

TO // Qantas Short Haul and Long Haul Pilots

FROM // AFAP Qantas Pilot Council

DATE // 29 November 2024

RE // AFAP Qantas Pilot Council Briefing No.21

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A friendly reminder, if you are not yet a member but would like to receive our briefs, please email: membership@afap.org.au with the subject line "Please add me to the QPC mailing list".

LH EA Update

A few weeks ago we met with the Company for the first official LH EA meeting. This meeting broadly covered both parties' main positions and allowed us to provide a summary of our substantial survey data, which paints a very clear picture of what you have outlined you need to reach agreement. The meeting also allowed us to provide context and a timeline of events that have contributed to the historically low levels of engagement and ultimately the sentiment portrayed in the survey results.

LH EA 9 and LH EA 10 contained significant concessions for Long Haul pilots, as well as substantial complexities in the agreement by splintering off fleets in terms of conditions. Both agreements were voted on in somewhat threatening circumstances.

Since their implementation, you have reported that numerous issues have arisen as a consequence of the changes the agreements brought about. Of these issues, the survey shows fatigue, burn-out and overall crew health are of the greatest concern to the pilots. In these EA negotiations, the AFAP will look to protect crew health, reduce the risk to the organisation by mitigating against fatigue and looking to ensure the pilots do not feel financially burdened in protecting themselves from fatigue and maintaining their health. This should be a shared goal by Qantas.

We met with the Company again last week and presented them with our Log of Claims. This log will be provided to the members in the next week with an explanation of the claims, and their basis in the survey data. It is imperative you are brought along with us throughout the negotiations, and we will update you as the negotiation progresses. We would also like to again stress that the team have not, and will not sign non-disclosure agreements (NDAs) so we can continue to provide a steady stream of information on the progress of negotiations.

SH EA Update

In the same week the LH EA meeting was held, the next SH EA meeting was also held. In this meeting we reiterated our belief that our alternative offer, as presented to the Company prior to the ballot, would gain a majority yes vote. The Company once again expressed interest in many of the items, while others were refused outright.





In positive news, the Company advised that they were now potentially willing to recognise the concessions pilots made in the SH variation. Accordingly, we valued these concessions. Disappointingly, after writing to the Company seeking written confirmation on these discussions, the Company advised they would still not depart from their 'cost envelope' and took a position inconsistent with what our entire negotiating team confirmed occurred in the room in the first meeting. The fact that discussions in the room have become somewhat unreliable makes negotiations difficult.

A second post 'no vote' meeting was held last week. In this meeting Qantas reiterated its position that the 'cost envelope' was fixed, and they would not depart from their initial costing. Qantas advised they would consider ways to guarantee the remuneration gains they have advertised pilots can expect. Qantas asked the AFAP team to present the ways this remuneration could be guaranteed. The AFAP team pointed to our alternative offer as it contains these mechanisms.

The Qantas team explained that they could make changes to items including PCG, MGH, the pay scales and the implementation schedule, however they were not receptive to other primary mechanisms included in our alternative offer designed to guarantee pay-rises, as promised by Qantas before the ballot. Pay certainty/guarantee remains the leading concern of short-haul pilots as expressed through our survey results.

In our view, refusing to budge from an arbitrarily fixed cost envelope that the overwhelming majority of pilots have already rejected does not constitute good faith bargaining. While the AFAP team is committed to a negotiated outcome, and cognisant of the fact this requires some compromise on our alternative offer, we believe pilots would be unwise to give any valuable concessions while the Company takes this approach. We remain optimistic the Company will negotiate genuinely and in good faith.

The concessions being asked for are significant and valuable to the Company. Some items appear insignificant to pilots on face-value, but have considerable potential consequences. Direct entry First Officers is one such item. The Company outlined in a previous meeting that this pilot concession would result in significant cost savings for them. It also presents some notable considerations when understood in historical context. Accordingly, the AFAP team do not believe it has been sufficiently offset in any of the Company's positions to date.

Dialogue with AIPA

Last month we reached out to the AIPA SH working group (the replacement for the AIPA SH negotiating team), expressing our interest in open dialogue and finding common ground. We received a reply from a member of the working group outlining the AIPA CoM would discuss this. To date, no further correspondence has been received. We remain open to constructive dialogue, and continue to pursue what we believe is the most effective strategy for the best outcomes for members.

Discussion Paper Redundancy and Interaction Between Agreements

Below is a short historical discussion piece written by Captain Murray Butt, who served as AIPA president twice and has extensive historical knowledge of the integration award and the historical context of the short and long haul agreements. Cpt Murray outlines the real risk of Direct Entry FOs and the potential circumvention of the QF Mainline seniority system for promotions and redundancies.





<u>Discussion Paper - Redundancy and Interaction Between Agreements</u> Captain Murray Butt

The relationship between the Qantas Airways Limited Pilots (Long Haul) Agreement and the Qantas Airways Limited Pilots (Short Haul) Agreement dates back to the Qantas/Australian Airlines Pilot Integration Award 1994. Since that time the goal for Industrial Representatives had been a single agreement to cover all mainline pilots. Until recent agreements it had been the view of these representatives that all new aircraft should be introduced into mainline operations through variation of the Long Haul Agreement and that the Short Haul Agreement would disappear with the retirement of the B-737. The relationship between the two agreements has been the subject of multiple discussions covering multiple topics. The goal of a single agreement relates closely to attempts to implement a Group Opportunity List to counter the Qantas model of divide and conquer using multiple entities and multiple agreements.

One of the Industrial Principles that Qantas Mainline crew have relied on for job security has been the "last on first off" steps of redundancy reflected in 15.10.2(b) of the Long Haul Agreement:

The Company may make pilots compulsorily redundant, which will occur in reverse order of seniority – that is, on a last on first off basis except that the Company may 'pass over' a pilot who is on LWOP and that period of leave commenced prior to the issuing of the notice of compulsory redundancy and was approved for a period of more than 12 months. Where a pilot is on LWOP that was not approved prior to the issuing of notices of redundancy and that period of LWOP was approved for a period of less than 12 months then:

- (i) the Company may extend the minimum period of notice to the day on which the pilot returns from LWOP; and
- (ii) the Company will not be required to make the pilot redundant if on the date of redundancy the pilot, if made redundant, would be eligible for an offer of re-employment under clause 15.10.19.

For Short Haul, the redundancy provisions rely on the fact the Short Haul Agreement overrides the Integration Agreement except where it specifically calls up the Integration Agreement.

From the 2022 variation of Short Haul EA8, Clause 4.2:

Integration Award & other matters

The following provisions of the Integration Award as in operation immediately before EBA6 was made are called up and have operation: clauses 3, 4(a), (b) and (c) (but not the final paragraph of clause 4), 5, 6(a), 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and Schedule 1.

However and despite the immediately preceding paragraph, the applicable pay and conditions for the A320 will be as provided for in this Agreement and clause 13 of the Integration Award will have no application in relation to the introduction of the A320 or in deciding the pay and conditions applicable to them, except for determining the relative order of pilots and the applicability of that relative order on those aircraft. For the avoidance of doubt, subject to Appendix C, it is the





intention of the parties that the provisions of the Integration Award called up in this clause operate as if they formed part of this Agreement.

To the extent of any inconsistency between the express terms of this Agreement and the terms of the Integration Award referred to above, this Agreement prevails unless expressly stated to the contrary.

In the case of pilots employed under the Short Haul Agreement, clause 16.3.1 (d) states "seniority will be used to determine the order of selection of pilots...subject to clause 45.3, in the event of redundancy, selection for any consequential action considered appropriate, including termination."

Clause 45.3 reflects the same provisions of the Long Haul Agreement relating to pilots on Leave Without Pay. As above "it is the intention of the parties that the provisions of the Integration Award called up in this clause operate as if they formed part of this Agreement".

Clause 16 of the Integration Agreement states in 16(c):

In the retrenchment of pilots on account of redundancy, before any A pilot or Q pilot is retrenched, new-hire pilots will be retrenched. New-hire pilots will be retrenched in accordance with the Pilots Agreement.

It is important to note the definition of "Pilots Agreement" in the Integration Award document:

"Pilots Agreement" means the International Airline Pilots Agreement 1989 (Long Haul Agreement) as in force from time to time and any agreement or award which substantially replaces that agreement.

This raises the question where a pilot is employed directly onto the Short Haul Agreement what their rights in relation to redundancy would be, given the questionable legal standing of the Integration Agreement. It also brings to mind the unanswered questions that emerged from the Covid stand down that remain. The ability to stand down a large group of pilots for "other limitations of work for which the Company cannot be held responsible" may be used to circumvent the protection provided by the associated cost of "last on first off" to set aside an unproductive fleet when economically advantageous.

As stated, the goal of a single mainline agreement has been set aside and undermined by Qantas' gradual push to change and expand the Short Haul Agreement to a fit for purpose solution to any new fleet. The first step was the removal of geographical boundaries as seen in the change to International restrictions as follows:

36 International operations protocol EA7

36.1 Application of protocol

The protocol will only apply to international destinations within an area bounded by 90 degrees east longitude to 180 degrees longitude and from the equator to 50 degrees south latitude but including Singapore.

36.2 Line building





- 36.2.1 Pattern lines will be built and allocated in accordance with the agreed procedures of the day.
- 36.2.2 While conforming with the agreed duty and flight time limitations applicable under this Agreement (including agreed concessions), the Company will not construct patterns which require slips in excess of thirty-six (36) hours without first obtaining agreement from the Association.
- 36.2.3 If, despite sub-clause 36.2.2, the Company wishes to construct patterns for improved efficiency which do not conform with the agreed duty and flight time limitations, the Company must first consult with the Association which reserves its right to reject those non-conforming patterns.
- 36.2.4 The Company, in consultation with the Association, will:
- (a) use its best endeavours to construct patterns involving a slip at an overseas port to reflect the average daily hours for the respective bid period of operation; and
- (b) review all international patterns before publication.

This was changed in the 2020 SH EA8 as follows:

- 36 International operations
- 36.1 Application

The provisions of this clause 36 will only apply to patterns including international destinations within an area bounded by 90 degrees east longitude to 180 degrees longitude and from the equator to 50 degrees south latitude but including Singapore and Apia (hereafter referred to as international patterns).

- 36.2 Pattern building
- 36.2.1 International patterns will be built and allocated in accordance with the agreed procedures of the day.
- 36.2.2 The Company will not construct international patterns that do not conform with this clause
- 36 without first obtaining agreement from the Association. 36.2.3 The Company, in consultation with the Association, will:
- (a) use its best endeavours to construct patterns involving a slip at an international destination to reflect the average daily credit hours across all bases for the respective bid period of operation; and
- (b) review all international patterns before publication.





- 36.2.4 Where an international pattern contains a slip greater than thirty six (36) hours, the minimum planned pattern credit will be the average daily credit hours across all bases for each day of the pattern.
- 36.3 International pattern disruptions
- 36.3.1 If a single tour of duty international pattern is disrupted in an overseas port to such an extent that the pilots are unable to complete the return international sector within flight time limitations on the day of the scheduled flight, the Company will arrange for pilots affected by the disruption to operate or be flown to their home base on the first available flight. Pilots affected by the disruption will be paid at the following rates for operating or deadheading out of an overseas port to their home base:
- (a) one (1) hour for one (1) hour elapsed, resulting from a disruption extending up to twenty-four (24) hours after sign-on for the duty which is disrupted; and
- (b) two (2) hours for one (1) hour elapsed, resulting from a disruption extending beyond twenty-four (24) hours.
- 36.3.2 If an international pattern was planned with slips no greater than thirty six (36) hours and is disrupted such that any slip extends beyond thirty six (36) hours, the minimum pattern credit will be the average daily credit hours across all bases for each day of the pattern.
- 36.3.3 If an international pattern was planned with a slip greater than thirty six (36) hours and is disrupted such that no slip is greater than thirty six (36) hours, the minimum pattern credit applicable in clause 36.2.4 will not apply.

And finally in the 2022 variation pushed through in the difficult circumstances of Covid, the changes were as follows:

- 36 International operations
- 36.1 Application
- 36.1.1 Other than in relation to the A320, the provisions of this clause 36 will only apply to patterns including international destinations within an area bounded by 90 degrees east longitude to 180 degrees longitude and from the equator to 50 degrees south latitude but including Singapore and Apia (hereafter referred to as international patterns).
- 36.1.2 In relation to the A320, the provisions of this clause 36 will only apply to patterns including international destinations.

This was then followed by the extension of the Agreement in perpetuity by introduction of a further Fleet type beyond the 737 with the A320 fleet.

The final stage to the separation of two complete agreements, enabling the introduction of any new Fleet would be the introduction of direct employment into the Short Haul Agreement. This would allow the two Agreements to be played off against each other every time a new aircraft type is introduced, leaving only the question of severing the relationship between redundancy within the two agreements. Given the uncertain legal standing of the Integration Agreement, this may not be as difficult as might be hoped.





To date, no pressing issue has been raised with the current process of employment into the Long Haul Agreement followed by transfer to the Short Haul Agreement, and for this reason such a change should be resisted. As an aside, the changes to the introduction of the A320 into the Short Haul Agreement leaves a lot of questions as to the process outlined in the Integration Agreement and the participation of "A" and "Q" representatives as required by the Long Haul, Short Haul and Integration Agreements to achieve what is currently in place.

Questions

For any enquiries regarding matters at Qantas please contact any of us or the AFAP legal and industrial team of Senior Legal/ Industrial Officer Pat Larkins (patrick@afap.org.au), Senior Industrial Officer Chris Aikens (chris@afap.org.au), or Executive Director Simon Lutton (simon@afap.org.au).

Regards,

AFAP Qantas Pilot Council

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