including gig/on demand workers, oil, waste management, gas, road freight transport, passenger vehicles and freight logistics industries. In aviation, the TWU represents all workers in the industry, including in ground handling, fleet presentation, airline catering, guest services, security screeners, refuellers, cabin crew, pilots and drone operators/pilots.

With over one hundred years' experience in conducting Australia's passenger and freight task, the TWU has been proactive in establishing industry standards that improve the lives and safety of transport workers, their families, and the community. This work has included a long history of establishing innovative regulatory systems which have, among many things, helped to ensure that all transport workers regardless of their classification have access to fair rights and entitlements.

Introduction

The TWU welcomes the opportunity to make a submission to the Department of Infrastructure and Transport on *Infrastructure planning guidelines for drone delivery services*.

Though current guidelines with regards to drone delivery services focus on the aviation space, this is an area where road transport and aviation sectors intersect. Many road transport and logistics companies are already using or exploring the use of drone technology. Despite this most granular crossover point between two of Australia's most essential industries, there is a significant regulatory gap in handling this unique transport work. The TWU recommends that there must be a coherent regulatory body for standards to be established which link different sectors together to seal any loopholes that may be used to exploit or endanger workers and the public.

First and foremost, any regulatory model must prioritise safe, secure jobs.

The TWU submits that there is a narrow window to ensure the nation does not fall into the same crisis brought on by the onslaught of the gig economy which, under the cover of innovative technology, destroyed good, secure transport jobs and killed eleven food delivery riders.

To ensure laws keep pace with the market, we need a standard-setting body that is robust, agile and equipped to hold all supply chain participants to account, particularly the owners of goods at the top of supply chains who hold the economic power over the distribution and delivery of those goods.

We will outline examples within the aviation industry that highlight CASA's regulatory shortcomings when it comes to setting or enforcing standards in supply chain, including in Swissport ground handling, and cabin crew and pilot fatigue issues.

In both aviation and the transport gig economy, the lawful parameters that set safe, fair and sustainable standards have fallen dangerously behind. The result has been chaos at airports with the sector still struggling to recover, a serious deterioration in safety standards and failure to attract and retain skilled aviation workers above and below the wing. In the gig economy it has created a whole new underclass of workers allowed to operate outside the protections afforded by the industrial relations system. Infrastructure planning must take into consideration the impact on the potential workforce, systems of work and associated safety implications.

In addition to ensuring the regulatory framework gives due attention to the impact on the road transport sector and existing regulations, the TWU is calling for a Safe and Secure Skies Commission to rebalance aviation to an industry of good, stable jobs and service standards. Drone delivery rules must work hand in hand with those bodies that set safe, fair and sustainable standards in the directly linked industries.

Finally, workers and their representatives must have a seat at the table and be consulted in all aspects of developing safe standards, including any risk assessments and any decisions made that will ultimately impact their work.

The risk to transport jobs

The TWU welcomes the consultation on drafting guidelines for the infrastructure planning around commercial drones. The explosion of the gig economy has demonstrated the need for robust systems in place to deal with the potential impact on the current workforce, both in aviation and in the road transport sector. We go into more depth on regulatory and safety needs within this submission.

Gig economy case study

As the gig economy exploded in Australia without proper regulation preceding it, a severe deterioration in standards meant risks to good, secure transport jobs, as companies exploited loopholes in our labour laws.

Amazon Flex entered Australia in 2020, adding courier work to the gig-style model that had previously been contained to rideshare and food delivery services. The expansion into traditional freight, but devoid of the employment protections that other couriers received,

meant that Amazon Flex was essentially able to undercut traditional transport companies through unfair competition. The extent of Amazon Flex's impact on traditional freight was revealed when FedEx was forced to introduce its own exploitative gig-style model for courier drivers.

The need for safe, fair and sustainable standards is also highlighted by the exit of two prominent food delivery gig companies, Foodora (in 2018) and Deliveroo (in 2022). The abrupt departure of both companies from the Australian market had significant ramifications both for customers and for workers, who were left in the case of Deliveroo with an instantaneous loss of income. In 2022, "innovative" new grocery delivery start-ups Voly, Quicko and Send also collapsed¹.

The TWU submits that the technology of drone delivery services more generally is under-developed, and premature adoption at a large scale presents a similar risk to jobs as the departure of Foodora, Deliveroo, and other fledgling enterprises. The proposed "urban low-altitude logistics network," involving drones, ground handling equipment and an air management system, has a high initial investment cost due to the immature application of drone technology in the logistics industry. From vulnerabilities to the weather, high procurements costs, issues with payload and battery life, as well as privacy and theft risks, the volatility of the sector necessitates an approach that will protect workers.

Given these issues, it's essential that for the development of infrastructure in the drone delivery services space, there must be consideration of training and skills necessary for a just transition for the workforce, and proper regulatory backing to ensure fairness for customers and workers.

This is applicable not just for aviation, but for road transport, which will intersect heavily with drone delivery services. With the examples of the trials already underway, "last-mile delivery" will be the predominant use of drones in this space. This presents not just a threat to courier jobs, but in many ways will work alongside them, with drivers needed to deploy drones from strategic locations in more dense areas. The development of training and skills is essential in managing this transition, and consultation with workers – as well as standards to be set and enforced - must be a crucial element of it if we are to seal off any loopholes that companies may exploit as this industry develops.

¹ <https://www.9news.com.au/national/grocery-delivery-service-voly-announces-its-closure-in-australia/d2381a04-8e2d-4d86-b81c-008d55ac0436#:~:text=Voly%20is%20the%20latest%20lockdown,Send%20and%20Quicko%20also%20collapse d.&text=Milkrun%20has%20also%20reportedly%20%E2%BB%BF,its%20shock%20departure%20from%20Australia.>

The risk to safety

So far in Australia, drone delivery services have mostly been operated in sparsely-populated areas, as is the case with trials in Logan and outer Canberra. The difficulty of safely operating delivery drones in dense suburbs has been documented previously². Even in these areas, however, safety concerns have emerged that call into question the potential risks were trials of drone delivery services to become more widespread. In September 2022, a drone crash on electricity lines in Logan left thousands without power³, with CASA declining to investigate.

There has been little to no focus, however, on the safety implications for workers, whether drone operators themselves or other aviation and road transport workers. As previously discussed, the advent of the gig economy without proper regulatory consideration has led to severe impacts on both workers and the broader public – the two go hand in hand.

Swissport case study

Swissport, an international ground handling company that is now contracted by all major airlines to operate around the country, operates a low-cost model to win work from competitors.

Swissport is a hostile company to unions and its workforce, known for its intimidation tactics to keep wages and conditions low, a poor safety record, deliberate understaffing of rosters, evasion of overtime and penalty rates, and a high turnover of staff.

These conditions meant many Swissport workers have struggled with daily life, unable to earn enough money and continually desperate to pick up extra hours.

In 2017, an exposé by the media⁴ revealed low paid Swissport workers were sleeping at the airports between split shifts, often at the airport for 12 hours but paid for only six.

When Qantas outsourced its ground handling services, Swissport picked up the majority of the work. A dossier⁵ of serious safety incidents compiled by the TWU from staff memos sent to workers by Swissport revealed the company's appalling lack of enforced safety protocols and training, and shocking safety culture.

² <https://theconversation.com/drone-delivery-is-a-thing-now-but-how-feasible-is-having-it-everywhere-and-would-we-even-want-it-193301>

³ https://www.couriermail.com.au/subscribe/news/1/?sourceCode=CMWEB_WRE170_a_GGL&dest=https%3A%2F%2Fwww.couriermail.com.au%2Fquestnews%2Flogan%2Fwing-drone-crashes-into-powerline-leaving-thousands-in-logan-without-electricity%2Fnews-story%2F575cedf08e07572c029c6866a5294f49&memtype=anonymous&mode=premium&v21=dynamic-high-control-score&V21spcbehaviour=append

⁴ <https://www.smh.com.au/business/workplace/wages-agreement-terminated-for-airport-workers-who-slept-at-terminal-between-shifts-20190806-p52egw.html>

⁵ <https://www.twu.com.au/wp-content/uploads/2022/09/Swissport-infographic-3.pdf>

Between January and August, the dossier revealed numerous incidents at Sydney airport, including:

- Firearms unloaded onto arrivals baggage carousels
- Dangerous goods loaded without the pilots' knowledge
- Passenger stairs removed while doors were open
- Cargo doors left open
- Vehicle collisions with refueling hoses
- Vehicle collisions and speeding causing equipment damage
- Workers continuing to work while injured
- Weight imbalances

Several of the memos acknowledge understaffing as a safety issue. One memo says: *“The business is acutely aware that our human resource levels are simply not at a sustainable level to meet the ongoing demand from the airlines.”*

Media also revealed that the working conditions had compromised safety with high injury rates among workers⁶. Failures at Swissport on security and safety were also exposed⁷.

Incidents such as vehicle collisions have also damaged equipment and aircraft at other contractors like Dnata and Menzies. Dnata workers were told in a memo they were not to use the term ‘under the pump’ to explain safety incidents.

Ultimately, Qantas as the top of the supply chain must have accountability for pressures on the workforce at Swissport, as one of its contracted companies. CASA, however, does not have the ability to either examine entire supply chains or enforce accountability, and this role is essential in the development a fair, safe and sustainable industry.

Regulatory considerations

With similar safety implications for drone delivery services as in aviation, both for workers and for the broader public, it is essential that there be a robust regulatory backing to avoid similar issues. When it comes to land use, for example, there must be assurance that drones will not have an impact on air space or airports – already with the example of the crash into power lines in Logan, we’ve seen the potential for serious safety incidents.

The TWU acknowledges the work of the Department on drone technology and notes the commitment from the Federal government to fund emerging aviation technologies through the ETAP program. As the technology develops, there are economic and environmental benefits to using drones. However, there are also a number of issues relating to safety, privacy and risks that need to be resolved. The TWU is concerned that the Department has supposedly been researching and consulting on these issues over the last few years but has

⁶ <https://www.abc.net.au/7.30/airport-workers-speak-out-about-poor-work/8371230>

⁷ <https://www.smh.com.au/national/workers-point-to-security-flaws-at-canberra-and-perth-airports-20170803-gxousf.html>

completely by-passed unions. The lack of consultation with unions on the impact of drones on labour standards, jobs and the aviation and road transport supply chains has been disappointing. It is also concerning that taxpayer money is being used to fund projects with no labour standards in place. We note that there is not one worker or union representative on the National Emerging Aviation Technologies (NEAT) Consultative Committee.

The approach to regulation of drone delivery services should be holistic and consistent between national and state laws. It must be agile and robust enough to ensure that technological advancements do not come at the expense of safety and job security. As we have seen in the gig economy, 'new technology' has been allowed to circumvent even the bare minimum of employment and safety standards because it was introduced without consideration of the impact on jobs and workers or consultation with unions.

The TWU believes that it is insufficient for regulation around safety to be limited to a CASA approval process. This process fails to ensure ongoing safety and supply chain accountability. The TWU's experience with our pilots and cabin crew members managing fatigue has shown that CASA has limited oversight working with airlines/aviation companies to develop guidelines to ensure compliance with regulatory frameworks. There is no real enforcement or audits to ensure compliance across all stakeholders in the supply chain. More importantly, it is not in CASA's remit to examine links between their employment conditions and possible incentives to fly while fatigued or report fatigue matters.

We note that two drone licenses' have already been issued to Google's Wing Aviation and Swoop Aero. Amazon has pledged to deliver 500 million packages each year by drone from 2030. There are some large, well-resourced players in this sector who may wear their 'disrupter' label as a badge of honour but have wreaked havoc on their workforce. For example, Amazon is a company that has continually flouted laws, undermined fair competition in the market by using 'traditional' transport operators to gain an understanding of the local market and logistics operations before setting up their own operation to undercut the same operators that used to provide services to Amazon and in doing so, undermine the whole labour market with the use of sham and non-standard contracting arrangements, insecure work and effectively limiting workers ability to collectively bargain.⁸

The TWU urges the government to ensure that the infrastructure planning is not limited to simple considerations around the use of land and narrow safety requirements around the technology. The employment, safety and rights of drone operators must be an integral part of any regulatory guidelines and reforms. Safe secure jobs in aviation and road transport must be prioritised and standards must be set and enforced which bridge the gap between

⁸ See TWU's submission to the Senate Select Committee on Job Insecurity inquiry for further information on Amazon and Amazon Flex's actions <<https://www.aph.gov.au/DocumentStore.ashx?id=c7b25fe4-97ca-4c5d-a5f0-8edaf761206f&subId=706183>>

the two sectors and close off any loopholes. Finally, consultation with workers and their representatives is essential *before* decisions and changes are made.

For these reasons, the TWU calls for a Safe and Secure Skies Commission and a Road Transport body to set and enforce standards for all parties in the supply chain. The road transport body must:

- Establish and maintain appropriate and enforceable standards in relation to both traditional transport operations and on-demand delivery and rideshare platform work;
- Promote best practice supply and contract chain industry standards;
- Effectively and efficiently resolve disputes;
- Ensure transport workers can access and contribute to an effective collective voice;
- Convene as necessary specialist advisory groups drawn from the industry to provide advice and recommendations; and
- Provide appropriate enforcement to ensure standards and objectives are met.

The Safe and Secure Skies Commission will:

- Make binding and enforceable orders to ensure that there are appropriate standards (including safety) for all participants in the aviation supply chain which will ensure that competition is underpinned by a level playing field aimed at creating jobs and a sustainable and viable aviation industry;
- Recognise the lack of bargaining power across the aviation workforce and their supply chain and in doing so provide for enforceable terms and conditions for all aviation workers based on the principle of ‘same job, same pay’ that maximises secure and direct hire jobs and ensures that any tenders do not undercut existing terms and conditions of workers;
- Resolve any dispute on a single or industry basis within the supply chain to, including where there may be an abuse of market power that impact on labour standards;
- Make any orders on any supply chain participant/s necessary to fulfil the aims of the SSSC – such as a safe, sustainable and fair industry; and
- Inquire and make recommendations to Government with regards to any issues facing the industry including the use of significant Government purchasing power through procurement policy.

Conclusion

With the potential for drone delivery services to impact significantly on both the road transport and aviation sectors, there is a need for a strong regulatory model that prioritises safe, secure jobs to avoid the deadly model brought on by the unregulated gig economy. This must be coupled with consultation with workers and representatives in developing safe standards within this sector.