

QF:021/2008

11 March 2008



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❖ NOTICE ❖

TO: QANTAS MEMBERS

RE: EBA UPDATE

Some calls have been fielded by the ALAEA today from members seeking information about the Qantas EBA and where we are in the process. We can provide the following information for members.

Ballots are being prepared by ALAEA Reps in Brisbane, Avalon and Melbourne HM facilities to determine whether those sections approve of the inclusion of HM efficiencies in their Department into the next EBA. Members will be advised next week of the 3 separate outcomes.

A number of consolidation meetings as part of the EBA negotiation process have taken place in the last month between Qantas, our Industrial Staff and elected Officials to finalise a single document that encompasses all previous EBA's and the Award into one document. One could imagine the complexity of such a process and all effort is being exerted to ensure that no ground is lost when transferring and Workchoicing (making terms allowable under the Howard Laws) our existing entitlements. At this stage negotiations to protect what we already have are ongoing and not concluded and we will not under any circumstances rush through and overlook these important changes.

Separate EBA negotiation meetings have also been taking place checking and changing the quota level numbers in line with what has been agreed in principle between the parties. Qantas and the ALAEA have had differing views on how the system has been operating, should operate in the future and how many positions should be made available to allow progression through the term of the Agreement for as many members as possible.

Senior Officials and the ALAEA negotiating team have met on several occasions with Qantas negotiators regarding the outcome of the feedback meetings. We have made it clear in no uncertain terms that the package if put as per the roadshows may overwhelmingly be rejected. Suggestions have been made to accommodate the key concerns raised and Qantas are considering their options at this time. A meeting will take place this Friday and Qantas will formally respond to a training bank option as described in the attached letter to the CEO Geoff Dixon.

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The inclusion of A380 terms will be incorporated into the next EBA. Members will remember late last year that the parties were in dispute over the selection of the initial candidates for the first courses. The Federal President and Assistant Federal Secretary have been involved in discussions with ACS Management to resolve what we believe has been a flawed and discriminatory process that should have included ALAEA involvement from the outset. Nominees for the first batch of training courses has now been amended in line with our expectations and the matter is now resolved. The A380 section of the Agreement also contains a payment for EASA licences.

Questions about possible industrial action have also been fielded. Should members at any stage formally reject an EBA ballot or the negotiations regarding the wording of the new Agreement not meet our expectations we have two options. The first is to undertake a ballot of members to approve various actions as was the case prior to Christmas. This would take approximately 3 weeks to complete. We also have the quicker option of reverting to 8 hour rosters, as per the current EBA terms, which would not require a formal Australian Electoral Commission ballot.

All Federal Executive members have appreciated the open and up front feedback. Being the first set of negotiations for most members of the Executive it has been a difficult task in knowing when to say enough is enough and let's go to a vote. We have the responsibility of ensuring that all members have an opportunity to have a clear look at an offer, make a considered judgement and a decision on their future. At no stage have we said that this was the best outcome members would attain but only that it was a fair one that we recommend after comparing it to previous outcomes.

Should Industrial Action be ultimately required it must be understood by all that we will be doing so in order to break the Qantas stranglehold on the 3% wage policy by seeking a headline rise of 5% pa. We will not be seeking compromising outcomes that use creative ways to entice members to accept less. As the process continues over the coming weeks, members will be updated regularly when news is at hand. The final decision on acceptance of Agreements, inclusion of Heavy Maintenance terms or Industrial Action will rest with the members and the decisions will be fully supported by your Association.



STEPHEN PURVINAS
Federal Secretary

6 March 2008

Our Ref: 10270

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Dear Mr Dixon, .

Qantas LAME EBA VIII Agreement

The ALAEA have now completed roadshows presenting the in-principle Qantas/ALAEA LAME EBA VIII Agreement to our members. Our Senior Officials have done all possible to recommend our members view the outcome as a positive one but at every single meeting they met stiff opposition and it appears extremely unlikely that LAMEs would vote up the proposed agreement. The key sticking points that members are continually reporting to us include:

1. Non Heavy Maintenance employees voting on Heavy Maintenance efficiencies.
2. A number of Qantas Managers falsely advising employees that every single member will progress one grade during the life of the Agreement.
3. The Qantas Melbourne ACS Manager antagonising members by advising them that as soon as the Agreement is made, departments would be merged and rosters tampered with.
4. Provocative statements about XPT and post certification workplace changes made by the Base Maintenance Manager.
5. The monetary outcome of the package giving consideration to the earnings of the airline.

Although it would suit the ALAEA to see a flat outcome of 5% pa for all our members, it has tried to work with management to create alternative solutions that would deliver an adequate monetary outcome via condition changes but keep in place Qantas' 3% wages policy. If the current offer is rejected by LAMEs then I believe the expectation from our membership would be a concentrated effort to achieve a visible

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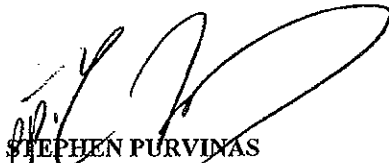
headline wage rise of 5% pa and for this reason I would recommend Qantas give serious consideration to an alternative solution discussed with Qantas Management representatives last week.

The ALAEA suggests that the current offer be made with the inclusion of a training commitment to all LAMEs similar to a scheme offered by many overseas Maintenance providers. The individual commitment would ensure that every single LAME is rewarded in this EBA for his services to the airline beyond that of the 3% wage rise by way of a condition improvement that provides a fairer and predetermined level of training. In simple terms the "Training Bank" would see:

- Each LAME accrues 3 weeks per annum for classroom licence training.
- When chosen by the airline for licence training the time comes out of his bank.
- If enough hours are not yet accrued, the LAME goes into debit, which serves as a bond for the airline.
- If the LAME accrues enough time in the bank and is not chosen by the airline for training, he can attend an external provider and use accrued hours as paid leave to study for further qualifications.
- LAMEs who do not train would be able to cash in unused hours.

Further details would need to be discussed between the parties. Along with bonding, this system would simplify training budgeting for Qantas and ensure that a steady supply of adequately Licenced Engineers is ready to man the business both now and into the future.

If this concept or a variation were included into the current offer, I am fairly confident that ALAEA members would view this as a genuine commitment to ongoing in-house maintenance and a positive EBA vote would follow shortly after. We remain committed to working with Qantas to resolve outstanding matters and failing adequate resolution intend to fully support ALAEA members in any decision they should make.



STEPHEN PURVINAS
Federal Secretary