

13 December 2024



AFAP Qantas Pilot Council (QPC) Updated Offer SH EA Negotiations

Introduction

The AFAP support having in principle agreement by Christmas, provided it is an acceptable EA that addresses SH pilots' concerns with the 'no vote' proposal.

Below we have set out a revised position that we would be prepared to endorse and recommend our members vote for in a new EA. The position below identifies the changes to our Alternative Offer as presented to Qantas and our members prior to the ballot. Any items not covered below remain as per this alternative offer (e.g. DPC, Flexi-lines etc).

Alternative Offer Details - Remuneration

The Company expressed interest in increasing the FO's percentage figure instead of including a year 6 pay bracket. While we acknowledge the year 6 pay bracket is theoretically not going to be valid for a great many FOs who plan on moving on to LH, we do not view this offsetable item as fair for Captains who would also be paying for it through an increased re-assignment window, but receiving no benefits.

As such, we propose rolling the year 6 increment into year 5 for both Captains and F/Os. Our proposal would contain a 5% jump between years 4 and 5. This would benefit both ranks, and increase the number of FOs that would stand to benefit from the change.

Years In Rank

We have moved away from changing the pay table to a 'years of service' model. In conceding this item, we are significantly reducing the cost envelope of our proposed package for the Company. Other items in our alternative offer were of higher priority to pilots as demonstrated through our surveys.

Other Changes to Pay Increments

The AFAP also have moved to MGH of 60 from our position of 62 strictly on the condition the other items contained in this position are accepted. We recognise the priority for members from our survey was to increase guaranteed wages through higher hourly rates.

Finally, we have adjusted from our position of 'CPI or 3% per annum increases whichever is greater' to accept 3% fixed increases. This concession from our alternative offer is also strictly on the condition the other items in this position are accepted.

Alternate Pay Tables

The AFAP alternate hourly rates are:

Hourly Rates - CPT	Lev 1	Lev-2	Lev-3	Lev-4	Lev-5	% increases PA
Sep-22	\$326.06	\$334.87	\$343.68	\$352.49		0%
Sep-23	\$326.06	\$334.87	\$343.68	\$352.49		0%
Commencement	\$337.79	\$346.92	\$356.05	\$365.18	\$383.44	3.6%
Sep-25	\$347.93	\$357.33	\$366.73	\$376.14	\$394.94	3%
Sep-26	\$358.37	\$368.05	\$377.74	\$387.42	\$406.79	3%
Sep-27	\$369.12	\$379.09	\$389.07	\$399.04	\$419.00	3%
% increases per level		2.7%	2.6%	2.6%	5.0%	

Hourly Rates - FO	Lev 1	Lev-2	Lev-3	Lev-4	Lev-5	% increases PA
Sep-22	\$208.68	\$214.32	\$219.96	\$225.60		0%
Sep-23	\$208.68	\$214.32	\$219.96	\$225.60		0%
Commencement	\$216.19	\$222.03	\$227.87	\$233.72	\$245.40	3.6%
Sep-25	\$222.67	\$228.69	\$234.71	\$240.73	\$252.76	3%
Sep-26	\$229.35	\$235.55	\$241.75	\$247.95	\$260.35	3%
Sep-27	\$236.23	\$242.62	\$249.00	\$255.39	\$268.16	3%
% increases per level		2.7%	2.6%	2.6%	5.0%	

The above represents equitable pay rises across both CPTs and FOs.

AFAP Concerns Regarding Scope

The QPC holds significant concerns around the breaking down of the distinction between SH and LH operations and the broadening of the scope of the SH EA without appropriate pay and conditions. Our concerns are directly linked to:

- The removal of the geographic box via the SHEA8 variation,
- Direct entry B737/ A320 FOs (a Company claim in this EA9 negotiation),
- The future changing nature of Short Haul flying from primarily domestic routes (as a result of the transfer of domestic routes to NJS on the A220) to regional long haul routes currently flown by A330 pilots on LH EA terms and conditions.

The QPC's position is that the SH variation which varied the scope of the SH EA, and the EA9 offer that the company has proposed will result in regional long haul flying on the A320 being conducted on pay and conditions that are unsuitable and therefore unacceptable for long haul flying.

The limit of "short haul operations" under the Short Haul EA is now the range of the A321XLR aircraft. The removal of the geographic box has allowed for a change from an EA designed for a fleet performing predominantly domestic flying and only short haul international, to now covering a new A321XLR fleet which can perform predominantly international flying that would otherwise be long haul flying.

This is exacerbated by the potential for Direct Entry First Officers (DEFOs) being permitted under a new Short Haul EA. This allows Qantas to replace the A330 with A321XLRs and employ directly onto the A321XLR fleet rather than needing to offer satisfactory conditions to attract existing SH or LH pilots.

Throughout the current SH negotiation the QPC have been attempting to address as many of our members concerns with the current pay and conditions and domestic operation, while also attempting to address concerns associated with the broadening of the scope of the SHEA to include regional LH flying on the A320. The QPC's aim has been to work within the Company's

wages policy (which we do not support), and remain within the structure of the Company's EA9 offer.

SHEA8 Variation Offsets

Given the QPC's concerns with the expanding of the scope of the SH EA via the EA8 variation without sufficient or acceptable pay and conditions for the resulting future A320 long haul flying, and the significant implications of the Direct Entry First Officers concession, we have proposed a 5% pay loading exclusively on A320 family international operations in excess of 4 hours, and accommodation and daily travel allowances (DTAs) for international operations as per the LH EA (EBA10).

The enormous savings the Company have been able to secure through placing the A321XLR operations under the SH agreement have only been made possible by the concessions pilots made in the SH variation, specifically the removal of the geographical box restriction.

This scope change in the SH variation will result in significant savings over the A330 operation on long haul flying.

In previous updates we highlighted we would not accept the concession of Direct Entry First Officers based on the fact it has broad-ranging consequences for pilots across the hauls, and given its value to the company, had been insufficiently accounted for in the offsets.

Importantly, we still do not accept this major concession without the above claim of 5% for A320 family international operations in excess of 4 hours and the accommodation and DTA entitlements for international operations as listed in the LH EA (EBA10).

This is a compromise for the AFAP. We acknowledge the significant potential consequences of further separating the hauls and the scope changes that occurred through the variation, and have found a compromised value that we estimate will be acceptable to SH pilots as recognition for this significant change forced through during covid under the threat of the outsourcing of SH pilots jobs.

Structural Changes

PCG

We highlight again to the Company the imperative of guaranteeing the pay-rises it advertised through the mechanisms we have put forward. The Company initially outlined they were willing to consider widening the PCG window to 5 days, but would not entertain PCG from roster publish.

Interestingly, Qantas has claimed the issue with PCG from roster publish was the increased contactability it would require from pilots if they moved to this position. However, Qantas simultaneously made claims for increased contactability elsewhere. This is in addition to maintaining its claim for removing the "tap on the shoulder" requirements to allow for the electronic assignment of replacement duties up until sign-off.

Collected data shows a significant number of changed and disrupted patterns outside 48 hours (the window originally proposed by the Company). We have therefore compromised our position to accept the contactability changes claimed by the Company in exchange for PCG from roster publish. It is worth noting Qantas already has far greater flexibility under the SH EA for re-assignment of disrupted duties than either Virgin or Jetstar. The acceptance of this claim in conjunction with PCG from roster publish would likely necessitate a 'last x day' call in requirement, similar to the LH agreement.

Pre-paid Standbys

The AFAP claim to pre-paid standbys through a 3.6% uplift to salaries is maintained as a means of guaranteeing the remuneration gains they were using to offset the wage freeze and other concessions. This is incorporated in our wage table above.

We are open to other mechanisms that would ensure pilots receive all of the 36 hours per annum extra they have been promised for additional reserve credits. To date the Company have not demonstrated any other way they are willing to guarantee this pay beyond implementation of the reserve pay.

The position we have reached is a compromise but ensures the majority of the pay-rises derived from structural changes are assured, and that there is a reduced chance the Company can find ways around them. This also represents a wages policy compliant proposal to fund additional guaranteed hourly rate increases.

Long Slip Credit

The Company has advised that they are opposed to our Trip RIG proposal on the basis that it would require a system change. Our primary issue with their proposed long slip credit was the slip threshold of 30 hours would make the function highly avoidable, negating the extra credit hours the Company advertised pilots could expect.

As such, we propose a middle ground position of an adjusted long slip credit slip threshold of 20 hours. This ensures the majority of international flying would be covered by the long slip credit.

Implementation Allowance

Qantas has proposed introducing an allowance on commencement of the new EA, to be paid each bid period, reflecting the value of the structural changes (DPC60, PCG, reserve credit) as calculated by Qantas (86 credits per annum being 6.6 credits approx. per bid period) until they are implemented. In return, Qantas propose introducing the offsets from commencement, including the ability to recruit Direct Entry First Officers.

If the remainder of the package is accepted the AFAP support this allowance.

Company Claims

First class duty travel

We remain opposed to the first class duty travel entitlement loss. We have reached this position on the basis that it still remains insufficiently accounted for in the rest of the package. The QPC have concerns that future introduction of LH style flying on the A320 will accompany an associated increase in longer paxing sectors. The Company's resistance to increasing the 'cost envelope' makes this concession untenable at this time.

Direct Entry FO

As covered above, we remain opposed to direct entry FO unless the recognition of the variation concessions is approved in the form of a 5% pay increase for A320 family international operations in excess of 4 hours, and accommodation and daily travel allowances (DTAs) for international operations as per the LH EA (EBA10).

Contactability

Should the contents of our revised position be agreed to, we have reached the compromised position of accepting this concession. The agreement of this concession is explicitly tied to the other items contained in this position.

Summary

The above updated position represents a compromise we have reached from our alternative offer. We have negotiated continuously and in good faith and provide this position with the intent of reaching in principle agreement prior to Christmas. The movement on the various items has not been taken lightly and we feel this package will be enough to secure the support of a majority of the SH pilots.

Regards,

AFAP Qantas Pilot Council

Michael Egan – Chair

Mark Gilmour – Vice- Chair

Daniel Kobeleff – Secretary

Michael Armessen – Committee Member

David LaPorte – Committee Member

Josh Chalmers – Committee Member

Rob Close – Committee Member