



19th July 2024

Andrew Page
Chief Operating Officer
National Jet Systems

Via email: andrewpage@qantas.com.au

Dear Andrew,

Formal Variation to the NJS Pilot EA2022 – Proposed Retention Incentive Package

Further to the AFAP NJS Pilot Council meeting held on Wednesday 17th July 2024, where we discussed with you our recent AFAP survey and detailed the ongoing frustrations of the pilot group, please find attached proposals regarding a 'retention incentive package'.

As we mentioned, the pilot group are keen to see that should any changes be envisaged that these are added to the current 2022 EA through a process of a formal variation to that Agreement. We would not be seeking or expecting re-opening negotiations but merely applying any proposed changes via a variation. The purpose being to transparently provide the pilot group reassurance that their ongoing commitment to NJS is recognised by Qantas.

Should you require any clarifications of the proposals attached the NJS Council would be happy to meet to discuss.

Yours Sincerely

Anthony Clouting

AFAP Chair, NJS Pilot Council

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Retention Incentives Package

Salary

Captain

Years of Service in NJS	Effective Upon Commencement	1/7/25
Commencement	\$225,234.86	\$231,991.91
3 Years	\$231,991.91	\$238,951.66
5 Years	\$238,951.66	\$246,120.21
7 Years	\$246,120.21	\$253,503.82
10 Years	\$253,503.82	\$261,108.94

First Officer

65% of above table

Overtime Threshold

Tier 1 - 55 Hours

Tier 2 - 70 Hours

Rates adjusted as per current agreement

Loss of License Insurance

\$2753 at commencement 3% increase following year

Time Free of Duty

Single RDO 36 Hours as per current agreement
Every subsequent day off to increase by 24 hours

Annual Leave

2 RDO's prior to and after 7 days of Annual Leave

Discussion Points and Justification for Proposal

Salary

The table was extracted directly from the proposed EBA 2024 salary scale at Network Aviation

- There are aircraft size and range similarities between the A220 and NAA Airbus fleet
- NJS will have a more demanding physiological flight schedule including back of the clock and a 24/7 RPT schedule
- Earnings potential of the A220 is greater due to the range and premium offerings

Benefits

- NJS needs to attract and retain pilots capable of holding an A220 command with the projected growth
- Experienced QantasLink Dash8 captains are the natural choice but are hesitant at the moment due to the significant drop in salary if they were to take an FO position at NJS.
- Current salary of Dash8 Captain \$131,756 - \$156,964
- Proposed starting NJS FO Salary \$146,402
- This will create a similar salary for Dash8 Captains to move over to the A220 without a significant decrease and in some cases growth in Salary.
- Further benefits the QantasLink Dash8 operations as providing a pathway to a Qantas Group jet operation and aide in pilot retention at QantasLink
- NJS has comparatively been impacted to a greater extent due to the current EA being approved just prior to significant inflationary pressures (Sept 2022- 7.3%; Sept 23 – 5.4%; Mar 24 – 3.6%)
- Other Qlink subsidiaries were able to address these pressures through significant remuneration improvements (either approved or proposed). Including through additional pay points, additional allowances and general 'wash through's'. Because the NJS EA did none of these the competitiveness and attractiveness of the current EA has been significantly diminished.
- The longer NJS refuse to recognise these pressures the greater the risk that retention and recruitment will become adversely affected. The current pilot cohort has consistently told the AFAP Pilot Council that the longer these inequalities exist the greater the necessity for them to look at alternative employment opportunities. Most of these will probably occur once a pilot has concluded conversion onto the A220.

Overtime Threshold

Lowering the overtime threshold will aide in NJS Training Captain retention by providing additional benefits for their higher than average workload during expansion

Loss of License Insurance

Figure was taken directly from the Pilots Award with Qantas wage policy of 3% increases

NJS LOL insurance is significantly below industry standards and other Qantas entities

Time Free of Duty

Creates status quo around time free of duty when transitioning fleets but maintains the company flexibility of rostering single RDO's. Additionally it is increasingly becoming standard practice in the industry.

Annual Leave

Status Quo between fleets

Does not create any extra RDO's just adjusts their distribution