



# RECOMMENDATION

*Fair Work Act 2009*  
s.240—Bargaining dispute

**Virgin Australia Airlines Pty Ltd T/A Virgin Australia**  
(B2024/1121)

DEPUTY PRESIDENT LAKE

BRISBANE, 13 SEPTEMBER 2024

*Application to resolve bargaining dispute of the proposed Virgin Australia Narrow Body Aircraft Pilots' Enterprise Agreement 2024*

[1] Virgin Australia Airlines Pty Ltd (**Virgin Australia**) commenced negotiations with the Australian Federation of Air Pilots (**AFAP**) and the Transport Workers' Union (**TWU**) on 28 July 2023 to replace the *Virgin Australia Narrow Body Aircraft Pilots' Enterprise Agreement 2021* (**2021 Agreement**).

[2] Virgin Australia, the AFAP and TWU have engaged in numerous bargaining meetings starting from 30 August 2023 to the date of this recommendation. To reach agreement, Virgin Australia has made an application to the Fair Work Commission (the **Commission**) seeking its assistance to resolve a bargaining dispute in good faith under s.240 of the *Fair Work Act 2009* (Cth) (the **Act**). The AFAP and the TWU have also come to the Commission in good faith to reach an agreement that would be reflective of their members' concerns and feedback.

[3] I reserved three days of in-person conferences in Brisbane on 11 September, 12 September and 13 September 2024. The parties' sought to reach an Agreement on a proposal that would allow Virgin Australia to improve its operational practices while addressing the employees' concerns on conditions and pay.

[4] One of the issues raised in bargaining are the changes in Designated Days Off (**DDOs**). The Unions jointly pursued options to retain as many pilots on a 12 DDO arrangement as possible. The parties spent considerable time exploring whether various models of an opt-in lifestyle line maintaining 12 DDOs every roster period could be agreed. Virgin raised a number of issues with administering this arrangement and the model proposed would not have addressed pilots' concerns.

[5] There is a recognition from all bargaining representatives that the proposed Agreement will move to a 11 DDOs (peak)/ 12 DDOs (off-peak) arrangement compared to 12 DDOs in the existing Agreement. The change in DDOs have been proposed as a result of an operational analysis undertaken by Virgin Australia to ensure it better aligns EA terms to its flying schedule.

[6] The AFAP and the TWU have brought the concerns of its members to the Commission and these concerns have been genuinely considered by the Commission and Virgin Australia.

Virgin Australia has responded to these concerns in providing an improved proposal a summary of the key changes is attached (**Annexure A**).

[7] This proposal has received approval from Virgin Australia's Executive, the Australian Federation of Air Pilots – Virgin Pilot Council and the Transport Workers' Union.

[8] On reviewing the proposal myself, I recommend that the parties' put a revised Agreement incorporating the proposed changes in Annexure A to a vote. The current proposal is the one which has been extensively considered by all bargaining representatives over a sufficient period of time and places the employees better off than the existing Agreement.

[9] The pay increase represents an initial 15% increase with cumulative 3% increases per annum, which I note resolves a key concern from the Unions on behalf of pilots to address cost of living increases from the 2018 Agreement. This proposal is an improvement from the last proposal put to the employees on 26 June 2024. The employees should support the proposal.

[10] I note that there have been employees who have had apprehensions regarding the proposals put by Virgin Australia in the past. The consequences of voting this proposal down will create further uncertainty and prevent substantive pay increases to all employees. I do not foresee that taking industrial action or prolonging the bargaining will result in a better proposal than what is currently proposed in this Recommendation.

[11] I commend the bargaining representatives and the employees who have appeared at the Commission for cooperatively working through the issues and wish them well in finalising the Agreement.



DEPUTY PRESIDENT

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**Annexure A****Pay offer**

	<b>Agreement year: Year commencing:</b>	<b>Year 1</b>	<b>Year 2 Jul-25</b>	<b>Year 3 Jul-26</b>
<b>Hourly Rate</b>	Captain	\$322.00	\$331.66	\$341.61
	First Officer	\$209.30	\$215.58	\$222.05
<b>Productivity Rate</b>	Captain	\$364.50	\$375.44	\$386.70
	First Officer	\$236.93	\$244.04	\$251.36
<b>Base Salary</b>	Captain	\$281,750.00	\$290,202.50	\$298,908.58
	First Officer	\$183,137.50	\$188,631.63	\$194,290.57
<b>Annual Increase</b>	Captain	15.0%	3.0%	3.0%
	First Officer	15.0%	3.0%	3.0%

The increased pay rates apply from first full pay period after the Commencement Date of the EA. References to Daily Travel Allowance and Retention Payment are removed.

**Backpay**

The Company has agreed to backpay the base salary increase to the start of the first full pay period after a yes vote.

**Sign on bonus**

<b>Type</b>	<b>Rank</b>	<b>Payment</b>
Full Time	CPT	\$10,000
	FO	\$6,500
PT50	CPT	\$5,000
	FO	\$3,250
PT75	CPT	\$7,500
	FO	\$4,875
Check Captain		\$11,600
Senior Training Captain		\$11,300
Training Captain		\$11,000
Training First Officer (FO payment + Training Captain increment)		\$7,600

**Minimum credit guarantee and days off**

Minimum credit guarantee/ credit hour trigger is 70 hours x 6 (peak) roster periods and 65 hours x 7 (off peak) roster periods. Days off per roster period are 11 days off x 6 roster periods (peak) and 12 days off x 7 roster periods (off peak).

### **Infringement of a day off**

If a Pilot infringes a day off:

- by 1 hr – 2 hrs pay
- by 2 hrs – 4 hrs pay
- by more than 2 hrs – 5 hrs pay

If a Pilot infringes past 2359 leading into day off, blank day or annual leave day they receive the full working on a day off payment (5 hours x Productivity Rate).

### **Change to part-time provisions**

Increase in part time from 12% to 15%, with the following changes:

- PT50 and PT75 is available for both permanent and temporary part-time
- Minimum 11% temporary part-time over the life of EA (same priority order as voted down offer).
- 4% permanent part-time (same as current 2021 EA). If the permanent part-time allocation is unused, it will be reallocated to temporary part-time.
- No transition to retirement scheme
- FOFO available for permanent part-time

### **Rostering of standby**

Composite rosters only, with the ability for a pilot to opt into a full standby roster.

### **Duty RIG**

As per First Vote Offer. Duty RIG value at 50%. Charter RIG as per First Vote Offer 65%.

### **Annual Leave**

Minimum 10% slots (amended from 7.5%) with the following changes:

1. Appendix 5 – Multi-Ballot Annual Leave Bidding System is deleted, and a facilitative clause is inserted to provide that the AIC can agree to amend clause 51 – Annual Leave and Appendix 4 – Single Ballot Annual Leave Bidding System Leave to facilitate the introduction of a Multi Ballot Annual Leave Bidding System.
2. Add Appendix 5, Part 9, Ballot 4: Assigned and Compulsory Leave to Appendix 4 with the following amendments:
  - a. Assigned Leave must be surrendered 8 weeks prior to commencement of ballot year. Review of Ballot Timeline may be required as part of drafting.
  - b. Amend Appendix 4 Clause 5.1 Binned-Leave (c) to change that if the leave is not re-allocated six (6) weeks prior to the commencement of the

Roster Period, the Pilot will be obliged to take the leave. This aligns with the Ad-Hoc Leave timeline.

- c. Retain Appendix 2, Clause 14.5 and 14.6 to facilitate Part Time Pilots combining Annual Leave and DDOs in a single ballot slot effective from the Ballot commencing 2025.

**Implementation arrangements**

As per First Vote Offer, removing arrangements for DTA, Retention Payment and Multi-Ballot Annual Leave system.

**Nominal expiry date**

Remains 30 June 2027