

QF: 028/2008

1 April 2008



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❖ NOTICE ❖

TO: QANTAS MEMBERS

RE: LAME EBA UPDATE 1 APRIL

Most members will be aware that a decision was to be made related to the Qantas EBA and members informed by the close of business tomorrow. Debate on the matter was not as lengthy as expected and our announcement is now being made a day earlier. **It should be noted that protected Industrial Action at Qantas has not formally started at this stage and we are now preparing for a further approval ballot.** Members would be well advised not to plan and pay for vacations from the end of April-May or June 2008 as it is expected that Qantas will not be approving leave over this period.

The ALAEA Executive has today decided that;

- The latest offer from Qantas is unacceptable to our members.
- We will apply to the AIRC to have a ballot of members to again authorise protected Industrial Action.
- If approved by the AIRC a ballot of members will provide that Industrial Action start from around the end of April (delay due to ballot time and procedures in the Workplace Relations Act).

The ALAEA has negotiated in good faith for 18 months and it is time to remind Qantas that:

- We want the respect that we deserve.
- 3% pa is an insult.
- Time has arrived for the Qantas 3% wage policy to be reviewed and increased.
- We have taken all possible steps to avoid a "blue" with the airline.
- Qantas has been given 18 months to consider paying a decent day's wage in line with industry standards but has refused.
- The ALAEA have offered a multitude of options to assist the airline negotiators but they refuse to listen.

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

Members will recall that we had proposed to have an Industrial campaign over the Christmas /New Year period. We deferred this action in good faith following conciliation in the Australian Industrial Relation Commission (AIRC) and indications from Qantas that their offer would be improved.

Membership response

Negotiations with CEO Geoff Dixon did achieve some changes but member reaction to the final offer has been overwhelmingly negative. ALAEA membership feedback indicated that:

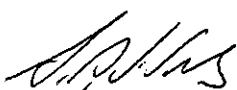
- Wage increases of 3% per annum falls well short of community standards. We need 5% pa.
- A three year agreement is preferable to the four years proposed.
- Parts of the Qantas offer advantage some members but not all.
- The salary sacrifice offer for superannuation gives us our own money back – it costs the airline nothing.
- Our pay levels fall seriously short of other airlines

Qantas refuses to give ground on the wages issue. Whilst other Australian workers have been achieving on average 4-5% plus we should not be forced to settle for 3%. Other airlines around the world and in Australia have increased wages well above Qantas levels for LAMEs. Qantas Executives and Senior Managers continue to receive regular bonuses and regular rises above 5 and 6%. The average Australian wage in the past seven years has increased on average by 4.6% pa including the same period in which Qantas staff were still within a wage freeze. CPI is increasing with a real figure in excess of 4% and Qantas has posted another record profit.

Next steps

In the next few days we will appear in the AIRC to argue that a secret ballot of members should be held to authorise protected industrial action (the authorisation lasts for 30 days). If successful and members continue to support the action (86% did so in the last ballot), we will commence the action later in April.

We will continue to make every effort to reach agreement with Qantas however management should be under no illusion that their current offer fails in the wages component and an improved offer may avoid a dispute.



STEPHEN PURVINAS
Federal Secretary