



21 October 2024

Mr Jun Li
General Manager
Oxford Aviation Academy (Australia) Pty Ltd
T/A CAE Australia Flight Training
Moorabbin Airport, Moorabbin
Victoria 3194

Sent via email only: Jun.Li@caemft.com

CC Sunita.Gothwal@caemft.com

Re. CAE Major Change – AFAP Response

Dear Mr Li,

The Australian Federation of Air Pilots (**AFAP**) write on behalf of AFAP members employed by Oxford Aviation Academy (Australia) Pty Ltd, T/A CAE Australia Flight Training (**CAE**), further to correspondence on 16 Oct 2024 and as per discussions held between the AFAP and CAE today (21 Oct 2024).

Mitigation Strategies

As discussed, the AFAP during our discussions has sought to clarify the current demands and forward projections relative to student numbers, resultantly impacting on our members employed at CAE. I appreciate the discussion regarding ongoing efforts of CAE in its current circumstances and ongoing business development.

The AFAP during the discussion outlined some common strategies used in industry, including in aviation, and we view these approaches may assist to mitigate the impact of a downturn in demand/operations. The AFAP has summarised what was raised in discussion.

Mitigation #1

Mitigation #1.A: Liability Reduction

During downturn in demand/operations a key strategy is to employ options for reduction in

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liabilities by seeking expression of interest (by mutual agreement). This may be by exploring if employees are seeking to take periods of annual leave, long service leave, leave without pay, and even some individual may have an interest to reduce work hours. Industrially I must be very clear this is employee driven and can not be pressured or coerced – however by respectfully opening up all possible discussions and options is the only way to know if someone has interest.

Mitigation #1.B: Role Development (Pilot Support in Developing New Operational Roles)

In place of immediately implementing new/vacant positions in operations area, an alternate option to this may be to manage the current duties across existing pilot group (i.e. maybe by job share) as a temporary measure during downturn of demand/operations. Again, this would be by considering a process of expressions of interest & suitable candidates. This may be better process than permanent redeployment. Benefits include the pilots to apply experience and knowledge into the operations space, and assist in develop the positions/role and/or policies etc. A further benefit on job share, temporary approach also retains some their pilots' duties in current flight instructor role that can continue their skills/qualifications to be maintained over that temporary period (as we as a try before you buy option to committing to a non-pilot role). This may be neither redeployment nor redundancy, but the outside the box options to explore an alternate approach in agreement in the case there are interested pilots.

Mitigation #1.C: Management of Staffing (Attrition)

The AFAP note that the downturn in demand/operations can change, therefore by using multiple strategies concurrently would benefit the longer-term management in attrition. That may be by not replacing staff that resign (which occurs from time to time), reducing casual/term contract engagement over a period of time, and further as demand/operations are monitored to reduce need for restructuring.

Mitigation #2 – Process

CAE is required to consider the following mitigation strategies as proposed by the AFAP, which we propose as the following.

Re confidentiality. The AFAP appreciate that the discussions we have had with CAE on confidentiality. The AFAP support CAE on encouraging pilots to remain confidential on commercially sensitive matters but remaining able to access support networks as required.

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Mitigation #2.A: Voluntary Redundancies

Voluntary redundancies include a process of in scope employees (impacted employees), that are able to 'voluntary' (*emphasis*) self-nominate their interest to take that package/offer. The AFAP referred to a process of a fenced/quarantined group that are able to raise interest in a redundancy. Please note this voluntary group may be same or broader than the identified impacted group (i.e. may have similar benefit for other redundancies).

The AFAP also sought a voluntary redundancy that was above the Award and National Employment Standards as incentive for pilots to self-nominate.

The AFAP explained our position on the self-nomination requirement in voluntary redundancy, and why CAE has not undertaken this process to date.

Mitigation #2.B: Redeployment

The AFAP note that the new/vacant positions have been referred to in the correspondence to the pilots as redeployment options and encourage all options to be reviewed pending consideration of other alternatives and built into the correct timing in the process.

Mitigation #2.C: Process

Pending the conserving in CAE to look at mitigation strategies, in the case after all strategies there remains a need to continue to make changes and leads to redundancies the AFAP view that outline steps as below (and proposed in 16 Oct 2024 letter) are the best way forward.

1. Positions in scope confirmed (fenced or quarantined roles),
2. Voluntary Redundancies requested by expression of interest,
3. Redeployment options reviewed/confirmed,
4. Confirmed outcomes in above steps leads to review if there remains any excess position(s),
5. Criteria to assess employees and redundancies (including potential commonly used steps in aviation including seniority, experience, qualifications and utility across the company, and other considerations).

Consultation & Pilots Workplace Rights – Operations Manual

The AFAP appreciate the discussion on the consultation on the CASA approved CAE operations manual that including the discussion about the 'training managers as part of the operational structure. We acknowledge the response that this is under review and the head of operations and deputy head of operations can maintain the responsibilities of the training managers (until the review and updates are provided). The AFAP request ongoing transparency and updates to the pilot group during change in

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operations guidance.

Next Steps

The AFAP note that as part of this process CAE have received feedback from the pilots and the AFAP about the proposed changes, and you are required to consider all feedback and strategies to mitigate the impact of major changes.

The AFAP request that continue to update us regularly also.

Please send responses or contact the AFAP for further clarification or discussion by contacting AFAP Industrial Officer, Jason Newell Jason@afap.org.au .

Regards,

Jason Newell

AFAP Industrial Officer

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