

4th Sept 2009



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❖ NOTICE ❖

TO: VIRGIN MEMBERS

RE: ENTERPRISE AGREEMENT MEETING UPDATE

On Tuesday the 1st of September, an ALAEA delegation held the first formal Enterprise Agreement meeting with Virgin Management. The meeting was held at a time when management were in the middle of roadshows rolling out some new terms that they have chosen to impose on the workforce without union consultation or negotiation.

We objected to the roadshows and asked for them cease on the grounds that the meetings were contrary to the good faith bargaining provisions of the Fair Work Act and undermined collective negotiations that were taking place. It was explained by management that they would do as they liked and if they wanted to offer some additional money as part of an annual review, they would. After an assessment of our position we have allowed them to continue as the substandard offer will only enforce our position that all Virgin Engineers deserve better and that this could only be achieved by a substantive campaign to support a fair wages and conditions outcome.

We note that they will be giving an increase of slightly less than 3% from October this year, 12 months after most Virgin Engineers were due a wage increase. Effectively, they are imposing a 12 month wage freeze and then a minimal increase into the future. Our claim of 4% pa is reasonable and expected from the expiration date of the majority of AWAs in September 2008.

Members should note that we have also submitted our concerns with their planned introduction of Cat A licences that would degrade safety levels within our industry. The introduction of these limited approvals will prevent AMEs from acquiring the training and licences needed to competently maintain aircraft within Australia in coming years. AME members should not be tempted to alter their employment conditions by accepting Cat A training as this could end their prospects of becoming fully fledged LAMEs. A mass influx of Cat A licences would also take away job security from existing LAME members.

No member should sign any document accepting new terms or conditions from Virgin. If Virgin chose to pay you slightly more than your existing or expired AWA, that is ok. AWAs and EBAs contain rates for wages and conditions that are the minimum you should be paid and it is unusual but legally acceptable for employers to pay higher than the stated rates. Please contact us immediately if you are placed in a position that requires you to sign off on any variation to your existing terms or conditions.

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

Another concern raised by the ALAEA was the ad hoc use of staff employed as AMEs but holding LAME licences to cover for LAMEs for short periods when others are away. It is inappropriate for Virgin to use the expertise of any LAME by holding them on an AME retaining wage and only paying them the relevant wage for days when certification is required. AMEs who continue to accept this practice will jeopardise their own careers and opportunity to be paid the correct wage by allowing this to continue and we strongly recommend that all AMEs stick to the limits of their existing or nominally expired employment contracts.

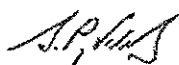
Virgin sought input in the Enterprise Agreement negotiations from unions other than the ALAEA. No other unions were present however a list of unions that may constitutionally cover persons working for Virgin Tech in the Engineering division was reviewed and management will be extending an invitation to a number of other unions for the second meeting in the week commencing 13th September. The ALAEA doubts that any other union would represent more than 10 people and we will continue to lead the way with our claims compiled over a lengthy period of time based on our members input.

The full ALAEA log of claims was submitted and discussed with management. The only thing made evident from the response was that these negotiations will be difficult and that priorities of the airline rest with areas other than those that we consider to be urgent considering that most AWAs are now expired by 12 months.

A full list of the claims presented by the ALAEA team is attached.

On another note, members should be aware that the ALAEA are currently representing two members who have been accused of making on the job errors with regards to aircraft paperwork. On both occasions, as has been reported to us many times, LAMEs in this section had been under enormous pressure to oversee the work on multiple aircraft at the same time with minimal assistance available due to low staff numbers.

It has been a Virgin decision to limit recruitment to a point where the system is ready to break. From their recent investigations, it has become apparent that they will blame LAMEs when minor human factor style errors occur. We would also assume that the under pressure LAME would be required to take the heat if a major incident occurs. In order to protect your livelihood, it is recommended that LAMEs only take on the certification responsibilities for one aircraft at any one point in time. If asked to certify for AME work, please make sure that you are supervising or in a comfortable vicinity as per CASA guidelines. Please note that a LAME recently had their licence cancelled because he had certified for an AME working on another aircraft to that which the LAME was on. The decision was appealed in the courts but the judge upheld the CASA position.



STEVE PURVINAS
Federal Secretary

ALAEA Virgin EBA Submissions 1 September 2009

1. Wages – 4% pa or CPI, whichever is greater. BDIS to be incorporated into wage prior to adjustments.
2. Overnight allowances to increase to ATO rates and paid prior to departure. ATO rate meal allowance to be paid if overtime in excess of 1 hour is worked.
3. Permanent night shift penalty rates to increase to \$8500 pa.
4. Additional aircraft licence payments (Embraer, 777) –
EASA endorsement \$5500 pa
CAR 31 Mechanical or Avionic - \$5500 pa
No Cat A licences
5. A dispute settlement procedure that allows the independent umpire (AIRC) to arbitrate and union representation.
6. 240 hours annual leave or existing leave entitlement plus a paid RDO for each public holiday that an employee is rostered off.
7. An on call allowance for LAMEs in smaller ports who are required to man their phone whilst off duty of \$5200 pa.
8. An increase in Supervisors rates to \$12,800 pa with pro-rata higher duties payment for LAMEs who act in the position.
9. Company super contribution to increase to a minimum of 10%.
10. Duty travel to be confirmed ticket and hotel standard to be no less than that of aircrew.
11. Long Service leave to be standardised at 13 weeks after 10 years service and 1.3 weeks for each subsequent completed year.
12. For all purposes, employment with any Virgin maintenance supplier to count as years of service.
13. The retention of existing Engineering and Maintenance functions.
14. The cessation of the practice of paying a LAME only on the day the sign for work and retaining them on AME wages.