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SALPA Committee

By email: committee@salpa.asn.au

Mr Patrick Larkins

Australian Federation of Air Pilots

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Mr Edward Nell

Transport Workers Union

By email: Edward.nell@twu.com.au

Dear SALPA Committee, Pat and Ed

**Re: Virgin Australia Regional Airlines Pilots Enterprise Agreement 2023
"Without Prejudice"**

We refer to our letters dated 18 September, 2 August and 11 July 2023 and email dated 28 September 2023. The following is Virgin Australia Regional Airlines' (VARA's) offer for the Virgin Australia Regional Airlines Pilots Enterprise Agreement 2023 (**proposed EA**).

We would be grateful if you could review and confirm your endorsement of this proposal ahead of a proposed vote, subject to agreement on the drafting of the proposed Agreement to reflect these changes and any necessary consequential changes.

The offer contains the following:

Retention bonus

We propose a retention bonus equivalent to 2.5% of base salaries as at 1 July 2022, payable on the first pay day following the Commencement Date to all pilots employed by VARA on the Commencement Date. This retention payment is paid as a lump sum to all pilots employed by VARA upon the Commencement Date of the EA. This bonus is conditional upon a "yes" vote, and would be revisited in the event of a "no" vote.

Response to other claims

The other agreed items are detailed in the table below:

No	Item	Applies to	Detail
1	Nominal expiry date	All pilots covered	30 June 2024
2	Salary increase	A320 and F100	<ul style="list-style-type: none"> 3% increase to their base salary rates from 1 July 2022 3.92% increase from 1 July 2023 Effectively a 7.04% increase from the first pay period after the Commencement Date of the EA Rates back paid from the Commencement Date to the effective date of increase. Backpay is superable.
		Pilots transferring to B737	<ul style="list-style-type: none"> First officers – paid at B737 base salary rate under the Virgin Australia Narrow Body Aircraft Pilots' Enterprise Agreement 2021 (NB EA), as amended or replaced from the earlier of 1 September 2023 or their original planned transition date (whichever is earlier). Rates backpaid from the Commencement Date to the effective date of increase. Backpay is superable. Captains – same as for FOs except date is 1 March 2024. The B737 base salary rate is the current rate under the Virgin Australia Narrow Body Aircraft Pilots' Enterprise Agreement 2021 (NB EA), including any base salary increases under that EA (such as in November 2023) or additional base salary increases in a replacement to the NB EA
3	Award compliance	A320 and F100	<ul style="list-style-type: none"> The existing remuneration table will be adjusted to remove pay levels below the minimum award salary and the 3% and 3.92% increase per annum will be applied to that table. In the event that the salaries payable under the Agreement fall below the minimum salaries in the Air Pilots Award 2020 (or replaced), Pilots will be entitled to the minimum salary in the Award.
4	Allowance increase	A320 and F100	<ul style="list-style-type: none"> Table 1 key allowances (RDO payments, outside buffer rate, other than productivity rate – see below) increase by 3%, based on post-Variation rates. Retention bonus in lieu of backpay of allowances Table 2 allowances continue to increase in line with CPI as per current terms of the EA

No	Item	Applies to	Detail
5	Training and checking allowances	A320 and F100	<ul style="list-style-type: none"> Retain the current Check, Training and Additional Responsibility Allowances in clause 65.2 of the current EA (\$25,000 and \$35,000 pa respectively). No indexation of life of this EA. Introduce an additional supplementary allowance which is paid per check or training event. Check Captains - \$150 per check; Training Captains - \$50 per training event. No new rate for Sim Check Captains. Paid for a training or checking “event” related to a particular pilot on a particular day (including simulator or ground training). A two day simulator would incur two check payments, one for each day. However, if a simulator event continues past midnight into an additional day in a continuous training event, this would be considered a single checking/ training event and attract one payment only. Rules around management pilots conducting check flights to be subject to drafting. A “check and training event” is any duty where a Check and Training Pilot is required to use their qualifications to perform training and or checking, or any other tasks required in their role, including, but not limited to: <ul style="list-style-type: none"> Simulator training and checking duties including, for a Check Captain, conducting a check event in a simulator or aircraft, or conducting a training event in a simulator or aircraft; Line training and check duties; including, for a Training Captain, conducting a training event in simulator or aircraft; Check and training meetings; Ground training, including conducting student classroom training; and Inductions. It does not include general administrative duties. Amend the termination notice period required by the company (clause 65.2) from three (3) months to four (4)

No	Item	Applies to	Detail
			months. The training Pilot will continue to have the right to terminate with 3 months' notice.
6	Productivity threshold	A320 and F100 Pilots	Productivity threshold to reduce from 59 hours to 57.5 hours (with no loss of pay - represents a ~2.5% higher hourly base rate). As per the current EA, pilots who exceed 57.5 hours of Flight Time in any 28 day roster period will be paid an additional hourly productivity payment.
7	Productivity rate	A320 and F100 pilots	Productivity rate increases from current by 65% from the first pay period after the Commencement Date, with a further increase of 3% on 1 July 2023.
8	Worked day off payment	A320 and F100 pilots	<ul style="list-style-type: none"> Proposed rate to include current RDO rate (+headline increases) + productivity rate for block hours (the greater of either scheduled or actual block hours with a minimum of 4 hours - increases as duties go over 4 hours) Productivity rate is as per item 7 above. Remove future SDOs. Current SDOs retained but not paid out on termination.
9	Bond	A320 and F100 pilots	<ul style="list-style-type: none"> New bond of \$30,000 for all internal transfers which require type training, including inactive pilots (for example, from the F100 to the A320). This Bond decreases over time consistent with the current clause 66.2. The bond will be operative from the date of successful completion of the type rating test for endorsement. This new bond requirement will not be retrospectively applied to any Pilot already assigned a position at the Commencement Date of the EA (whether training has commenced or not). Clause 61.3 of the EA will be amended so that remuneration associated with the new type commences from the date the pilot successfully completes their type rating test (rather than the current position of check to line).
10	Superannuation	Pilots transferring to B737	Superannuation contribution rates as per the NB EA (no change for A320 and F100 pilots to current arrangements (i.e. 2% in top of SCG)

No	Item	Applies to	Detail
11	Long services leave	Pilots transferring to B737	<ul style="list-style-type: none"> Pilots maintain their existing LSL balance on transfer, with future accrual from transfer being the legislative rate of 8.667 weeks. Pilots will receive recognition for their VARA entitlement when they transfer to the B737, and additional leave over and above the legislative entitlement can be taken after transfer. Pilots will receive payment of LSL on termination at the rate at which it accrued, i.e. payment for LSL accrued at VARA rate up until transfer onto the B737, and then at legislative rates post transfer.
12	Redundancy	Pilots transferring to B737	<p>Grandfather the VARA EA enhanced redundancy entitlement for F100 pilots transferring onto the B737 until 5 April 2026.</p> <p>No change for A320 and F100 pilots to current arrangements.</p>
13	Loss of licence	A320 and F100 Pilots	<ul style="list-style-type: none"> Amend the existing clause as per draft clauses in letter dated 2 August 2023, i.e. VARA will provide a loss of license benefit, rather than policy. This effectively means that VARA will take out the insurance policy and pay the pilot the benefit directly, rather than providing a loss of license policy for each individual pilot. The wording of this clause is subject to agreement.
14	Death benefit	A320 and F100 pilots	Increase death benefit from \$250,000 to \$300,000.
15	Part-time	A320 and F100 pilots	<ul style="list-style-type: none"> Recognition of training days - agree to change to clause 16.1(xi) – up to 6 days per calendar year may be rostered outside of the pilots normal rostered working days to attend training days, however mutually agreed days in lieu will be provided within that roster period. Annual leave credits - agree to pro-rated annual leave credits based on the type of part-time worked by the team member. Increase of part-time quota from 5% to 10% - our position is that this issue should be deferred until the next EA negotiations, commencing later this year.

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			<ul style="list-style-type: none"> Existing part-time arrangements for VARA Pilots transferring to the B737 will be The existing part-time Current PT arrangements for individual pilots would move across and be honoured for pilots transferring to the B737. The claim relating to use of Unavailable Days to absorb the buffers around RDOs for part-timers is deferred for further consideration until the next EA negotiation.
		Pilots transferring to B737	Preservation of current part-time arrangements for pilots working set days – the provisions of the clause 16.1 of the current EA will continue to apply to transferring F100 Pilots to recognise their existing part-time arrangements including any set work days. In accordance with the current EA, part-time arrangements are for a 12 month period, and consideration will be given to renewal at the conclusion of the period.
16	Work rule changes	A320 and F100 pilots	No other work rule changes

Yours sincerely



Joanna Glynn
General Manager Workplace Relations