

QF: 080/2008

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## ❖ NOTICE ❖

**TO: ALAEA MEMBERS – QANTAS and FORSTAFF**

**RE: EBA POST INDUSTRIAL ACTION OFFER**

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### Qantas EBA VIII And Your Options

This offer is the best offer we could attain for you without substantial risk of losing all the gains made since January and most likely losing more. As stated in the last notice "*The outcome will deliver every single LAME remuneration increases in line with targets set internally by Senior ALAEA Officials prior to embarking on the campaign*".

Before presenting the terms of the offer it is important to explain the targets that we set ourselves before we felt ready for members to consider a new agreement. The targets needed to be flexible enough to overcome the nuances of our current wage structure and the multitude of situations our members find themselves in whilst delivering as even an outcome to all members –

- Remuneration increases of 4%-5% per annum for every single LAME
- To maintain the increased super deal from January
- To look after new LAMEs who will enter the system in the future
- To avoid one off (bribe) payments that add no value in years to come
- A new level to cater for new aircraft types
- More and fairer allocation of Type training
- Quota increases
- A better outcome than the January deal for every LAME who took part in the battle

**The above items have been met. Members will have an opportunity to vote yes or no to the offer and whatever the result is, the ALAEA will support the decision 100%.**

A no vote will indicate that we will take all steps in order to achieve a higher outcome.

In our view the campaign to date has been extremely successful with little cost to members. Most will not have taken part in more than one work stoppage and lost some money from overtime limitations over a 2 month period (more time at home). Our action has been so successful that outsiders were about to attempt to intervene through legal action. This could have been from the AIRC upon application by Qantas or Federal Government intervention if they were convinced that our PIA was against National interest.

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

The call for the PIA to be increased from some quarters has been making it extremely difficult for us to find that balance of keeping the action under the “intervention radar” and still being effective enough to convince Qantas to give us a better agreement. At no stage would a 48 hour stoppage have done anything other than open the door for Qantas with their mega dollar legal teams to knock us around in court rooms where our next EBA would be decided by AIRC Commissioners. A full bench panel had already been assigned. On advice that we received an arbitrated outcome enforced by the AIRC would most likely have seen a lesser result.

**Our job has always been to get you the best deal and here it is -**

- A four year deal commencing 1 Jan 2007 ending 31 Dec 2010 and all back pay
- Pay rise 1 Jan 2007 – 3%
- Pay rise 1 Jan 2008 1.5% plus a level for every LAME with back pay in recognition of increased responsibilities for compliance and technology
- Pay rises 1 Jan 2009 – 3%, 1 Jan 2010 – 3%
- All quota brackets moved up and level 14 created from 1 Jan 2008
- New Qantas Type LAME entry set at level 4
- Level 15 introduced from first pay after lodgement
- Quotas increased to unblock all current waitlists from first pay after lodgement
- Level 9 (new level 10) to be quota free for life of agreement
- Expansion of difference between top level wage rates to ensure that the additional level adds sufficient value to upper level LAMEs
- DMM’s minimum level 10 from date of lodgement
- PCT trainers exempt from quotas
- Cert IV Senior 1 payment whilst conducting or preparing training
- Fuel tank payment increase from \$2.74 per hour to \$5.00 per hour
- Salary sacrificed super for those in Divs 1-4
- Minimum 10% super for those in accumulation funds
- Staff travel J14 for LAMEs with 10 years of service
- No XPT clause and no change to definition of LAME
- 7.5% combined part time/casual cap in each current manned port

- 380 payments outside quota system
- Bne heavy maint flexibilities only to be enacted when A330's returned to Bne
- No introduction of A licences for life of agreement
- Improved consultation and an additional step for an independent review when LAMEs disagree with training course candidate selection

The above represents a simplified précis of the final document that is currently under construction. I suspect that the focus of most members will be on the wages outcome and in our view, it does not matter how the money gets delivered to the pocket, as long as it gets there.

Although hard to quantify, some simple calculations made by officials during negotiations have shown that the average remuneration increase for members due to this offer is in excess of 4.5% per annum. This is an average and full details will be presented at member meetings. For your benefit a ballpark guide below will help determine your outcome.

Total remuneration includes wage/technology increase (including first grade jump plus upper level spread) **plus** savings on super **plus** additional grade through quota changes for some. The usual 4 year grade jump will still occur but is not included as a gain in this EBA.

**Wage/Technology increase**

| Current Level | Increase |
|---------------|----------|
| 3             | 4.5% pa  |
| 4             | 4.37% pa |
| 5             | 4.25% pa |
| 6             | 4.15% pa |
| 7             | 4.07% pa |
| 8-13          | 4.0% pa  |

**Super changes**

Defined benefit schemes – c.2.2% or .55% pa (1200 members)

Accumulation fund new employees - 1% or .25% pa (150 members)

Accumulation fund ex DB fund – 0% (150 members)

**Second level jump**

Approximately 300 members will now access levels previously unavailable or full. The value of moving to the additional level is demonstrated below.

| Level | Increase             |
|-------|----------------------|
| 10    | 5.47% or 1.37 % pa   |
| 11    | 5.19% or 1.30% pa    |
| 12    | 4.93% or 1.23% pa    |
| 13    | 4.7% pa or 1.18% pa  |
| 14    | 4.5% or 1.12% pa     |
| 15    | 4.29% pa or 1.07% pa |

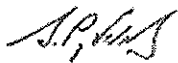
The wage/level combo ensures that all members receive rises of 16%-18% over 4 years with 10%-12% of that delivered by 1 January 2008 and back paid.

Approximately 40 members have an unfortunate combination that delivers a bare bones 4% pa. The same group would have received 3% pa or 3% pa plus a point in the Jan offer.

The 300 members receiving an additional grade due to quota changes or the new level 15 will be between 5.1% pa – 5.92% pa better off.

A large group of members sit in high grades under defined benefit schemes and will see on average 4.55% pa more money in their pay packets. Access to new levels if Type training occurs will be more likely to allow for grade jumps due to relaxed quotas.

In the coming days we will be preparing more detailed examples and tables so you can determine how much your back pay is and what your new wage level will be. Member meetings will take place where you will have the opportunity to ask questions and receive more detailed information on the options available.



**STEPHEN PURVINAS**  
Federal Secretary