

# e-Torque

Welcome to the August 2011 edition of **e-Torque** – the newsletter for ALAEA members across the country.



## President's Opinion

Ask any Australian what their perception of Qantas is, and one word will come up every time: safe. Yet that's exactly what's at risk if CEO Alan Joyce is allowed to continue his plan of degradation and remove the safety barriers that have been in place at Qantas for many years.

It's through our meticulous work and dedication to the job that Qantas airlines has such an outstanding reputation. You don't get the tag of being the world's safest airline by cutting corners, that's for sure. Yet there is a very real threat to the Qantas brand under Joyce and the current board, and our airline risks losing its tag as the world's safest. In fact it's even at risk of losing its tag as a premium airline – that's how shoddy and numerous these cost cutting strategies are.

I can see the remake of *Rain Man* now with the Tom Cruise character making the statement "Every airline has had a crash!" unfortunately Dustin Hoffman's character won't be able to say Qantas this time, because that's where Joyce and the Qantas board are taking us.

Qantas management don't get off lightly either, as Chris, Gavin and Keith are all advising the board that it's the right way to go. They are certainly not standing by the system of maintenance that has made us the envy of world airlines. Now before I hear the cries that other airlines do it different and are still successful, no one and I repeat no one, like it or not has the stellar reputation that Qantas has maintained over 90 years, and no Qantas employee wants to see that go down in flames.

Under new leadership, Virgin Australia recognises the importance of being a premium airline and the importance of maintaining a solid safety record. They are actually preparing to step out of their LCC mentality towards maintenance and step up their engineering presence on the line. They are also considering on-shoring their heavy maintenance in Australia. Yes, we have been critical of Virgin airlines and its LCC model in the past, but it seems the winds of change may be blowing through, and this not only means better quality, but more jobs and more money for the Australian economy.

With the recent advent of Tiger Airlines being grounded for poor pilot training and maintenance lapses it demonstrates that the LCC model is not sustainable, its also unfortunate that our members get dragged into the mud slinging when it is continually shown that the mistakes made and corners cut are the result of poor management decisions.



Then there's Qantas management who have such little regard for the sanctity of FWA that during our EA negotiations they are prepared to break rules and the confidentiality of our private meetings before Commissioner Kaufman. As a result we have seen selective parts of our meetings distributed to the media especially by the now infamous Qantas spokesmodels, which is extremely disappointing, but unfortunately hardly surprising. If we've learnt anything through this process it's that Qantas management continues to play dirty and can't be trusted.

What's also disappointing is the response from CASA and the Federal Government, or should I say a lack of response. CASA still seems to be a puppet to Qantas' every whim and the Government has shown a total disregard for the livelihoods that will be destroyed and even the millions of dollars of tax revenue that will be lost as a result of off-shoring Australian jobs to Singapore or Malaysia. I hate to say it, but what we are seeing is the beginnings of potentially another Ansett collapse in equivalent terms of lost jobs and revenue. Every single Qantas senior manager should be ashamed of their part in the degradation of this Australian icon.

The kicker now is that as of 27 June a new entity, the A Licence, made its way onto our turf. This represents a worker who is less than trade-qualified but who is now approved to work on and sign-off on work done to an aircraft. This is the thin edge of the wedge and the final straw that will break the back of the once much vaunted Australian civil aviation system that now lays in tatters. And it will be the Australian public that reaps the whirlwind that will be pure and utter greed over safety.

I find it very ironic that the same authority that grounded an airline for lapses has now allowed a new licencing classification that will seriously put in jeopardy the maintenance standard that established an era where no jet airline crashes occurred.

Virgin Australia on the one hand took the initiative and saw the A licence as a 'stepping stone' to becoming a fully qualified LAME and enshrined in their EBA a career path for the new licence category, Qantas however on the other has no such designs for them. Instead it is open slather and there will be mass redundancies of LAMEs on a scale never seen in this country. To be very clear, Qantas management do not value our expertise when preflighting aircraft, and they would rather have lesser trained, less experienced and of course lesser paid individuals carry out those tasks. Yes I know the future is coming but it is this race to bottom that I find distasteful. Qantas has the world's best practice, well now we are forced to settle for world's cheapest practice and all the connotations that brings with it. How safe will the world's safest airline be then?

In more pleasant news, I'd like to take this opportunity to call for all nominations for the 2012 AMT Maintenance Skills Competition. This will be held from 7 – 9 March next year in the sleepy town of Las Vegas. Five positions are available on the team, consisting of four team members, two mechanical and two avionic engineers, and a Captain/Coach. An ALAEA Liaison Officer will accompany the team.

Regular readers of my column will know that earlier this year we had a great result, placing second in the commercial division, which as it turned out was to be a second placing overall



(you have to wonder why Qantas doesn't pay closer attention!). Let's see if we can go one better next year.

The ALAEA will fund reasonable travel, food and accommodation expenses for the team, but individual team members will be required to make their own arrangements for leave from work. If you are interested, please go to our website for more information or fill out an expression of interest form here:

<http://www.alaea.asn.au/notices/notices-2011/256-all-alaea-members-notice-0332011-amt-competition-2012.html>

While you're on the web don't forget to check out the Qantas Pilots' new campaign and sign their online petition: <http://qantaspilots.com.au/>

Keep Safe,  
Paul Cousins, Federal President

## Qantas Airworthiness Restructures Start of the Race to the Bottom

In his *Plane Talking* blog on [www.crikey.com.au](http://www.crikey.com.au) Ben Sandilands reacts in part to Alan Joyce's speech to the Australia Pacific Aviation Outlook Conference in Sydney on 20 July 2011 where he said, "Marlin represents the biggest improvement in our maintenance systems since record keeping began. It is all about work that is safer, smarter and simpler – compliant with global standards of excellence."

Sandilands commented;

*This isn't encouraging. Compliance with 'global standards of excellence' implies dropping Qantas down to the minimum 'tick the box' standard that is required to be deemed compliant. The difference in Qantas, and in a number of peer airlines world wide, has been in choosing to exceed the required maintenance (and piloting) standards, since the system that Joyce is talking about gives identical recognition to carriers that do the minimum in order to comply, as well as those that exceed those requirements.*

*This is an important distinction and challenge for airlines world wide, since achieving compliance can be argued as a disincentive to becoming ultra compliant. The standards set by globally recognised regulatory outcomes are a compromise between the commercial and safety obligations of the bodies and authorities that frame the rules, since without major exception they are tasked to 'promote civil aviation' as well as regulate it. Qantas does exceed minimum standards in many respects. But for Joyce to make a virtue out of compliance, rather than something higher than compliance, is either an unfortunate choice of words, or an insight into the cost savings that might follow when compliance replaces a legacy of excellence.*

Sandilands' hypothesis is already becoming evident by the race to the bottom commencing in Qantas Airworthiness departments where they will be decimated by a technical staff reduction of 30 per cent as outlined in last month's e-Torque.

APESMA has said to Qantas, and the ALAEA agrees, "It is difficult to understand how Qantas can maintain high standards of airworthiness compliance and safety, and simultaneously pursue a strategy which could result in 80 to 100 less positions in its Aircraft Airworthiness Group. The natural outcome of this strategy is that some work which is currently undertaken will no longer be done in the future." So Qantas, what work will no longer be done?

Joyce said in his Speech Media Release, "Put simply, Project Marlin means that we can look at a sophisticated database and get an instant update on the maintenance past, present and future of any one of our aircraft, anywhere in the world." But doesn't CAMEO and CAMSYS do this now, although in two separate databases that function is nothing new?



It's more than likely closer to the truth that the introduction of Marlin is just an excuse for cost cutting to the bare bones of 'global world's best practice' instead of 'the world's best practice', which was Qantas and the basis of its outstanding safety reputation. As Joyce said, "All of us at Qantas have to be creative, flexible and ready to comply with the new global standards," which history has shown are a lot lower than Qantas past practice.

## **Qantas Engines Outsourcing Debacles! Other Parts may be Next?**

It is well known in internal Qantas engineering circles that its experience with outsourced engine maintenance providers has not been a good one, even in Australia, let alone overseas.

Qantas shut down its internal B737 engine shop at Tullamarine and outsourced it to a Patrick Corp (Virgin) Qantas Joint Venture for the overhaul and maintenance of CFM56 GE engines used on Qantas 737-400s and 800s and Virgin 737-800s. The joint venture failed with Patrick Corp (Virgin) pulling out, which was due mainly to costly reworks due to quality problems with the product. This led to not enough engines being available within the normal manufacturer's requirement for hours in service.

It's rumoured that Virgin were livid about the engine delivery delays and drop in hours on wing stats. Qantas also had to source engines from overseas to make up the shortfall, therefore negating any efficiencies it may have gained through the joint venture. Qantas were left with the bag and had to find another partner or effectively drop the corporate veil and wholly own it, leaving them back where they started. Eventually Lufthansa Technik became the other joint venture partner (LTQ), but its reported quality assurance and delivery issues still remain with the joint venture product. LTQ also repair GE CF6-80C2 Engines (767 and 747) and GE CF680E1 Engines (A330) for Qantas. Effectively the control of quality and on time delivery was taken out of the proven reliable Qantas Engineering hands and handed over to Qantas Supply Chain management.

The Tullamarine Auxiliary Power Unit (APU) overhaul repair and maintenance was also shut down and outsourced. Since then and recently, there have been approximately 13 unscheduled replacements of APUs within three months, such an amount of replacements when the work was done by Qantas usually happened over a time span of 2 to 3 years. Again the control of quality and on time delivery was taken out of the proven reliable Qantas Engineering hands and handed over to Qantas Supply Chain management.

Then there is the well-publicised closure in July 2009 of the Sydney Rolls Royce RB211 Centre of Excellence; the world's best practice Rolls Royce engine maintenance and overhaul facility. For 18 years this facility turned out a product that was the most reliable and had the longest on-wing in service for any Rolls Royce RB211 and derivative engines in the world. Since the closure there has been 10 major blade failures some of them having spectacular effect and



have widely been publicised in the media.

In outsourcing these engines Qantas handed over the control of its engine quality and safety to maintenance organisations controlled by Singapore Airlines Engineering Company SIAEC. It's ironic seeing that Singapore Airlines is Qantas' main rival on its international routes and in the expanding Asian market. And yet again, the control of quality and on time delivery was taken out of the proven reliable Qantas Engineering hands and handed over to Qantas Supply Chain management.

Since 2006, Qantas have systematically closed down maintenance facilities including Sydney B747 Heavy maintenance, Tullamarine Engine Shop, Tullamarine APU overhaul shop, Tullamarine and Sydney parts and components repair shops, and the Rolls Royce line. At every turn the control of quality and on time delivery is taken out of the proven reliable Qantas Engineering hands and handed over to Qantas Supply Chain management.

More recently Qantas Supply Chain started outsourcing its own QF parts and components logistics to external agencies such as Airinmar, Spareline and Air France. When Qantas used to do all this work in house its own computer tracking systems for parts and components recorded the usage, servicing, repair and maintenance history for every part or component, therefore enabling Qantas engineering to program servicing, repairs and overhaul of parts and components on a systematic and controlled basis. This had the control of reliability firmly in Qantas' Engineering's hands, enabling LAMEs to Certify with confidence; hence the long history of Qantas airworthy, safe, reliable aircraft which has taken a battering since all this restructuring started. The parts and components will now be from a "pool" managed by Qantas Supply chain but sourced through Airinmar, Spareline or Air France (I hope QF are not getting A330 pilots from them?).

The problem is Qantas Engineering now has to rely on parts and component history only verified by an external supplier and not controlled within the Qantas system of maintenance by Qantas Engineering. Effectively Qantas has decided to take the 'risk' that all will be well with a supplier who has a vested interest in selling a part or component to get the revenue. Who knows what risks they are prepared to take to supply so they get the money? Well watch this space... the problem now is that parts and component failures (as exemplified by the RB211 incidents) may become more prevalent for other areas of the aircraft as Qantas management, continue with their faulty strategy to outsource the control of quality, reliability and on time delivery from the proven reliable Qantas Engineering hands, to Qantas Supply Chain management.

The problem for our LAME members is this; how can you be assured that the parts and components you will certify for once fitted on an aircraft, and that are now sourced externally including their 'bought history', actually has the appropriate accurate history with it? That is, can you be sure the part or component represented to you genuine?

## Volkswagen Deal for ALAEA Members



Volkswagen Group Australia is pleased to partner with the ALAEA to offer the following discount to members:

- Up to 10 per cent discount off the RRP of a new Volkswagen or Skoda vehicle
- Dealer delivery fee of \$1,495.00

If you're thinking of buying a new car, or in the mood for a bit of German engineering, check out what's on offer at Volkswagen. This is a great deal we can offer members, so why not take advantage of it?

Please see your [local dealer](#) for further details on the discounts available.

To be eligible for this great deal, you need to have been an ALAEA member for a minimum of three months. To obtain this discount please contact the ALAEA Membership Team for an introductory letter (which you must present together with a current ALAEA Membership Card).

Vehicles must be registered in the member's name.

Please consult with your [local dealer](#) for further terms and conditions.

For further information on Volkswagen vehicles go to [www.volkswagen.com.au](http://www.volkswagen.com.au)

## Emirates Bargaining

A further bargaining meeting for a new enterprise agreement for engineers and other staff at Emirates was held in Melbourne on 20-21 July.

To say that the bargaining progress is slow would be an understatement. When you have negotiators for a company on a sustained growth path and with future aircraft orders on the scale that Emirates has in the pipeline, it is very frustrating to report that on the key issue of a decent increase to base pay rates, the Company says it is only prepared to increase the fixed EA increase to 2.5 per cent per year. Whilst the Company is prepared to retain the annual 'merit pot' bonus payment in the EA at the current 0-6 per cent range, the payment of any bonus is at



the Company's sole discretion as members found out last year.

Further EA negotiations are scheduled for 17-18 August in Melbourne but the view of the ALAEA and ASU is that members must get ready and be prepared to mount a 'No' vote campaign if the employer decides to put their current unacceptable version of a draft EA out unilaterally to a vote of all employees.

The ALAEA would urge any engineering employees at Emirates who are not yet ALAEA members to consider joining the Association, as it may be a bumpy bargaining ride ahead in the next few months at Emirates.

## **Rex EA Negotiations**

It is disappointing that Rex management have now sought two deferrals to scheduled EA meetings in the last month. Meetings scheduled for 7 and then 26 July have been deferred at the Company's request.

Negotiations are now due to resume on Friday 5 August. Whilst there are a number of outstanding claim issues still in contention, the main focus of the discussions on 5 August will be an acceptable annual pay increase to base pay rates and an increase in annual leave accruals for engineers working shift work. Hopefully we will be in a position to report some progress after the next meeting.

## **Cathay Pacific Bargaining to Commence**

A preliminary meeting was recently held with Cathay Pacific management to establish a schedule of EA meetings in the second half of 2011. The current Agreement has a nominal expiry date of 31 December 2011 and the aim is to try and have a new EA in place as soon as possible following the expiry date of the current EA.

Negotiations are due to kick off from 10 August in Sydney with monthly meetings then scheduled through to December. The bargaining reps are going through a process of getting feedback from engineering employees in relations to key items for the next bargaining claim that will guide the bargaining representatives in the upcoming discussions.

## **Alliance Brisbane EA**

The ALAEA has now been notified that Deputy President Swan from Fair Work Australia in Brisbane has approved the Alliance Airlines Brisbane Engineers Enterprise Agreement, which

was recently voted up.

The EA will come into force from 29 July 2011 and has a nominal expiry date of 15 February 2013.

## **Bargaining at CASA**

Some preliminary meetings have been held in relation to negotiating a new enterprise agreement for CASA employees including Airworthiness Inspectors.

The formal start of bargaining has now been delayed by months due to delays in the release of the new 'Non-Aps Bargaining Framework' by the Australian Public Service Commission, which governs how Federal Government Authorities can bargain and what they can and can't offer in new enterprise agreements.

This delay grows more and more frustrating as it continues, with the agreement coming closer to expiry and there being doubts about whether back pay will be available if agreement is not reached by the expiry of the current agreement. The ALAEA and other affected employee representatives are now considering measures to expedite bargaining.

## **CASA Industry Briefing**

The latest edition of the CASA industry newsletter is now available on the CASA website. Topics include an update on the Part 66 licence rollout and changes to the guidelines for warbirds, historic and experimental aircraft.

[http://www.casa.gov.au/scripts/nc.dll?WCMS:STANDARD::pc=PC\\_100522](http://www.casa.gov.au/scripts/nc.dll?WCMS:STANDARD::pc=PC_100522)

## **Licence Application Difficulties**

From time to time we assist members that are experiencing difficulties or delays in getting new licences processed. If you are having difficulties or delays in getting new licence applications processed feel free to contact us for assistance.

## **Disciplinary Proceedings**

Often the ALAEA is contacted by members who are, or have been informed they may be subject to a disciplinary process at their place of employment.

Members are reminded both the employer and employees have obligations when a disciplinary process or investigation is underway and the ALAEA has significant experience and expertise in assisting members throughout the process.

Too often members do not contact the ALAEA until well into the process and our efforts are often hampered by what the member has already said or done (or hasn't said or done).

As soon as you are aware that there is an issue you should contact the ALAEA Sydney office for advice and assistance.

## Use of Company Email & Internet

From time to time the ALAEA advises or acts for members who have been disciplined, and even dismissed, for excessive or inappropriate (or both) use of their employer's internet/email.

Members are reminded that, generally, an employer is within their rights to monitor employees' internet and email use (and many do). Members should be familiar with their employer's IT policies and be cautious in their use of company internet and email, even where some personal use is explicitly permitted by the company. Members who have any issues in this area should contact the ALAEA office in Sydney.

## Tax Time



It's Tax Time!

The ALAEA no longer sends tax receipts for fees automatically, but we are more than happy to do so on request. Either phone the Membership Team on (02) 95549399 or email [membership@alaea.asn.au](mailto:membership@alaea.asn.au) to request one.

This is also a great time to update your personal details and make sure that you are current with the payment of your fees.



## Union Shopper



**Win \$1000 cold, hard cash this winter with Union Shopper\*  
(Competition expires 31 August 2011).**

This winter, all members who make a purchase enquiry or buy a car or electrical product will go in the draw to win \$1000. Union Shopper is free and easy to use, so why not see how much we can save you on your next purchase?

In 2010, Union Shopper saved members over \$1.3 million on cars and over \$1.4 million on electrical items. To save time and money and to go in the running to win \$1000, phone Union Shopper today on 1300 368 117 or visit [www.unionshopper.com.au/win1000](http://www.unionshopper.com.au/win1000)

*\*For terms and conditions, please visit [www.unionshopper.com.au/win1000](http://www.unionshopper.com.au/win1000)*

## Workplace Noticeboards

ALAEA reps are reminded to check that their workplace noticeboards are up-to-date. Latest notices are available at [www.alaea.asn.au](http://www.alaea.asn.au)