



**AUSTRALIAN FEDERATION
OF AIR PILOTS**



Qantas SH EA 9 Offer 2 AFAP Explanatory Document



AUSTRALIAN FEDERATION
OF AIR PILOTS

Overview

This explanatory document has been produced by the AFAP. It is intended to assist members to make an informed decision regarding the second Short Haul Enterprise Agreement 9 offer by Qantas.

Should there be any inconsistency between this and the proposed Enterprise Agreement (EA), the EA document prevails.



Table Of Contents

Overview.....	2
Table Of Contents.....	3
Negotiation Environment.....	6
Economic.....	6
Industrial.....	6
Political.....	6
SH Variation.....	7
Negotiation Process.....	8
Survey Data.....	8
Second Survey.....	8
Negotiations.....	9
Drafting.....	10
Voting.....	10
Analysis of the Company’s EA9 Offer.....	11
Summary of components.....	11
Pay.....	12
Pattern Credit Guarantee (PCG).....	13
Inefficient Patterns.....	14
Average Daily Credit (aka Long Slip Credit).....	14
Duty Period Credit (aka DPC, DPC60).....	15
Reserve/Standby.....	15
Reserve Pay.....	15
General.....	16
Direct Hire First Officers.....	16
Duty Travel.....	17
Minimum Guarantee Hours (MGH).....	18
Time Off.....	19
Electronic Sign-Off.....	19
Home Transport.....	19
Freeze Periods.....	19
Training Pilots.....	20
Flexi-Lines.....	20
Bidding Timeline.....	21
A320 EIS.....	21
AFAP’s View of the changes made from the failed first ballot offer:.....	22
Summary.....	22
Next Steps.....	24
Appendix.....	26



Introduction

In 2023, the AFAP Qantas Pilot Council (QPC) conducted the first of two Short Haul (SH) EA surveys for the SH EA negotiations. This survey enabled us to formalise a detailed log of claims (LoC) based on the data derived from the survey results. This LoC has formed the basis of the AFAP's negotiation position and strategy.

In initial meetings with the Company, the AFAP outlined that the survey results demonstrated SH pilots would not accept pay conditions that see them go backwards against the historically high inflation experienced in the last preceding and projected periods.

In addition, they require:

1. a better work-life balance; and
2. more efficient rostering; and
3. more consistency in the hours they work.

The AFAP made progress in negotiations with the Company, and there are multiple areas where we believe agreement has been close. However, negotiations with AIPA progressed in a different direction, ultimately leading to an in principle agreement with terms agreed to by AIPA that the QPC believe do not meet the pilots' stated requirements.

Accordingly, the Company decided to progress to a ballot with a proposed EA9 offer, endorsed by the AIPA Committee of Management (CoM), containing significant clauses and offsets that were not supported by the AFAP survey results.

A second AFAP survey was conducted of members and non-members after the Company's EA9 offer was endorsed by the AIPA CoM. The survey results showed almost identical sentiment to the first survey, and consensus and resolve across the primary issues.

The QPC wrote to the Company to seek clarification as to whether the EA9 offer pay-rise calculations derived from structural changes would be guaranteed. The Company subsequently advised they would *not* guarantee these pay increases and offered no guarantees they would not mitigate against these pay-rises through changing practices, reducing the advertised gains that were used to offset a wage freeze.

Given the results from the second survey, the lack of important pay-rise guarantees, the ability for the Company to change practices to mitigate a large portion of any pay-rises SH pilots might expect from the proposed EA, and the significant concessions that were being asked of the pilots in exchange, the QPC wrote to Qantas on behalf of members to advise that we could not endorse the EA9 offer in the proposed form and the reasons for our lack of endorsement. Furthermore, given the second survey results, and the information that was provided, the QPC recommended pilots vote NO to the proposed offer.

The proposed EA proceeded to a ballot. This EA proposal was voted down by the pilots, with over 63% of pilots voting against the proposal. This vote result was consistent with our survey results, which demonstrated guarantees around pay-rises were a priority of pilots.

Subsequent to this EA vote, the AFAP reached out to the Company to re-commence negotiations. No effort was made to meet with AFAP until a letter was sent to Vanessa Hudson and Catherine Walsh outlining the AFAP's view of Qantas implementing questionable IR tactics.

The following negotiations were characterised by discussions that could not be backed up in writing after the meeting, and the apparent 'walking back' of previously discussed concepts. The AFAP outlined to Qantas that pilots expressed they did not trust the Company on their suggested pay-rise figures without guarantees. The Company initially inferred willingness to



recognise the value they gained in the SH variation in this EA, but in subsequent meetings reverted to a 'no cost increase' position. This position is viewed by the AFAP as inconsistent with good faith bargaining, and raises questions around their ability to meet the requirements for the FWC to issue an intractable bargaining declaration (IB).

AIPA and Qantas reached in principle agreement again in December. The Company briefed the AFAP team on the changes to the original in principle agreement. These changes are effectively a no-net increase in cost to the Company, but a shuffling of items from the original in principle agreement. The lack of guarantees derived from structural changes, the number one concern expressed by pilots in the survey, largely remains, with the only change being an expansion of PCG applied only to training displacements, but crucially, excluding route checks.

Given the Company has decided to proceed to a ballot, the QPC have produced this analysis to provide some explanations, context and commentary on the various changes proposed by Qantas contained in their SH EA9 document.

This document:

1. Provides an explanation of the negotiation environment and the AFAP's negotiation process,
2. Outlines and analyses various items contained in the Company's SH EA9 offer,
3. Details the most recent position the AFAP reached, in accordance with good faith bargaining, and
4. A next steps guide authored by the AFAP legal team, outlining the expected negotiation process should the Company's EA9 offer fail to achieve SH pilot endorsement.



Negotiation Environment

Economic

In May 2021 Qantas announced a wages policy that included a two year wage freeze. Around the time the Qantas wages policy was set, Australian CPI was 0.8% (March of 2021), 0.4% (January 2021) and 0.4% (September 2020).

By March of 2022 inflation had reached 5.7% and a peak of 8.4% in December of 2022. In December of 2023 it remained elevated at 4.9%. (Source ABS CPI (A2325847F) ABS monthly CPI (A12847838V))

Monthly consumer price index indicator (%)



The RBA has been clear on the threat of rising and stubbornly high inflation and, as a result, interest rates have been raised 13 times since 2021 in an attempt to manage this inflation. At the time of writing, inflation in Australia remains at approximately 3.5% and appears steady.

The Company has passed on multiple and significant cost-increases to consumers over the same period of time. In public comments, Qantas spokespersons have attributed these cost increases directly to wage cost increases. At the same time, research by the OECD shows that a large portion of the inflation experienced across Australia is a result of increasing corporate profits. Dr Jim Stanford of the OECD: “Companies in Australia and many other industrial countries have taken advantage of the disruptions, shortages, and desperation of the pandemic to push up profit margins far beyond normal levels. In Australia, corporate profits reached their highest share of GDP ever in 2022, and that has been the leading cause of the current cost-of-living crisis.

“Workers are now struggling to catch up to prices and recover the loss in their real wages.”

Industrial

The recent aviation boom (despite weak global economic outlook), has led to a tangible shortfall of suitably qualified pilots across the globe. Accordingly, the pilot jobs market remains very strong, and Company subsidiaries have struggled to crew aircraft with the likes of Network Aviation offering large retention bonuses in an attempt to retain pilots. Traditionally, weak pilot jobs markets have been used to strengthen the Company’s bargaining position in previous negotiations.

Political

Currently the Labor government remains in power and as such workers are far better protected by the FWC and legislation than under previous governments. New legislation criminalising wage theft and new ‘same job same pay’ legislation are good examples of the progress being made to protect workers from corporate entities.



SH Variation

In 2023 Qantas introduced the Short Haul Enterprise Agreement 8 variation (EBA8v). This variation introduced significant pilot concessions purported to be required to accommodate the introduction of the A320 operations. These concessions included the removal of geographical box restrictions, changes to the Rostering Manual that enabled Qantas significantly greater flexibility by altering industrial and legislative protections, and extended training freezes, among other things. These concessions were not offset with any tangible agreement improvements for the pilots. The AFAP commentary on the EBA8 variation from the time can be found [here](#). It remains relevant today.



Negotiation Process

Survey Data

The first of our SH surveys was conducted in early 2023. The results of this survey formed the basis of the AFAP's log of claims. Priority issues outlined in the survey overwhelmingly focused on:

1. Remuneration; and
2. Lifestyle

Regarding improving remuneration mechanisms, members' stated order of priorities were:

1. Hourly rate; then
2. Trip and duty RIGs; then
3. Credit protection; then
4. MGH changes; then
5. Day off payments.

Second Survey

Because our SH membership had grown significantly since the first survey was conducted, and the Company EA9 offer had been endorsed by the AIPA CoM, it was important for the AFAP to conduct a second SH EA survey. This second survey captured the opinions of a now much larger membership base, and importantly, the sentiment of the members in the context of the Company's EA9 offer.

The second survey was open to non AFAP members to enable a comparison of data between members and the broader pilot group. Feedback from members and non-members was almost identical.

Members identified two main areas of the EA 9 offer requiring priority attention:

1. Remuneration that includes tangible, guaranteed pay rises at least in-line with inflation; and
2. Structural changes that ensure sustainable working conditions that protect the welfare of pilots.

Furthermore, members highlighted a preference for a Trip RIG in lieu of ADC. Members also expressed a preference for pattern credit protection from roster publish (a system similar to Virgin, where credits at roster publish, including paid reserve, are protected) instead of the offered PCG.

Members are very wary of the lack of guarantees around the structural changes that require tangible offsets and limit the value of such structural changes.



Negotiations

Negotiations with the AFAP began in October 2023. In December 2023, the AFAP negotiating team presented the Company with a LoC and gave a detailed explanation of the survey data and the related claims.

The AFAP negotiating team's objectives, determined by the members through the survey, were outlined to the Company.

Qantas laid out their own claims in the initial meetings, including placing high value on a wage policy compliant agreement that contained a 2 year wage freeze. Other items claimed by Qantas included:

1. Direct entry FO (DEFO),
2. First class duty travel entitlement removal,
3. Contactability changes to increase flexibility, and
4. Various administrative changes

The AFAP maintained the position that a neutral starting point for negotiations was one where pilot's wages remained steady in the context of inflation. Discussions around the AFAP's claimed items and which items would potentially offset the claims, needed to occur from this neutral starting position. Given Qantas' position on remaining 'wage policy compliant', many items were discussed that could contribute to offsetting the Company's proposed wage freeze.

While these negotiations were progressing, AIPA were moving in a different direction, and the AIPA negotiating team and Qantas came to an in principle agreement on 17 June 2024. The AIPA Committee of Management (CoM) considered the in principle agreement on 4 July 2024 and decided NOT to endorse the in principle agreement.

Subsequent to this decision from the AIPA CoM, and according to Qantas, representatives from AIPA presented Qantas a revised offer which resulted in a second in principle agreement. That in principle agreement was put to the AIPA CoM for a vote on 16 July 2024. The CoM voted to endorse the second in principle agreement.

This in principle agreement was put to ballot. In the lead-up to the ballot the QPC outlined our concerns that the offer fell short of the pilots' outlined expectations, mainly in relation to the lack of pay guarantees and significance of the concessions. The QPC recommended a no vote accordingly and AIPA recommended pilots vote yes. The agreement was subsequently voted down by more than 63% of eligible pilots who voted.

Subsequently negotiations re-commenced. We were flexible in these negotiations but outlined to the Company the major stumbling blocks for pilots would not create significant cost increases to overcome. These meetings were characterised by apparent changes in position by the Company between meetings, much to the frustration of a negotiating team genuinely trying to find solutions. Ultimately the changes in position could be accounted for when considering there was no visibility on what the AIPA team were discussing, despite our efforts to discuss our position with them.



This has led to a new in principle agreement between the Company and AIPA. This agreement will go to ballot in February.

Drafting

Qantas has not included the AFAP in the drafting process for the new agreement. We have provided Qantas with our comments and detailed position on all the items being changed in the proposed EA.

Voting

Eligible employees will vote via an online ballot conducted by an external independent organisation, Elections Australia Pty Ltd.

The ballot will open at 9 am (AEDT) on Tuesday 18 February 2025 and will close at 12 noon (AEDT) on Monday 24 February 2025.

If you have received this email, you are entitled to vote on the Proposed Agreement. The How to Vote instruction sheet provides details on casting your vote. Please note that your vote is anonymous.

If a majority of pilots who cast a valid vote approve the Proposed Agreement, the Company will then apply to the Fair Work Commission seeking final approval of the agreement. The Proposed Agreement would then commence to operate 7 days after approval by the Fair Work Commission.



Analysis of the Company's EA9 Offer

Summary of components

- Four-year term from commencement (5 years from expiry of previous EA)
- 2 year wage freeze followed by three 3% pay increases
- Implementation allowance of 6 hours per bid period until structural changes implemented.
- Direct hire FO to SH
- New intake First Officer training pay rate (extended until FOTs are checked to line)
- MGH increase from 53 to 60
- Additional year 5 and 6 increments for captains at 2.5% (year 6 increment not effective until September 2025)
- Additional year 5 increment for FOs at 2.5%
- Change to FOs pay rate percentage to 66% of captain
- Replacement of 'tap on the shoulder' with SMS
- Current SH pilots and those with vacancies 'bump' up 1 pay increment
- Increase in golden leave days from 3 to 5.
- Training pilot changes
- Pay for reserve duties
- Backfill of reserves (as per A320)
- Online training payment
- Changes to option 2B allowances
- Overseas training provisions
- Home transport provisions for BOC flights
- Training away from base allowance changes
- Increase in pre-allocated X days
- Minimum pay for duties on AV or BL day
- Changes to freeze periods
- Introduction of a minimum duty period credit (DPC60)
- A320 entry to service provisions
- Flexi line clarification
- Credit for patterns with >30 hour slip
- Open time bidding
- Replacement of RDC with Pattern Credit Guarantee (PCG)
- Bidding timetable changes



Pay

Pay rates

The proposed deal provides for the Qantas wage policy and three compounding annual increases in hourly rate of pay as follows:

- 0% on 1 September 2023
- 0% on 1 September 2024
- 3% on 1 September 2025
- 3% on 1 September 2026
- 3% on 1 September 2027

The changes are effective from the first full pay period on or after the specified dates.

Pay increments

The proposed EA also includes additional yearly increments:

- Year 5 - 2.5%
- Year 6 (captains only) - 2.5%

The year 5 increment will be effective 2 bid periods after the EA commences while the year 6 rate will be effective from 1 September 2025. FOs move to 66% of Captains rate.

Sign on increase

At the date the EA commences SH pilots will have their years of service bumped up by 1 year if they are:

- in SH; or
- in training for SH; or
- hold a vacancy in SH but not started training.

Note: A SH FO holding a SH command vacancy will check out in year 2.

AV and BL day minimum pay

A pilot who is awarded or assigned a duty on an AV/BL day, will receive a minimum of 4 hours for that day. For a multi-day pattern, this will apply to day 1 only.

Online training pay

Online training is proposed to be paid at a minimum of 4 hours per annum. Each separate training course would be valued at a minimum of one hour. If training exceeds 8 hours per annum, training would be paid hour for hour. Calculation of this online training pay would be based on the annual 'weighted average' of courses required to be completed by Short Haul pilots per annum, e.g. credit for a 2-hour course required to be completed every 2 years would equal one hour credit. For calculation purposes, the Qantas course timings to be used.



Analysis

Pay increases in the proposed EA are via direct increases in hourly rates as well as via structural changes.

The 3% pay increments, the 66% FO pay change and years 5 and 6 (for Captains) pay can be calculated relatively accurately. AV/BL day minimum pay goes some way to solve a common frustration for SH pilots.

Other structural changes such as the proposed MGH increase will have a variable impact and will therefore have different financial outcomes for each individual. Purported pay increases from structural changes including PCG, Long Slip Credit, DPC and paid reserve remain unguaranteed by the Company, and therefore we view any projected data, graphs and tables based on these unguaranteed elements as entirely unreliable and misleading (including any calculators produced for the purpose of analyses).

Qantas has the ability to modify practices to mitigate against cost/pay increases they would otherwise incur based on these structural changes. History tells us that Qantas will mitigate against these cost increases thereby reducing the associated pay rises.

The inclusion of online training pay is welcomed by the AFAP in this second EA proposal.

Pattern Credit Guarantee (PCG)

Applicability

PCG applies to all flying duties and excludes ground duties and reserve.

Functionality

PCG protects credits on published flying duties from 2 calendar days before sign on (commencing 0000 local) and protects credits against training displacements, excluding route checks from roster publish. If the duty is disrupted, changed, or cancelled, the Company may find an alternative duty that must remain contained within the PCG window (sign on – 1 hour until sign off + 4 hours). Reserve duties cannot be assigned against PCG.

If a previous day's flying is extended and results in the loss of the following day's flying, it will be protected under PCG. PCG credit will be paid as the higher of the original pattern or the amended pattern, whichever is higher.

Analysis

While PCG goes some way to resolving credit loss, the AFAP believes it will be heavily mitigated by the Company resulting in less remuneration than pilots are being advised to expect. The AFAP has now collated a multitude of anecdotal examples from our SH members of actual pattern changes that would receive no credit protection under the proposed window. These examples include up/down gauging of aircraft outside the two day window, service changes and route checks. The Company has confirmed it will not guarantee the 20 hours credit per annum it estimates this change will generate for pilots. For this reason, the AFAP supports a modified PCG applied from roster publish for all displacements. For context, Virgin pilots have their credit hours protected from roster publish.



Inefficient Patterns

Average Daily Credit (aka Long Slip Credit)

Applicability

Long Slip Credit will apply to patterns with a slip time greater than 30 hours. This will apply to published and disrupted patterns. Disruptions resulting in a slip time under 30 hours will result in a loss of this credit.

Functionality

When Long Slip Credit is applied, the value of a trip becomes 5:15 hours per day. Variable flight time lengths on such a trip therefore do not affect the credit.

Analysis

The removal of the geographical box associated with the SH EA 8 variation will result in an increase in regional international flying, and therefore longer slip times.

While the AFAP believes it is necessary to protect pilots from the lack of pay density as a result of increased slip times, Long Slip Credit with the proposed 30 hour threshold is insufficient in achieving this. There are loopholes for the Company to exploit both in the applicability and functionality of the Long Slip Credit or ADC. Slip times less than but close to 30 hours do not attract the credit for example.

Because of the ability for the Company to mitigate any Long Slip Credit that may otherwise be generated, the AFAP's position is that Long Slip Credit is not a remuneration increase contributor, and not an offsetable item. The AFAP, in coming to a compromised position, have proposed a slip threshold of 20 hours, which would protect pilots against the same threat but have fewer exploitable loopholes.



Duty Period Credit (aka DPC, DPC60)

Applicability

DPC will apply to all duties, both planned and actual. DPC does not apply to ground and deadheading followed by ground duties. As per the general pay rules, pilots are paid the 'greater of' including flight hours and DPC. DPC applies to each day of a multi-day pattern in isolation.

Functionality

DPC results in credit hours being calculated as 60% of planned or actual duty hours, whichever is greater.

Analysis

DPC is a positive step in resolving a long-standing issue short haul pilots have had with the SH EA. The AFAP believes DPC will offer a lifestyle protection function rather than a remuneration function by compelling the Company to improve rostering and disruption practices, potentially leading to more time at home.

The AFAP does not believe DPC will result in the 12 additional credit hours per annum advised by the Company, as the Company will almost certainly make adjustments to mitigate against the extra costs and has advised they will not guarantee these hours. These adjustments will however, positively benefit the pilots. The AFAP have expressed support for DPC, as this is supported in both of our survey results. DPC also meets one of our claims as presented to Qantas in initial negotiations.

Reserve/Standby

Reserve Pay

Applicability

Reserve pay will apply to pilots who do not take personal leave on an assigned or awarded reserve day.

Functionality

Reserve pay will be 4 credit hours for a standing reserve (no call out) and 5 hours minimum on day 1 of a flying pattern when called out and 4 hours minimum for subsequent days of a multi-day pattern. Due to these changes, bidding for reserves in the roster build will be introduced.

Backfilling Reserve

The Company will have the ability to backfill one reserve when all reserves in a base and rank have been exhausted. This will be done by a priority process similar to open time.

1. Award from minus 5 days in order of PSN;
2. Assign from minus 2 days in the order of reverse PSN

Analysis

The AFAP supports the concept of reserve pay in principle and has negotiated for its inclusion since the beginning of negotiations. However, given the Company are using reserve pay to offset the wage freeze policy, the lack of guarantees around how many reserves pilots will actually receive per year greatly reduces the guaranteed remuneration value purported by



the Company.

The AFAP's position is that the Company's estimated 36 hours per annum additional credit from paid reserves will likely be lower due to the Company's ability to reduce the amount of pilots on reserve.

Furthermore, if a pilot takes personal leave on a reserve day (a day with passive credit), they will receive no credit. The AFAP views this as punitive and lacking in appropriate care. It is the AFAP's position that the personal leave clause should be amended in conjunction with reserve pay to prevent the encouragement of pilot's attending duties when they are unfit to fly.

It is worthwhile mentioning that paid reserves, and in particular how the credit is applied, solves some current issues the Company has, making this item somewhat mutually beneficial. Further questions about the legality of unpaid reserve are currently being tested in the courts.

The AFAP has presented Qantas with an additional reserve function we would support that would guarantee pilots the 36 hours per annum while maintaining flexibility. This can be found in the in the appendix.

General

Direct Hire First Officers

Applicability

The EA offer introduces the ability for the Company to fill initial, additional or residual First Officer vacancies in Short-Haul if there are insufficient 'eligible bidders'. Ineligible bidders include:

1. Second Officers with less than 18 months in the Company,
2. any pilots under a training freeze,
3. pilots in a 'higher category', and,
4. any pilots the Company deem operationally unsuitable.

Functionality

New direct hire First Officers will join the Company directly onto the 737 or A320 as 'FOTs' and be subject to a new pay scale for First Officers under Training. This pay will initially be \$6,218.35 per bid period.

Analysis

The AFAP strongly rejects the proposition of direct hire first officers on multiple grounds.

Within the proposed clause, the ineligibility of Second Officers to bid to short haul with less than 18 months experience will allow the Company to address crewing and training issues to the detriment of pilots. Pilots wishing to 'bid-back' will also have a lower priority in securing a Short Haul position than those 'off the street'.

From a broader view, addressing the Company's SH crewing issues, generated by unattractive contract conditions, will eliminate pilots' ability to compel the Company to improve contract conditions.



The AFAP also perceives significant potential long term issues in the further separation between long and short hauls that would occur with such a clause. Qantas has a long history of 'playing off' work-groups to drive down wage costs for new fleets. The AFAP has concerns around the segregation of hauls and the increased ability (through the geographical box restriction removal) for the Company to play the hauls off each-other to tender for new fleets in the future. SH pilots currently experience the erosion of flying through entities such as Cobham, Network and Alliance. DeFO further expands the IR leverage the Company has at its disposal.

Questionable legal argument exists regarding Reduction In Numbers (RIN) requirements and redundancy provisions between long and short hauls, and as such the AFAP believes steps to separate the agreements further will create potentially significant and dangerous consequences.

Further issues have been raised by AFAP in regard to the below award pay for FOs under training. FOTs will be paid almost \$46,000 pa under the award pay under this proposed agreement. This below-award pay has now been extended in the second offer to last until check to line. This brings some legal questions to the fore in relation to the 'better off over all test' (BOOT).

The Company's current practices of quasi-direct-hire are questionably legal as outlined in [QPC Briefing No 1/2025](#).

Further history and background on direct entry FOs is in our [QPC Briefing No 21/2024](#) and our [AFAP Updated Alternate Offer](#) (see Scope Section) from December 2024.

Duty Travel

Applicability

The proposed EA offer changes the current entitlements of pilots from 'highest class of travel available' to business class upgradable to first when on duty travel. The changes also allow the Company to request pilots voluntarily pax in economy on day of ops duty travel.

Analysis

Presently the duty travel entitlement clause provides for pilots to passenger in the highest class available. On longer and international sectors this often means in a 'lie-flat' configuration. The proposed changes appear immaterial; however it may have far-reaching consequences.

Some international carrier A321XLR cabin layouts contain a business recliner cabin and a first class lie-flat cabin. If Qantas were to proceed in this direction, SH pilots could potentially pax long back-of-the-clock sectors without the entitlement of a lie-flat seat. The cost-effectiveness of reducing duty travel entitlements may also result in a greatly increased number of positioning sectors. The flow-on effects of this are unknown and unpredictable.

Further to this, there is a tangible and significant cost saving for the Company and therefore negotiation value to this item which the AFAP does not believe has been accounted for in the Company's offer.

The AFAP does not support these changes on the basis of the effects, and on the basis they have been insufficiently offset.

The AFAP has further criticisms about the lack of a lie-flat clause in the in principle agreement.



Minimum Guarantee Hours (MGH)

Functionality

MGH is proposed to be increased to 60 hours per bid period.

Analysis

The AFAP support an increase to MGH. Initial offers by the Company contained an MGH of 62 hours. The AFAP survey results showed nearly 60% of pilots required an MGH of at least 65 hours, with close to 20% requiring 70 hours, and just over 10% prioritising 60 hours.

It is the AFAP's position that an MGH of 60 hours is insufficient, and in the interest of balance and compromise, we support the original proposed 62 hours. However, in our modified position, in accordance with good faith bargaining, we agreed to support an MGH of 60 hours if the other items in our position were agreed to.



Time Off

Functionality

The proposed EA contains changes to pre-allocated X days from 3 to 5 days per year, with a maximum of 2 in a single BP.

The proposed EA also contains changes to golden leave with an increase to 5 per year, and a maximum of 2 in a single BP.

Analysis

These changes are positive. The AFAP support the proposed changes in isolation.

Electronic Sign-Off

Applicability

Changes to contactability at sign-off contained in the EA offer will require a pilot to be 'sign-off contactable' from on blocks until on blocks +15 mins.

Functionality

Pilots can be notified of a duty change via text message until sign-off +15 minutes, or may clear in WebCIS from on-blocks.

Analysis

This is a significant change in contactability that gives the Company a great deal of flexibility. The AFAP sees a potentially large increase in disrupted rosters as a result, something expressed as a major concern for SH pilots in the survey data. The AFAP also do not believe there are sufficient offsets for this concession.

As a result of the above concerns the AFAP do not support this proposed change. However, in our updated position, as part of the 'post no vote' negotiations, we proposed to support this concession strictly in exchange for PCG from roster publish for all displacements. The Company rejected this proposal.

Home Transport

Applicability

New home transport entitlements for Pilots where their last tour of duty to home base has more than 2 hours between 1am and 5am based on departure point.

Analysis

This is a positive change supported by the AFAP and will assist to mitigate against unsafe conditions for Pilots.

Freeze Periods

Applicability

The EA offer proposes training freeze periods that will apply to SH First Officers conducting promotion to Captain in SH.



Functionality

A Captain who has promoted from FO in SH will be subject to a freeze period of 2 training blocks (2 years). A direct hire First Officer will be subject to a freeze period of 4 training blocks (4 years).

Analysis

This is a concession for pilots, and the AFAP believes it has been insufficiently accounted for in this offer.

Training Pilots

Functionality

TRE and TRI pilots may have reduced self-flying under the proposed agreement. TRE and TRI pilots may be rostered for overseas training for a full bid-period voluntarily under the proposed agreement. Trainers base salary will increase to 1077 hours per year and they will have access to flexi-lines. Pay for annual leave will also be at the rate determined by the average of the TRIs credited paid hours for the 13 completed bid periods preceding the commencement of leave.

Analysis

The AFAP has assessed the training pilot changes in the proposed agreement as a balanced trade.

Flexi-Lines

Functionality

Minor changes to flexi-lines in the proposed agreement include some changes around bidding for a flexi-line with pilots now required to nominate the BP they would like to commence the flexi-line and not being able to bid more than 3 bid-periods from their desired start date. Flexi-line holders will now be able to bid for more flying through an additional open-time priority.

Analysis

The AFAP generally supports the proposed changes to flexi-lines however, we have outlined to the Company our preference to include an increased cap of 15%. If agreed, this would mean the Company would be compelled to approve flexi-line applications until 15% of the SH establishment are conducting flexi-lines. Beyond 15% approval would be at the Company's discretion.

The AFAP views a cap of 15% as a necessary access to flexible work arrangements for the well-being of pilots. This proposed change by the AFAP is strongly supported by survey data.



Bidding Timeline

Functionality

The proposed agreement contains a reduction in the bidding window by 3 days with an extra day for roster build.

Analysis

The AFAP views a reduction in the bidding window as a concession. The AFAP do not believe this proposed change has been sufficiently accounted for in the package.

A320 EIS

Functionality

A320 entry into service is complex and necessitates some flexibility. The temporary changes for the A320 during the EIS period includes minimum pay of 68 hours, a reduction in personal flying for trainers and bidding flexibilities for Qantas. The EIS period is 12 months from first delivery or fifth aircraft delivered, whichever is earlier.

Analysis

The AFAP generally appreciates the unique and complex nature of introducing a new type and therefore do not oppose the temporary changes.



AFAP's View of the changes made from the failed first ballot offer:

The primary criticisms the AFAP has of the changes made in this second in principle agreement are:

1. The lack of guarantees around the hours derived from paid standbys remain.
2. The PCG window has not been expanded for all displacements and disruptions.
3. Day-off payments have been removed.
4. The significant concession of Direct Entry FO is not sufficiently offset.
5. First class duty travel entitlement concession is not sufficiently offset and no mitigations have been put in place for this concession (i.e. lie flat clause etc).
6. Negative changes to TAFB allowances.
7. Lack of expansion of the Flexi-line cap.
8. Lack of reference changes to include AFAP (or nominated representative body).

The positive changes made in this second in principle agreement are:

1. The PCG window has been expanded for training events, excluding route checks.
2. Online training now receives some pay.
3. Implementation payment will ensure pilots are not punished for slow implementation.

Summary

The Company's second EA9 offer contains some steps in the right direction, but these positive steps must be considered in the context of the offsets being asked to pay for them. The AFAP's survey data strongly advises that SH pilots view a wage freeze as only tolerable if the lost increments are made up elsewhere through guaranteed pay mechanisms that benefit all pilots. The context of the inflationary spike and stubbornly sustained high inflation cannot be ignored, and simple accounting demonstrates a significant shortfall in this proposed EA for pilots who have already experienced a significant reduction in purchasing power. The context of the Company's financial activities also cannot be ignored, with price increases for consumers blamed on increasing wage costs and a record high share price accompanied by continued share buy-backs.

In diving deeper into the individual items, the concern about the lack of guarantees around remuneration derived from structural changes ostensibly remains. Pilots cannot rely on the Company's purported pay gains from structural changes when guarantees are not forthcoming. While the widening PCG window for some training disruptions is welcome, we maintain the most suitable clause for pilots is PCG from roster publish for ALL disruptions.

The changes needed to make this proposal fair and acceptable are numerous although not out of reach. The AFAP presented a modified and compromised position in line with good faith bargaining in our 'post no vote' negotiations. This position was summarily dismissed by the Company once they had secured in principle agreement with AIPA.



While some functions in this proposal are positive changes from the first offer, there are also changes that are negative from the first offer.

The AFAP's position is that fundamentally, the EA offer does not provide the guaranteed neutral financial starting point from which concessions and offsets can be negotiated, and as such, and in the context of our survey results, we are unable to give this new offer our endorsement.

Pilots must weigh up the changes and decide if the trades offs are worth accepting. Pilots must do this with a thorough understanding of what the potential next steps are. The QPC believes in equipping pilots with the best advice and understanding of the process that would follow a 'no' vote.

Ultimately the AFAP will support our members in extracting the best possible outcome regardless of the ballot result.



Next Steps

The steps following a no vote are somewhat unpredictable. The Company and AFAP may take several steps:

1. Return to negotiations
2. PIA
3. Apply for IB
4. Delay any further action until forced by AFAP/AIPA

Return to negotiations

In the event the Company return to negotiations, the AFAP will continue to negotiate in good-faith. We will field a third survey to ensure we capture the most up-to-date information and pursue all avenues and mechanisms at our disposal to overcome the impasse.

Protected Industrial Action (PIA)

The AFAP will only utilise PIA if a negotiated outcome is not possible. In any negotiation the AFAP will only use PIA to extract improvements from an employer when we have exhausted efforts at the bargaining table.

The AFAP needs members to be aware that Qantas has options to respond to PIA including locking out employees or refusing to pay individual Pilots engaging in partial work bans even when a pilot performs their full duties and no flights are delayed (e.g. carrying more fuel than required).

The AFAP have extensive experience of PIA and the strategies involved and utilises internal legal resources and external legal resources to support any PIA campaign. The AFAP has engaged in PIA across a number of operators across the industry including in the Qantas Group, notably Jetstar pilots in 2019 and more recently Network pilots.

Finally, it is important to emphasise that PIA is a lawful tool for employees under the *Fair Work Act* which involves options for escalation and does not require pilots immediately engage in stoppages of work. There are a number of steps during which the AFAP continue negotiating and seeking to find an agreement without needing pilots to engage in PIA.

Apply for IB

The AFAP has lead the Network Intractable Bargaining process and are acutely aware of the process involved.

We recognise that given more than 18 months has passed since the nominal expiry date of the current SH EA, under the *Fair Work Act* Qantas (or the AFAP) are able to apply for an intractable bargaining declaration in respect of this negotiation. However, it is important to note this does not mean that the conditions have been met for this application to be granted by the Fair Work Commission (FWC) as it depends on the facts in each negotiation.

The AFAP are reticent to ever hand control of the terms and conditions of our members to a third party. The end point of this process is an arbitrated outcome, which means a FWC Full Bench determines Qantas SH pilots' terms and conditions.



This is inherently uncertain and our preference is for a negotiated outcome that is voted up by SH pilots so that SH pilots have control over their terms and conditions of employment.

The other issue with this process is the timeframe. The parties would first need to participate in conciliation at the FWC, the timeframe of which is determined by the FWC. Even if granted the order can then specify a “post-declaration negotiating period” which is set by the FWC.

If, after this, the parties have not settled the matters in dispute in bargaining, then the FWC has the power to impose a workplace determination on the Employer and Employees. In making its decision on what terms to include in the determination, the FWC must take into account “ensuring that the employer is able to remain competitive” and “how productivity might be improved in the enterprise.” Given the amount of evidence and material required and potential preliminary hearings, the timeline to an outcome can take many months.

Summary

The AFAP approach is to focus on a negotiated outcome, only utilising escalation to PIA if absolutely necessary. We remain hopeful that given our modified position is not significantly far from this EA offer, a negotiated outcome in a short timeframe is possible, provided Qantas engage constructively with the AFAP in the event of a no vote.



Appendix

Appendix A – Tabled response to EA changes

Clause No.	AFAP Response
Definitions –Applicable Hourly Rate	AFAP do not support this change. See above for the change necessary for AFAP support
Definitions - DPC	AFAP support this change
Definitions - FOT	AFAP do not support this addition (on the basis the AFAP do not support direct entry FO unless A320 conditions as above accepted)
Definitions – Flying Pattern	AFAP support this change
Definitions - MGH	AFAP do not support this change. See above for the change necessary for AFAP support
Definitions – Passive Credit	AFAP support this change on the basis of our conditions above being accepted
Definitions – PCG pattern	AFAP support this addition subject to the PCG applying from roster publish as above
Definitions – PCG window	AFAP support this addition subject to the PCG applying from roster publish
16.1.9-11	AFAP do not support this addition (on the basis the AFAP do not support direct entry FO without A320 conditions)
16.3.16	AFAP support this change
16.5.4 & 16.5.5	AFAP support this change
16.7	AFAP do not support this addition (on the basis the AFAP do not support direct entry FO without A320 conditions)
17.1	AFAP do not support these changes (on the basis the AFAP do not support direct entry FO without A320 conditions)
19.2	AFAP do not support these changes (on the basis the AFAP do not support direct entry FO without A320 conditions)
20	AFAP support these changes, subject to the inclusions contained in the AFAP's counter-offer
22.1.8	AFAP support these changes
22.2.6	AFAP support these changes
22.4.6	AFAP support these changes
27.1-5	AFAP do not support these changes. See above for the changes to pay necessary for AFAP support
27.7.11	AFAP do not support these changes (on the basis the AFAP do not support direct entry FO without A320 conditions)
27.8	AFAP support these changes
28.1.1 (b)	AFAP do not support this change. See above change related to Long Slip Credit 20 hours necessary for AFAP support
28.1.1 (d)	AFAP support this change
28.1.1 (e)	AFAP support this change subject to the addition of the 'pre-paid standby' function contained in AFAP's counter-offer
28.1.1 (f)	AFAP support this change
28.1.1 (g)	AFAP support this change subject to the addition of the 'Long Slip Credit 20 hours contained in AFAP's counter-offer
28.1.2	AFAP support this change
28.1.4	AFAP do not support this change. See above the Long Slip 20 hours necessary for AFAP's support

28.1.6	AFAP support this change
28.1.7	AFAP support this change subject to the inclusion of the 'Pre-paid standby' function contained in the AFAP counter-offer
28.1.8	AFAP support this change
28.2.1	AFAP support this change subject to the PCG applying from roster publish
28.3	AFAP support this addition subject to clause 28.3.3 changing to the below:
28.3.3	AFAP support this addition subject to the following change: 2. Pattern Credit Guarantee will apply to modifications or cancellations made during the period commencing from roster publish for a Flying Pattern and continues to apply to changes made up to sign off from the Flying Pattern (the PCG Pattern).
28.4	AFAP support this addition subject to the addition of the 'pre-paid standby' function contained in AFAP's counter-offer
28.6.2	The AFAP support these changes
28.6.3	AFAP support this change except for reference to FOT without acceptance of the A320 conditions
28.9	AFAP do not support these changes. Removal of reference to 'Reserve days' and 'days that attract a passive credit exclusively' is necessary for AFAP support. Changes to the paragraphs mentioning long slip credit to reflect changes contained in AFAP's counter-offer also necessary for AFAP support
31.2	AFAP support this change
33.2	AFAP support this change
36.2	AFAP support this removal subject to the addition of the Long Slip 20 hours function contained in the AFAP counter-offer
36.3	AFAP support this removal subject to the addition of the Long Slip 20 hours function contained in the AFAP counter-offer
38.5.1	AFAP support this change
38.5.2	AFAP support this change subject to a flexi-line cap being established (similar to the LHEA) of at least 15% of the establishment in category
38.5.6	AFAP support these changes
38.6-9	AFAP support these changes
39.3	AFAP support these changes
44.1.14	AFAP support these changes
46.1	AFAP support these changes
47.4	AFAP support this addition
48	AFAP do not support these changes
50.1	AFAP do not support these changes
RM30.1	AFAP support this change
RM37.1	AFAP support this addition
RM42.3	AFAP do not support these additions unless PCG applies from roster publish
RM42.4	AFAP support these changes



RM42.5	AFAP support this change subject to the PCG applying from roster publish
RM46.1	AFAP support these changes, subject to the inclusions contained in the AFAP's counter-offer
RM Part E	AFAP support these changes subject to the inclusion of the 'Pre-paid standby' function contained in the AFAP counter-offer
RM66.6	AFAP support this addition
RM69	AFAP support these changes on the basis of PCG from roster publish
RM74.5	AFAP support this change, subject to the inclusions contained in the AFAP's counter-offer
RM76	AFAP support these additions, subject to the inclusions contained in the AFAP's counter-offer
RM Part H	AFAP support these additions, subject to the inclusions contained in the AFAP's counter-offer
Appendix E	AFAP support this addition
Schedule 1	AFAP accept this on the basis of the company accepting our counter offer
Schedule 4	AFAP support these additions

