

**E-MAILED**

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## ❖ NOTICE ❖

**TO: ALL QANTAS ALAEA MEMBERS**

**RE: EBA VIII UPDATE**

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As our previous notice stated the A.L.A.E.A. EBA VIII negotiating team were to attend a number of meetings with QANTAS on the 17<sup>th</sup> of January, 24<sup>th</sup> of January and 31<sup>st</sup> January 2007 in an effort to finalise an in-principle agreement with the company for the LAME's EBA. Due to the Sydney Heavy Maintenance Commission hearing last week the meeting scheduled for the 31<sup>st</sup> was postponed until 8th February 2006.

Effectively, the team has been negotiating in a "vacuum". The company has pushed its agenda relentlessly however they have not revealed the remuneration package that may accompany the acceptance of any of the relevant claims. Without being able to assess the weight or value a particular new provision may carry the ALAEA team has been placed in an awkward position in interpreting what would be acceptable in principle to members. It appears as if Qantas IR team is reluctant to approach their senior management to put the dollars on the table and discuss remuneration until an in principle agreement is reached. The ALAEA team is questioning if QF is negotiating in good faith and a proper manner which is fair and equitable to both parties.

Despite the situation the ALAEA EBA VIII negotiating team has continued to negotiate in "good faith" not being distracted by the Qantas filibustering from achieving our goals. The following is a brief summary of our current position and update on the status of negotiations. As expressed to us by Qantas an agreement would be expedited upon the acceptance of the QF agenda so we will begin there:

### **1. FLEXIBLE WORKING ARRANGEMENTS**

- a) **part time**
- b) **fixed term and**
- c) **casual employees**

Qantas would like to remove restrictions on all three categories. Part time involves the removal of quotas from all ports "carte blanche" and the reduction of minimum weekly hours from 20 to 15.6hrs. Fixed term involves, broadening the utilisation to include Line Maintenance, extending the scope to "address licence and staffing shortfalls: and other peak workloads" and lengthening the term of engagement from 12 to 36 months.

Casual employees, involves a broadening of the utilisation also to Line Maintenance. Initially Qantas claimed a reduction in the award casuals all purpose loading allowance to 20% but recently conceded it should be 25% as per the unions EBAs.

The ALAEA is concerned these provisions may undermine full time employees employment and job security and through attrition whether it be compulsory or voluntary effectively replace the majority of its workforce with non-permanent employees. In principle the ALAEA was not opposed to a clause that would provide extra labour for short or fixed term periods and sought mechanisms to put safety nets in place to protect fulltime employees. After the 8<sup>th</sup> February meeting it would appear that only determining the appropriate words are between us and an effort will be made this week to overcome the differences.

## **2. HOURS OF WORK**

Fundamentally Qantas desire to inject words into the agreement under the "HOURS OF DUTY" clause to the effect of "Employees will not unreasonably withhold agreement" with regards to extended hour rosters and roster changes. This can be interpreted as meaning QF has the option to post extended hour rosters with the same mechanism as an 8hr roster.

The ALAEA is strongly opposed to this provision. Extended hour rosters are not reflective of community standards and although may look desirable on paper have significant effects on members family lives and people's ability to manage their future. The current provisions in the award and EBA IV we feel are sufficiently flexible have stood the test of time and are more reflective of an acceptable arrangement with regards to implementation of extended hour rosters. Alternatively the ALAEA offered the insertion of the ACTU test case for "hours of work" or our current award provisions.

## **3. TIME BANKING CLAUSES**

For Heavy Maintenance other than Avalon QF wish to insert an RDO bank clause where half of an employees RDOs accumulated into a bank for the company to stand down employees during troughs in workload in the maintenance line. Similarly to Forstaff Avalon as employees don't accrue a RDO QF wish to insert a Compulsory Overtime Bank to apply in conjunction with the Voluntary Overtime Bank to stand down employees during troughs in the maintenance line workload.

The ALAEA through consultation over the past few months with affected employees has endeavoured in "good faith" to develop a reasonable application of these clauses that is acceptable and fair across all Heavy Maintenance lines. Attempting to accommodate the company's proposal has caused no end of confusion and angst. As a solution the ALAEA presented a proposal that uses a certain number of DIL, PH's and/or RDO's in a flexitime bank for stand down or draw down by employees . This ensures an even application across all Heavy Maintenance operations which actually give the company more flexibility than requested in their claim but upon implementation will be less complex which is beneficial for all.

The finer points are under negotiation and the ALAEA awaits the company response to the concept.

## **4. GRADED WAGES STRUCTURE**

Qantas propose a mechanism to restrict escalation through the GWS (provisions to allow for the grandfathering/absorption of redundant licences).

In the 1997 pay agreement the ALAEA and its members made hefty concessions to allow its introduction. The legacy of the translation still causes problems today. The pay structure already has restrictions placed upon it by means of quotas on upper grades and limitations on translation through upper grades. It is a claim from the ALAEA to remove those restrictions.

The ALAEA made it clear that no tampering of the GWS would be tolerated unless all restrictions are removed from the GWS including translation and quota restrictions and if the training points value of the proposed future aircraft be determined during these negotiations.

With the companies reluctance to implement or even discuss the feasibility of an aggregate wage our position is clear on any changes to the GWS.

#### **5. PERFORMANCE MANAGEMENT**

Requests current restrictions on Staff Development from the LAME Pay Agreement are removed to allow for performance management of all employees as per Qantas policy. Specifically, delete clause 9 and Attachment 1 of the 1997 Pay Agreement and have open slather on Qantas policy.

The ALAEA's position on this request is that QF doesn't even implement what they have so why under times of such commercial pressure would we want to endorse a policy that puts another cost into the business. Secondly, considering the current environment the ALAEA is concerned about the sensitivity of the information that the appraisals may contain and how it may be manipulated and used by management in the future.

As all LAME's conduct themselves in a professional and diligent manner at all times the ALAEA would consider accepting the company's claim if the overall remuneration package of this agreement was sufficient.

#### **6. DISPUTE SETTLEMENT PROCEDURE**

Qantas proposed a pre-conceived DSP as they are of the opinion that the current DSP is prohibited under the new legislation. The position of the company is that this is not negotiable and they will walk away from the table if we don't accept it entirely in its current format.

The ALAEA feels the DSP which effectively defines the procedure and sets up the powers of the AIRC, significantly diminishes the AIRC's jurisdiction and power to arbitrate on any matters that may arise. The ALAEA proposed some minor changes to the draft which does not take away any of the companies claims but allows the Commission to operate within the scope intended by our current disputes procedure and the Workplace Relations Act 1996.

Qantas is still defiant and refuses to negotiate on this clause which begs the question as to why they want to neutralise the Commission's powers?

#### **7. PROVISIONS FOR TRAINING/TRAVELLING ARRANGEMENTS**

Effectively, this clause invokes single time rates for training and travelling, mandatory travelling home on weekends and payment for reasonable actuals only.

The ALAEA responded thoroughly explaining no desire to entertain this clause. Firstly QF have expressed in the past that licence training is considered a promotion, staff should not be penalised financially for undertaking training. Secondly, mandatory travelling home on weekends could prevent the company being able to sell those seats commercially that would be occupied by employees travelling home on weekends in a mandatory role possibly incurring a greater cost on the business. Thirdly, allowances have been previously developed and agreed as fair compensation to meet the needs of incidentals and obtaining meals in particular locations.

#### **8. HEAVY MAINTENANCE**

During times of fluctuating work loads QF intends to insert provisions to have a pool of pre-approved rosters which can be implemented with minimum notice periods to meet the desired burn rates for particular lines of maintenance (all facilities). Also they request provisions to allow cross utilisation of employees between MEL and AVV.

It is difficult to even begin to explain the complexities of reaching an agreement on these provisions, not only must the ALAEA members work towards a solution QF have requested the other unions break their EBA to allow these provisions to be installed and demanded the provisions be uniform across all three groups.

Members have stepped up above and beyond in an attempt to make this work on the assumption that Qantas is genuine in its representation that the CEO is offering an "over arching" guarantee to keep current Heavy Maintenance in Australia at the existing facilities and give a commitment to bring A330 maintenance onshore to the Brisbane facility (in-house for good).

The Heavy Maintenance staff are to be commended on their willingness to co operate and assist in facilitation of the process. Despite the achievements, the final hurdles required to overcome from the ALAEA point of view are minor and basic in principle rights which are centred on the company's ability to facilitate the process fairly and ensure payroll has the ability to manage it.

However, in today's meeting the company expressed that these minor issues may be a little hard for them to compromise on. Industrial relations consultant Ian Oldmeadow made the statement that the EBA will be pushing ahead regardless of the Heavy Maintenance issues contrary to previous statements. With this in mind, the ALAEA must question if this "over arching" guarantee by the CEO is realistic and if the CEO can actually invoke that guarantee considering statements made to the media recently by the "Cowboy Consortium".

Heavy Maintenance staff have informed us that they will "push on" to try and forge an agreement however if the guarantee from the CEO proves not to be genuine and is not forthcoming then the agreement will collapse.

#### **9. DURATION**

The parties are currently settled on a 2 year agreement.

#### **10. CONSOLIDATION**

This process consists of encapsulating all previous and existing agreements into a single formatted document. An agreement reached under Work Choice regulations will be classed as a post reform agreement and won't contain provisions to refer back to previous agreements. This justifies the need for consolidation. The second stage is to remove any "Prohibited Content" to make the document legal under the new legislation.

Due to the flexibility and "good faith" the ALAEA has shown in the past a number of issues have surfaced with respect to clauses which effectively define a section then provide opportunity to revisit the clause in the event there is a change in the future. The company has taken a position of conflicting definitions on the applications of numerous clauses and hence they are under final legal consideration.


The document is under the final stages of formatting and once complete an agreement is expected on the outstanding consolidation issues.

The ALAEA log of claim has not been revisited by the company since December 2006. Once the in principle agreement is finalised the log will be vigorously promoted to enhance any ensuing remuneration package.

All outstanding issues are to be conferred between the parties prior to the next meeting in an attempt to obtain some final resolutions. The ALAEA remains committed to reaching an in principle agreement and will continue to act in a manner that is most beneficial to its members whilst representing member's best interests and not compromising the integrity of the organisation.

Due to difficulties with availability the next meeting will be on the 21<sup>st</sup> of February 2007.

In the meantime the ALAEA Federal Executive will meet this week and consider its options in regard to progressing and finalising negotiations to reach an agreement.

  
**Paul Cousins**  
**Federal President**