

QF:001/2007

11th January 2007



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❖ NOTICE ❖

TO: ALL QANTAS ALAEA MEMBERS

RE: EBA VIII UPDATE

As you may be aware the ALAEA EBA VIII negotiating team set an aggressive timetable, endorsed by the company with regards to negotiating an in principle agreement before the nominal expiry date of the present agreements. That deadline has passed with an in principle agreement still not in place. The current EBAs have passed their expiry date and under the "Workchoices" legislation as a pre-reform agreement it will continue to operate for another three years.

There are a number of factors affecting the resolution of the issues and completion of negotiations, they are as follows:

- The introduction by Qantas of an "over-arching" agreement for Heavy Maintenance Operations including: Compulsory Overtime Bank for AVV QF employee's, Cross utilisation of employees between AVV and Tullamarine facilities on reduced transport/travelling conditions, a pre-approved pool of roster's at all facilities for Qantas to implement around the schedule at their discretion and a compulsory RDO bank for BNE and Tullamarine. These provisions are offered under the assumption that the CEO will endeavour to keep Heavy Maintenance in Australia including A330 Heavy Maintenance.
- Qantas are yet to provide the associated clause for "Hours of Work" where they want to introduce a requirement to not unreasonably withhold agreement in relation to extended hour rosters.
- The consolidation process although completed to a preliminary stage has a number of outstanding issues to be resolved including the implications of "Workchoices" legislation and some issues subject to claims by the parties.

A working party devised from those most affected by the desired changes to Heavy Maintenance Operations has been formulated in an endeavour to reach a compromise. That team through consultation and constructive solutions from LAME's have been given a target of the 29th January 2007. I'm sure you can understand the complexity of these issues and the need to thoroughly explore all options.

"To undertake supervise and certify for the safety of all who fly."

The "Hours of Work" clause, upon receipt, as have all other clause's will have its content analysed by our team to assess the legal implications, practical applications and possible long term effects of their introduction. It will be considered alongside the remaining agenda items as to their benefit to our members and the sustainability of the Qantas Engineering business.

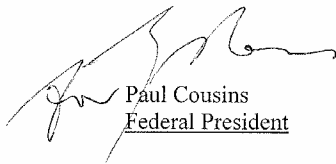
A small team is conducting the EBAs consolidation process and may resolve outstanding issues early in the New Year.

The parties intend to meet next on the 17th of January 2007 for the final negotiations of the preliminary agenda items and to discuss remuneration for their introduction if accepted. That meeting will be foreshadowed by a Federal Executive meeting to discuss all options available to the ALAEA with regards to this process in achieving the best results for our members.

The entire process has been given a deadline of 31st January 2007 for the main entities to summate their position and reach an in-principle agreement. Members are reminded that although representatives of the ALAEA are carrying out this process on the member's behalf, due to the democratic structure of our organisation it is the members who ultimately decide whether the agreement should be accepted and approved.

The ALAEA ensures all members will be thoroughly briefed on the content of any document prior to the introduction of a vote.

Finally, we appreciate your patience on what is a complex and challenging situation and wish all members a Happy New Year!



Paul Cousins
Federal President