



National Office

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National Secretary
Michael Kaine

Mike Murphy
Partner
Bain Capital

CC Bain Capital Partner Bain Capital
CC Virgin Australia CEO Jayne Hrdlicka

24 July 2023

Dear Mike,

We write on behalf of the thousands of Virgin ground crew, cabin crew and pilots to whom Bain Capital made commitments in 2020—both publicly and through correspondence— to prioritise jobs and remain with the airline for the long-term to ensure ongoing stability.

Bain Capital has acknowledged the important role unions play in the sustainable future of Virgin Australia. The commitments made to unions and workers during, and immediately following, the sale of Virgin Australia demonstrated our mutual understanding that prioritising the workforce which built the airline's esteemed safety and service standards is essential to ensure the ongoing success of the business.

Both publicly and in worker briefings, Bain Capital has made clear its serious consideration of an IPO, with media reports highlighting the significant returns Bain Capital stands to gain.

A public offering will inevitably influence the running of Virgin Australia and directly impact our members. We further note reports in Friday's *Australian Financial Review* of possible corporate job cuts, which included a quote from a Virgin spokesperson that "We remain vigilant regarding our focus on productivity improvement and cost discipline, which are a natural and necessary part of ensuring Virgin's long-term success."

Given our former agreement that prioritising and investing in the workforce is essential for Virgin Australia's ongoing success, our members are seeking an urgent commitment from Bain Capital to the following:

1. **Respect for workers.** Virgin has historically valued its dedicated team. Over the past few years, workplace issues such as pay and conditions falling behind, unfair rostering systems, and workers being unable to take rest breaks have caused stress, high turnover and fatigue-related absenteeism. These cultural issues must be addressed as they arise, with workers heard and respected.
2. **Good, secure jobs.** Bain Capital must commit to an insourcing model across the country, ensuring that all ground, cabin crew and pilot work will be performed by direct employees in good, secure jobs.

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- Ongoing investment.** Bain Capital made assurances that ongoing stability of the airline would be a priority. We therefore seek a commitment that Bain Capital will invest in technology, fleet and workers to maintain and grow safe, fair and sustainable standards across the business.
- Employee share scheme.** In conjunction with the upcoming IPO, workers who were instrumental in seeing Virgin Australia through administration and whose loyalty and experience will be central to the ongoing success of the airline should be rewarded through an annual employee share scheme of \$1000 per year, as is standard across many other businesses in Australia. We invite further discussion on this scheme, including the shared benefits for workers and the business.
- Support for industry reform.** Over decades, exacerbated by the pandemic, jobs, experience and standards across our airports have been in decline while aggressive competition has burdened Australia's main airlines. It is in the interests of the industry, the airline and airport workers for the Federal Government to establish a Safe and Secure Skies Commission to set appropriate standards to rebalance aviation and protect the industry from sudden shocks. This will safeguard aviation and keep skilled workers in jobs, which will in turn enhance safety and service standards for the travelling public. Workers seek a commitment from Bain Capital to support their calls for this reform.

We seek to progress the constructive nature to which we worked together during the sale of Virgin Australia to secure the best interests of all parties.

Our members have also written to Bain Capital and Queensland Investment Corp to call for their support of these important commitments to ensure the long-term success of Virgin Australia.

The TWU invites a meeting at the earliest opportunity in order to further progress these discussions well in advance of the commencement of a public offering.

Yours sincerely,

Michael Kaine
TWU National Secretary

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