

12 April 2007



**ALAEA letter to Association members at
Cobham Australia**

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**Re: The new Cobham Australia Engineering
AWA**

The ALAEA and your base Representatives have been attempting to negotiate a better deal over the past year for Engineers working under the current NJS Glyndale AWAs. We have been driven in the belief that the effort and contribution that Engineers have made to the Company through increased productivity and efficiency has not been adequately recognised by the Company.

Following the last set of negotiations held in Adelaide on 28th March 2007, the Company has now decided to distribute the new AWA to Engineers and seek your signature to allow it be lodged with the OEA and come into force.

The ALAEA believes that the proposed new AWA is flawed due to a number of key points and the Association's recommendation is that you carefully consider all the factors including the option of **not signing** and pressing for a better outcome.

Should you consider not signing the new AWA?

Pay increase and duration

The Company is only offering pay increases of 3% per year for the next 5 years. You deserve a better result that provides for a decent level of "real" increase after taking account of inflation.

The 5 year duration is simply too long in the current environment. The Company rejected our suggestion for a 3 year duration with consultation to look at extending the AWA if agreed between you and the Company. The Clause in the new AWA (1.3.3) to review the AWA after 3 years allows the Company to do absolutely nothing other than let the AWA run for a full 5 year period.

Effective increase in working hours

Whilst the 35hour week is retained, the real effect of the AWA will allow the Company to legally enforce a commitment to work an extra 156 hours per year. Through the additional hours clause, the Company are getting an increase in your

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

hours with overtime applying only once you exceed the 8.5% extra time over a shift block test.

Bonding clause – potential for future increases

Despite not putting it on the table at the most recent meeting, the Company included in the final AWA document a capacity for them to seek your agreement to increase the bonding costs in future years above the negotiated figures outlined in Clause 2.9.3.

No capacity for the AIRC to settle disputes

Engineers may recall that legal action is still pending in relation to ongoing problems with the way annual leave has been applied in past AWAs. This is being pursued under the existing dispute settlement provisions in your current AWA but the No Extra Claims provisions (1.5) in the new AWA may have the effect of knocking out that claim – legal advice is to be sought on this.

However the new AWA does not provide under the Dispute settlement clause (1.7) any capacity for the Australian Industrial Relations Commission to arbitrate on any disputes that cannot be settled via conciliation. Why not allow the independent third umpire the power to settle any future disputes?

Another pay rise due under the existing AWA

The ALAEA contend that Engineers working under the current 2005 AWA and Perth engineers who signed the short term AWA in mid 2006 should be entitled to a further pay increase from July 2007 whilst these agreements remain in force. The next CPI figures are due out on 24th April 2007 and this will provide the March 2006 – March 2007 figure that should be used to increase your pay from July 2007.

Watch the political cycle

A federal election is due to be held in the last quarter of 2007. With Federal Labor now appearing to be competitive in the polls, you should note that current ALP policy is for the abolition of AWAs. The ALAEA has strenuously pushed the Company to negotiate a collective agreement for Cobham aircraft engineers but the Company have consistently refused to do so and the Howard government industrial relations laws allow them to decide the industrial instrument.

Weigh up all the factors and consider whether the new AWA is acceptable – if you conclude it is not due to the significant flaws it has then you cannot be forced to sign. A decision not to sign may convince the Company that they should return to the negotiating table and negotiate a fair and reasonable outcome.


STEPHEN PURVINAS
Federal Secretary