

18th February 2009



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❖ NOTICE ❖

TO: JETSTAR MEMBERS

RE: JETSTAR VOTE TAKE TWO

In two days time your new EBA ballot will open and the ALAEA provides this information which contains our interpretation of the new offer compared to the failed December attempt. From a very simple view I will assume that most members will be considering how much they would pay to buy an extra 30 hours leave per year. Many members will understand that Engineers working elsewhere in Australia get these extra hours anyway and do not have to give up reasonable wage increases in order to do so. There are positive changes that have been made to this offer so let's have a closer look.

The footnote at the bottom of the salary table has been changed back to its original wording. During the previous offer a couple of choice words were slipped in that could have been interpreted to give Jetstar the ability to train for new EASA licences without payment. This change gets our tick of approval.

Payment of overtime for existing staff will remain unchanged and new employees will be on reduced rates for two years. This change is better than the previous offer and something members may find acceptable. The net result of the change however means overtime provisions are less than what they are now. If Jetstar ask for a \$15,000 wage cut and you agree to a \$5000 wage cut, you haven't saved \$10,000, you have still lost \$5000. The same principles apply and one concern may be that first preference for overtime may go to those employees with less than two years service at the expense of longer term employees.

The other changes all centre around the reduction in remuneration in order to obtain an extra 30 hours leave per year. The clause for the time off is 28.1.7 which explains that the 30 hours is in recognition for your public holiday rostering. Because most States have 11 public holidays per year and 30 hours is closer to 4 standard days, they have covered themselves by saying that additional payment is already incorporated into your base salary. If accepted these words could be used against any further claim to public holidays under the new workplace law legislation that is due to commence from 1 July 2009.

30 hours leave is equivalent to around 1.5% wage increase. There are a number of ways to calculate this but 30 hours as a percentage of your yearly 2008 quota comes close to 1.5%. Jetstar have reduced your first wage hit due 15 Jan 2008 from 3% to 1.5%. Unfortunately they have reduced the financial benefits of this offer in a number of other areas also. The \$2000 LAME and \$1500 AME payment on top of the RBP in years one and two are gone. Superannuation moving to 10% does not occur until year 3 and cash payments for CPI above 3% no longer apply.

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

Apart from the reductions in bonuses and CPI which only last for the length of the Agreement, the biggest cost of this new offer is hidden in the detail but will last forever. In the first offer your wage rises applied from the first pay period after 15th January each year. This clause including the dates could have been kept the same. Instead the offer contains a clause without any date for your wage rises, the first rise will occur after a certificate is issued by the Workplace Authority and annually from the anniversary of the first rise. This issuing of the Workplace Certificate can and has in many cases taken up to 3 months. Your first wage rise could be as late as May this year and each subsequent year. Four months or 1/3 of a year delay for wage rises equates to another 1% gain for the company paid for by Engineers. No reasonable union would ever negotiate an Agreement with open ended dates for the wage increases. In our view the cost for 30 hours more leave is far too great.

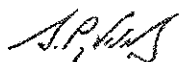
It contains provisions for the elected ECC to be your default negotiators on matters such as rostering, payments for new aircraft types, how redundancies are managed, workplace efficiencies and the base wage levels for new starters should Jetstar decide to break out from the all-up salaries. The length of the ECC members elected term is not stated and the Agreement appears to purport that they may be elected for the term of their Jetstar life.

The offer has a better dispute procedure than your existing Agreement and you will be able to access arbitration in the AIRC should mediatory steps fail. The Agreement does allow you to nominate the ALAEA to represent you in disputes about the application of the Agreement. It does not prevent the ECC from endorsing new terms with Jetstar on the specific matters discussed in the previous paragraph.

If this offer is also rejected, the ALAEA will again write to management and demand our involvement in future discussions. If they are not receptive to good faith bargaining, we will convene meetings in Sydney and Melbourne with phone hook-up facilities for members in other locations. The idea would be to commence the mapping out of a campaign similar to that at Qantas where a far greater outcome was achieved after initial offers were rejected.

Undoubtedly Jetstar will be highlighting the global economic crisis as a reason for restraining wages. The number of Engineers employed by airlines is not driven by the size of the pay cheques, it is always determined by the size of the workload and the minimum number of Engineers they can employ to acquit that work. With 787's on the way and the regular moving of Qantas routes to Jetstar, it looks like your jobs are the most secure in our industry. The ALAEA warns members to take with a grain of salt any management documentation showing how you would be better off due to this Agreement. Financially, you will not be even taking into account the additional 30 hours leave.

During the Qantas dispute the world was also caving in. A barrel of oil which is now less than \$35US had risen to \$147US and the ALAEA were able to co-ordinate a campaign that overcame this issue. If our members decide a similar campaign is necessary, we have the experience and willingness to proceed. So it will be over to the workforce again to decide if this offer becomes the new Agreement. As always the ALAEA will abide by any democratic decision and any member who would like to discuss the offer further can contact me via the ALAEA office.



STEVE PURVINAS
Federal Secretary