

**VIRGIN AUSTRALIA
ENTERPRISE AGREEMENT**

2024

TWU Position Paper



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This position paper is provided to Virgin Australia on a “without prejudice” basis. It is intended that positions outlined in this document will be included, along with additional items, in a formal log of claims for the proposed 2024EA. The TWU also reserves the right to add, amend or withdraw positions and claims as negotiations progress.

Introduction.

Following the notification that the CAE / CMS system has been “paused” and and Virgin Australia’s commitment to signing the re-employment deed, the TWU presented its members with a survey designed to gauge the sentiment and establish our proposal for the 2024 Virgin Australia Enterprise Agreement.

The Survey ran from 9th August 2023 until 15th August 2023, and comprised of 40 questions covering the following topics:

- Demographics.
- Remuneration.
- Credit Protection and RIG’s.
- Credit Table.
- General Wok Rules.
- Part Time Provisions.
- Days Off.
- Commuting.
- Personal Leave.
- Check and Training.
- Competitor Comparison.
- General Comments.

The participation rate of the survey was conclusive; with 75% of members providing their views. The survey results clearly show the current sentiment of the pilot group and the view on bargaining positions for the 2024 NB EA.

Demographics.

Data was collected regarding the following baselines.

A summary of these results is also included as follows.

- Age
 - Ranged from 25 to 65+.

- Home Base
 - Adelaide
 - Brisbane
 - Melbourne
 - Perth
 - Sydney

- Rank
 - First Officer
 - Training First Officer
 - Captain
 - Training Captain
 - Check Captain

Additionally:

- Commuters
 - The survey shows that that 12% of TWU members who participated in the survey are commuters.

Further information deduced from this section will be provided later in our “Commuter Proposal” section.

The Key Issues

Survey Analysis identified the following areas as being key in establishing a log of claims going into the 2024 Enterprise Agreement.

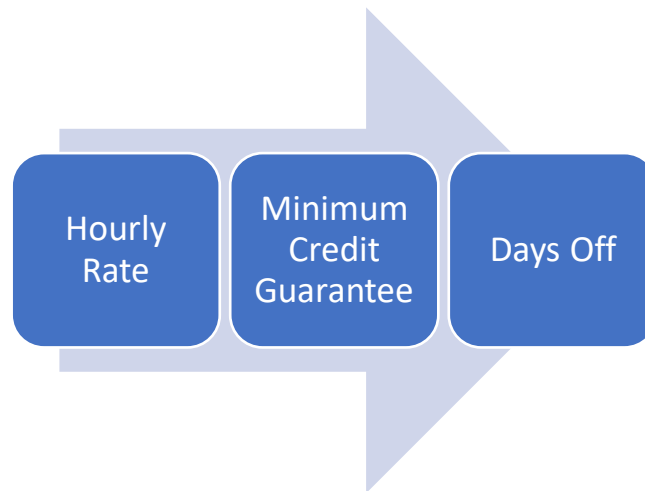
- Pilots require clear terms of employment.
- Pilots deserve income stability.
- Rostering efficiency is unachievable now, and in a 2024 EA.
- Command progression is a 15-year prospect.
- Career opportunities are limited (No long-haul operation).
- There exists an above average commuting cohort.
- Definition of Full-Time Work.
- Reasonable Overtime Argument.
- DDO's – company assurances that these can be retained.

Virgin / Bain claims that should substantiate pilot positions.

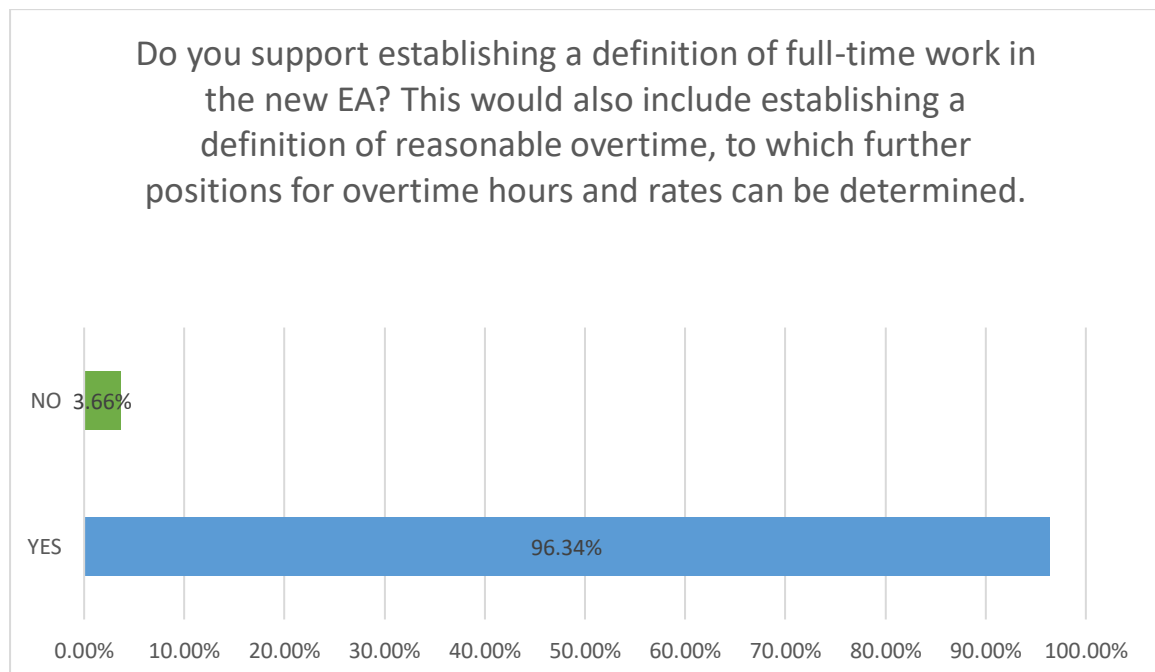
- Virgin wants to be the Employer of choice.
- Cost base between Jetstar and Qantas.
- Committing to then retracting a planned Gold Coast Base.
- Failure to honour commitment to deliver the CAE / CMS rostering system.
- Undertime concerns from the company.

Defining Full-Time Employment

Full-Time Work can only be defined by combining the values of Hourly Rate, Minimum Credit Guarantee, and the number of Days Off. These three criteria allow for the creation of a base salary and number of days off available to a pilot.



When asked:



96.34% of survey participants were supportive of this position.

The Hourly Rate.

The Hourly Rate is the value placed on an Hour of Work conducted.

In terms of fleet type, Virgin Australia Pilots can only utilise the Hourly Rate Payable to Qantas Short Haul Pilots as a basis for comparison. It is the only other Australian airline with a comparable sized fleet and route network.

The Hourly rates at Qantas at the time of writing this proposal are as follows:

Rank	Salary / Divisor	Hourly Rate
Captain	\$ 245,335.03 / 696	\$352.49
First Officer	\$ 157,014.41 / 696	\$225.59

This is the rate recognised as necessary and paid to pilots by an airline which is renowned by pilots for setting and achieving high benchmarks in terms in aviation EA's in Australia.

With QF Short Haul bargaining to commence shortly it can be assumed that these hourly rates are about to be renegotiated and considering the rates inflation recently experienced in Australia, it can reasonably be deduced that these rates will increase.

Stemming from its origins as Virgin Blue, the Pilot Group at Virgin Australia understands that to maintain competitive resilience with Qantas, that a rate of pay below that of the main competitor must be sustained.

Despite this, to maintain a standard in the industry, not diminish the role and to do a service to future pilots entering the industry, this margin must be maintained to a reasonable figure. Operational efficiencies and other cost savings are the responsibility of the company, and not a burden of the work force.

Considering the above, TWU analysis has calculated an hourly rate believed to be commensurate with the terms and conditions expected by Pilot members. A detailed explanation of the calculations used to achieve such figure are provided in the Remuneration section of this document.

The Minimum Credit Guarantee.

The figure of how much work is expected by the company in return for a base salary is the next critical value that requires defining.

The TWU representatives position is that Full Time employment must be defined as 69 credits per roster period, for the following reasons:

- This is the perfect divisor of 900 hours that adequately recognises a pilot's earning capacity and Virgin Australia's position to those hours.
- It provides a buffer for Pilots and the Company alike to utilise **reasonable overtime** provisions above a minimum baseline.

Calculations:

- 69 Hours over 11.5 rosters (excluding 1.5 rosters of leave) - 793.5 hours.
- Allowing a 10% reasonable overtime gives an 11.5 roster period - 872.85 hours.
- It also allows a pilot who does not choose to take leave or is not able to access leave, the ability to achieve 986.7 hours.

The following data provided by the company, substantiates the realistic abilities of Virgin Australia to guarantee an MCG of 69 hours.

2023 AIC DATA - Average Credit at Roster Publish											
RP03			RP04			RP05			RP06		
	CPT	FO		CPT	FO		CPT	FO		CPT	FO
ADL	72.6	67.9	ADL	70.3	63.0	ADL	70.0	63.6	ADL	67.1	61.3
BNE	77.2	73.1	BNE	74.1	67.6	BNE	78.4	66.6	BNE	74.8	63.8
MEL	76.5	71.1	MEL	72.7	69.4	MEL	68.8	65.0	MEL	66.8	67.9
PER	71.4	69.5	PER	68.4	59.8	PER	66.8	60.2	PER	65.6	58.1
SYD	77.4	71.7	SYD	73.7	71.0	SYD	71.4	65.9	SYD	76.2	70.8
STCA	72.1	-	STCA	72.1	-	STCA	69.9	-	STCA	65.1	-
CTCA	78.1	-	CTCA	78.1	-	CTCA	70.1	-	CTCA	69.1	-

2023 AIC DATA - Average Credit at Roster Publish											
RP07			RP08			RP09			RP10		
	CPT	FO		CPT	FO		CPT	FO		CPT	FO
ADL	78.8	74.0	ADL	69.9	67.1	ADL	73.1	63.6	ADL		
BNE	80.9	81.0	BNE	79.0	75.0	BNE	81.1	78.3	BNE		
MEL	78.8	75.0	MEL	80.4	76.8	MEL	78.5	75.9	MEL		
PER	74.4	71.8	PER	72.1	67.7	PER	68.0	69.7	PER		
SYD	80.6	73.9	SYD	77.4	72.3	SYD	77.6	72.2	SYD		
STCA	65.1	-	STCA	77.3	-	STCA	77.3	-	STCA		-
CTCA	69.1	-	CTCA	80.8	-	CTCA	80.8	-	CTCA		-

Based on company provided data it is evident that the rostering of credits around the 69-hour mark is completely reasonable. It is noted that there are occurrences where 69 credits were not achieved, this is related to multiple factors:

- Low Periods of flying (addressed in undertime solution section),
- Inadequate rostering software (non-delivery of CAE/CMS),
- Under-utilisation of Annual Leave to allow for a better spread of hours (addressed in Annual Leave section & Incentives).

Any attempt to retain an MCG below 69 hours can only be attributed to a desire to devalue leave entitlements by tearing their credit value to a lower MCG. This is unacceptable to the TWU.

It has been often stated that pilots do not work standard hours and therefore these hours cannot be measured against the National Employment Standards benchmark of a 38-hour week. What is not given consideration, however, is the Employer Discretion that exists in relation to the time the Company has discretionary control over its pilots. Employer Discretion is aptly described as the utilisation of interpretive terms within Enterprise Agreements to enable discretionary behaviour around regulations.

Time that is not at the control of the pilot:

- Sign Off Times (Often impacted by delays).
- Time-off on Multi Day Trips (All that is guaranteed is minimum rest).
- Finishing times on Standby days are only bound by max FDP limitations.

These are but a few scenarios that the Company has discretionary utilisation of a pilot's time, all of which is not counted in published Duty Time, yet is available to the employer at its discretion.

Considering this, the TWU proposes the following definition of full-time employment for Virgin Australia Full-Time Pilots and recommend this for part of a future Enterprise Agreement.

TWU POSITION	The definition of Full-Time Employment be inserted into the proposed 2024 Enterprise Agreement: “Full time employment is defined as an employee’s annual allocation of flying available as set out by CAO 48.1 dispersed across an annual period comprised of 13 roster periods.
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Defining – Reasonable Overtime

Pursuant to the previous section, a definition of reasonable overtime is proposed to comprise of the following.

“A limit of 10% above the MCG to be considered as reasonable overtime, beyond which a pilot is entitled to refuse additional flying.”

- The TWU has a further proposal further in this document which will provide the ability for pilots to work beyond this range, and for Virgin Australia to roster above this range – refer to High Line Flying Proposal.

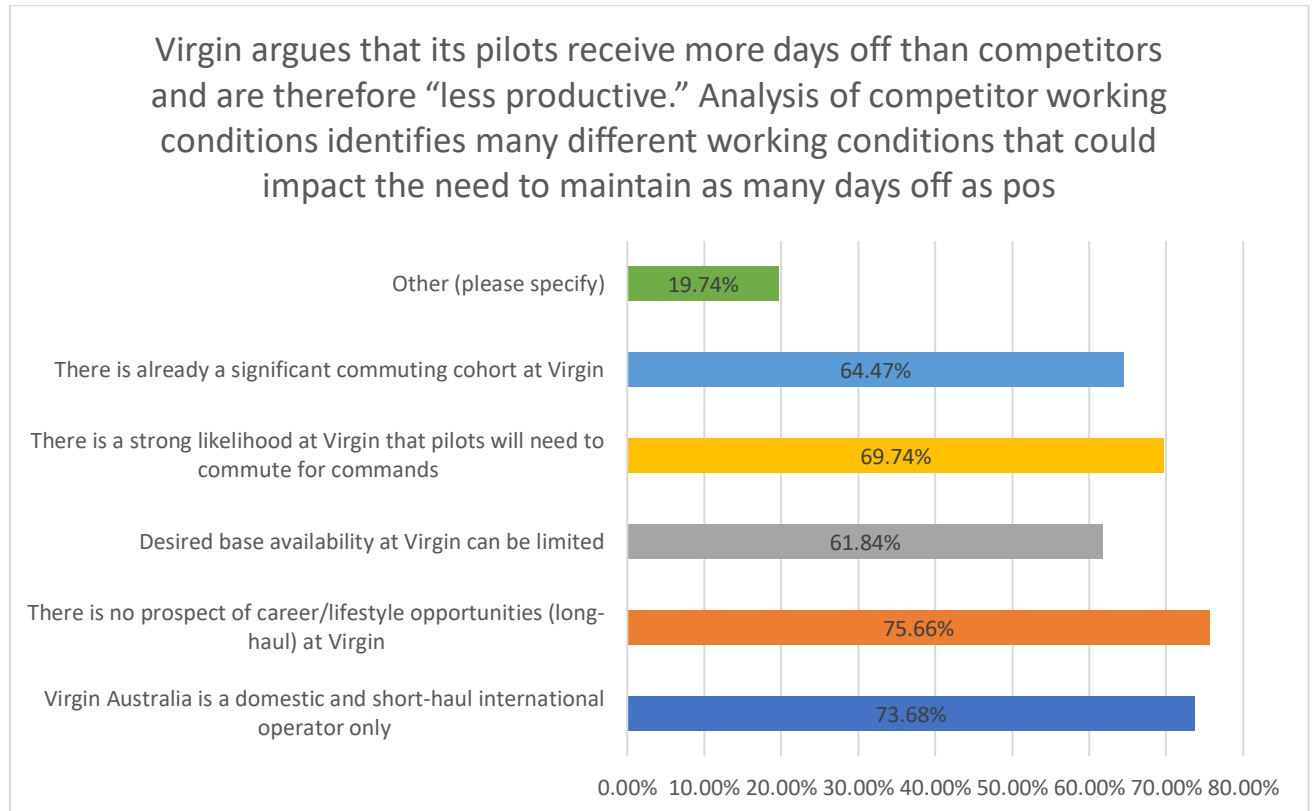
TWU POSITION	The definition of Reasonable Overtime be inserted into the future 2024 Enterprise Agreement:
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Competitor Comparison.

This section in our survey was included to establish a basis for comparison with Virgin’s main competitors within Australia. It was intended to provide perspective to Virgin regarding the key differences that the employment type for Virgin Australia pilots is significantly different to those of the competitors. It is particularly relevant as Virgin Australia has frequently sought to benchmark itself against these competitors, both in terms of remuneration, days off and cost base.

JETSTAR PILOT BASES	JETSTAR	QANTAS PILOT BASES	QANTAS MAINLINE
Adelaide	A320	Adelaide	B737
Cairns	A321	Brisbane	A330
Melbourne – Avalon	A321 NEO (LR)	Melbourne	B787
Melbourne – Tulla	B787	Perth	A380
Newcastle		Sydney	
Perth	<p>*Reference the New Zealand bases that Jetstar offers; Virgin must also remember that it has a relevant group of pilots that commute from New Zealand to work. All of this is a consequence of the administration process and revival of Virgin. These are the human costs.</p> <p>It is also noted that Jetstar has sister companies bases overseas, such as Jetstar Asia, Jetstar Pacific, and Jetstar Japan, to which progression and other career opportunities are available to Jetstar Australia pilots.</p>		
Southeast Queensland (Brisbane & Gold Coast)			
Sydney			
*Auckland (NZ)			
*Christchurch (NZ)			

When asked to identify factors working conditions, they felt relevant when compared to the competitors, that stressed the need to retain days off, surveyed members responded as follows:

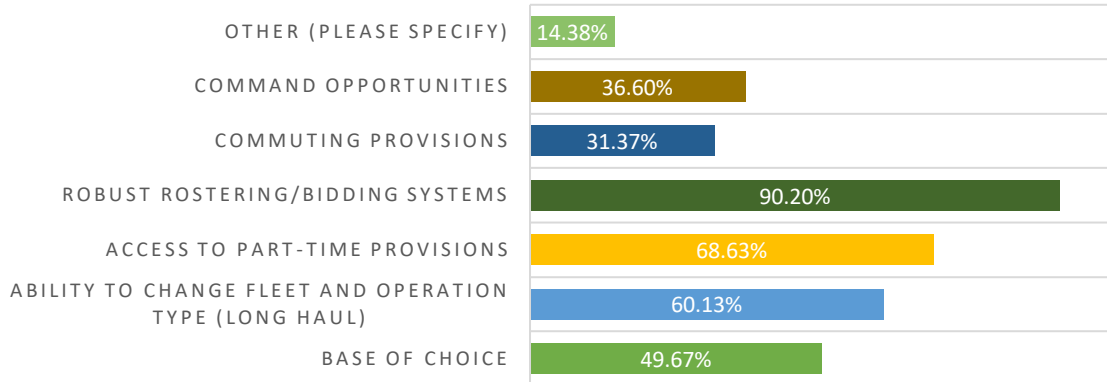


Common Responses yielded from the “other” option included:

- Competitors have robust rostering systems.
- Competitors have functioning Trip/Trade systems.
- Queried Virgin’s contradictions of being unique yet trying to emulate QF and JQ.
- QF salaries far surpass those of Virgin Australia pilots.

Considering those responses, the TWU sought to better understand what would help its members ability to greater manage their career and ensure longevity in the profession?

**WHICH OF THE FOLLOWING WOULD
IMPROVE YOUR ABILITY TO GREATER
MANAGE YOUR CAREER LONGEVITY? TICK
AS MANY AS APPLY.**



Common Responses yielded from the “other” option included:

- Concerns were posed regarding rostering practices that rostered to absolute limits.
- Having a definition of Full-Time Work to which the company could only roster to.
- It’s a difficult job the older the individual gets.
- Bidding system.
- Day’s Off.
- Better Remuneration.
- Personal Development, including Check and Training Opportunities.
- Solid Day Off Protections.

Virgin Australia briefed the TWU on various metrics they believe are relevant to the company's performance moving forward. Whilst it is granted that the values of both CASK and RASK are relevant indicators of the businesses' performance, it should not be entertained that any reduction to the cost base of Virgin Australia should come from trimming of salaries and conditions.

On a like for like with competitors, Virgin Pilots are asking for hourly rates significantly lower than its stronger rival Qantas, an airline which operates the same fleet type.

And in relation to subsidiary Jetstar, to which management benchmarks, its cannot be overstated that operational efficiencies within that entity are achieved from numerous other methods which include a modern economical fleet, stability within their pilot cohort in terms of bases, progression, and career opportunity.

To simply compare the cost and revenue basis of three airlines without adding any context is disengenous and shortsighted. Virgin once enjoyed a cultural difference to its competitors which management could take to the bank.

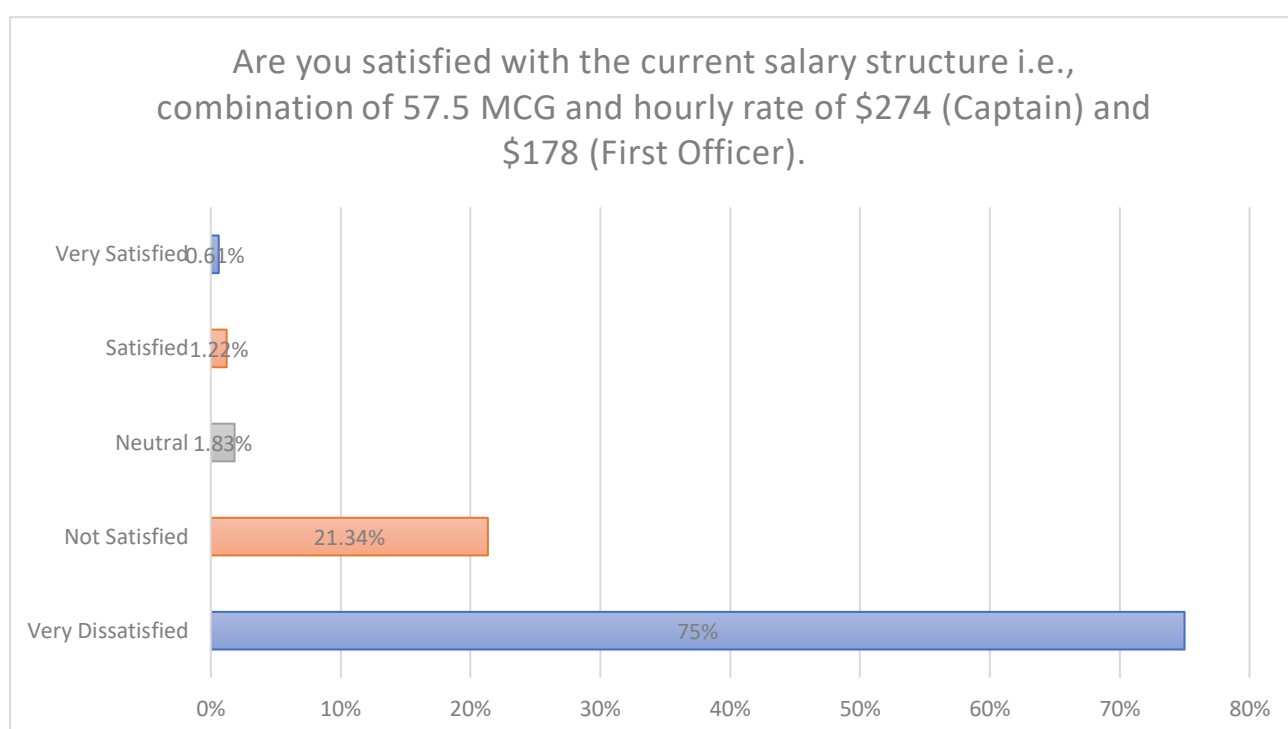
Trying to emulate the competitors based on spreadsheets alone will not serve in any way to strengthen and retain an airline that is built on the philosophy that it stands uniquely when compared to its opposition.

TWU POSITION	It must be acknowledged that based on the differences outlined in this section, that Virgin Australia cannot properly be benchmarked in terms of Productivity against Qantas or Jetstar.
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Remuneration

Tied into the earlier position on defining Full-Time work and establishing reasonable overtime, follows the need to establish a remunerative package that is befitting the role of pilot with Virgin Australia. Due consideration must be given to the nature of the role, including but not limited to, time spent away, the physical hazards, environmental factors, level of proficiency required.

When asked about their satisfaction with the present combination of MCG and hourly rate, members provided the following responses:



The results show a clear and strongly felt dissatisfaction with the current combination of MCG and hourly rate, this must be remedied.

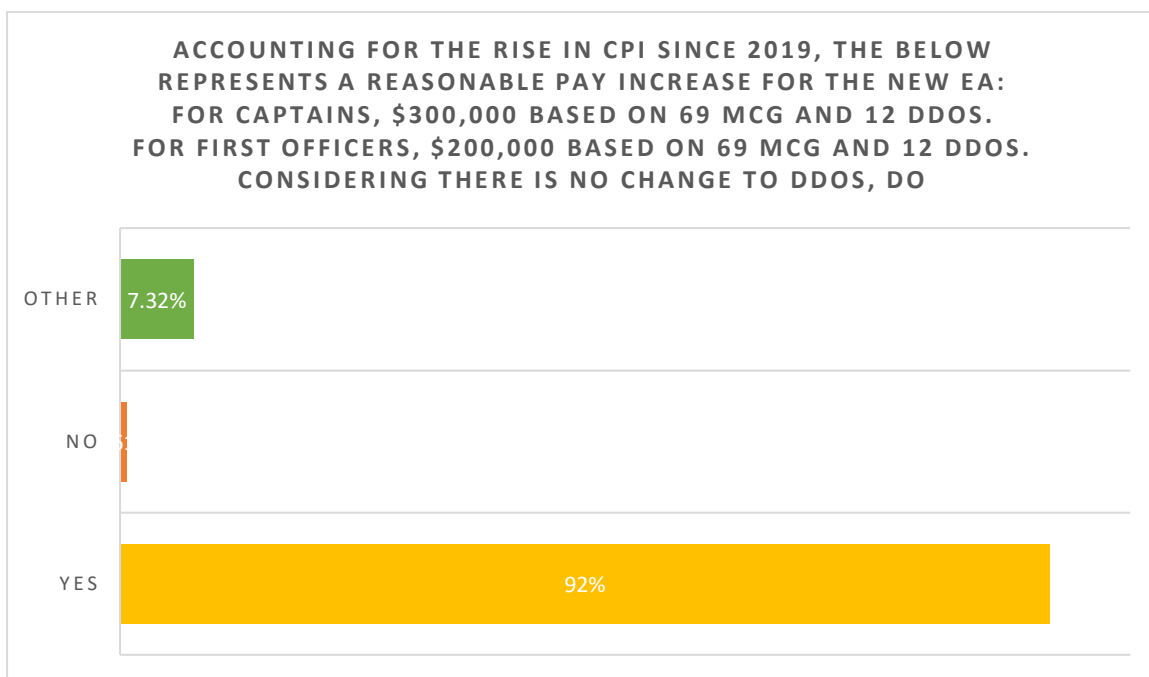
Australian Bureau of Statistics data provides the following CPI increases experienced since the nominal expiry date of the 2018 Enterprise Agreement on 31st March 2020.

March 2021 – June 2021	July 2021 – June 2022	July 2022 – June 2023
0.8%	6.1%	6.0%
*Source – Australian Bureau of Statistics.		

Accounting for these rises, which were above the increases in the 2021 Enterprise Agreement, data was extrapolated to produce an hourly rate that factored in CPI increases during the life of the 2021EA, and a means to recover lost income over the three-year period.

This is in line with Industry moves from other airlines such as United Airlines in the US, which have negotiated and successfully achieved “Recapture of Lost Pay” provisions in a new deal signed in 2023.

Virgin Australia TWU member pilots were surveyed on these figures, as shown below:



Based on the survey results and the calculation tables contained on the following page, the below hourly rates and salary figures will serve as the starting point for our remuneration position:

RANK	YEAR 1		YEAR 2 (3%)		YEAR 3 (3%)	
	HOURLY RATE	69 HR SALARY	HOURLY RATE	69 HR SALARY	HOURLY RATE	69 HR SALARY
CAPTAIN	\$334.45	\$300,001.65	\$344.48	\$309,001.70	\$355.22	\$318,271.75
FIRST OFFICER	\$222.97	\$200,004.09	\$229.66	\$206,004.21	\$236.55	\$212,184.34

Calculations used to substantiate the position for these hourly rates and salaries have been produced below. These set the basis for a 2024 Enterprise Agreement.

2021 HOULRY RATE INCREMENTS							
			2021 EA	21/02/2022	1/01/2023	1/11/2023	
CAPT			\$268.00	\$270.00	\$274.00	\$280.00	
FO			\$174.00	\$175.50	\$178.00	\$182.00	
CALCULATED CPI VALUES - APPLYING HISTORICAL CPI AND CONSERVATIVE 3% CPI MOVING INTO THE FUTURE							
			Mar21 – Jun 21	Jul21 – Jun22	Jul22 – Jun23	Jul23 – Jun24	
			CPI 0.8%	CPI 6.1%	CPI 6.0%	CPI Est. 3.0%	
CAPT	HOURLY RATE	\$266.93	\$269.07	\$285.48	\$302.61	\$311.69	
FO	HOURLY RATE	\$173.51	\$174.90	\$185.57	\$196.70	\$202.60	
CAPT	SALARY		\$241,355.52	\$256,078.21	\$271,442.90	\$279,586.19	
FO	SALARY		\$156,882.10	\$166,451.90	\$176,439.02	\$181,732.19	
				Jul24 – Jun25	Jul25 – Jun26	Jul26 - Jun27	
				CPI Est. 3.0%	CPI Est. 3.0%	CPI Est. 3.0%	
CAPT	HOURLY RATE			\$321.04	\$330.67	\$340.59	
FO	HOURLY RATE			\$208.68	\$214.94	\$221.39	
CAPT	SALARY			\$287,973.77	\$296,612.98	\$305,511.37	
FO	SALARY			\$187,184.15	\$192,799.68	\$198,583.67	
HOURLY RATE DELTA			Mar21 – Jun 21	Jul21 – Jun22	Jul22 – Jun23	Jul23 – Jun24	
Difference between 2021 Hourly Rates and Calculated CPI values			\$1.07	\$15.48	\$28.61	\$31.69	
			\$0.90	\$10.07	\$18.70	\$20.60	
69HR SHORTFALL (HOURLY RATE DELTA X 69 X 13)							TOTAL LOST
CAPT			\$959.79	\$13,888.21	\$25,664.90	\$28,426.19	\$67,979.29
FO			\$807.30	\$9,028.40	\$16,773.02	\$18,478.19	\$44,279.61
TARGET SALARIES FROM 1 JULY 2024							
				Jul24 – Jun25	Jul25 – Jun26	Jul26 - Jun27	
CAPT	HOURLY RATE			\$334.45	\$344.48	\$354.82	
FO	HOURLY RATE			\$222.97	\$229.66	\$236.55	
CAPT	SALARY			\$300,001.65	\$309,001.70	\$318,271.75	
FO	SALARY			\$200,004.09	\$206,004.21	\$212,184.34	
TARGET SALARIES UP ON CPI PREDICTIONS							TOTAL RECOUP
CAPT				\$12,027.88	\$12,388.71	\$12,760.38	\$37,176.97
FO				\$12,819.94	\$13,204.53	\$13,600.67	\$39,625.14
Target Salaries still see Captains unrecovered losses at \$30,802.32. And First Officers unrecovered losses at \$4,654.47.							

These figures serve to achieve the following objectives:

- Re-set the base salaries of member pilots to where they should have matured to over the course of the past three years.
- Provide a basis to recoup lost Superannuation contributions.
- Return the salaries of Professional Commercial Airlines pilots to levels befitting the role.
- Reset Superannuation insurances to levels commensurate with base salaries.

These figures also serve Virgin Australia going forward by:

- Formalising a pay structure that will establish Virgin Australia as a serious employer.
- Attract quality and experienced pilots to join the ranks.
- Retains a cost base between that of Qantas and Jetstar pilots, as per Virgin Strategy.

It must be stressed that; these hourly rates will still be **below** those of Qantas pilots flying the same aircraft type during 2023. There is no doubt that Qantas pilots entering EA negotiations at present will be seeking further gains to their current rates.

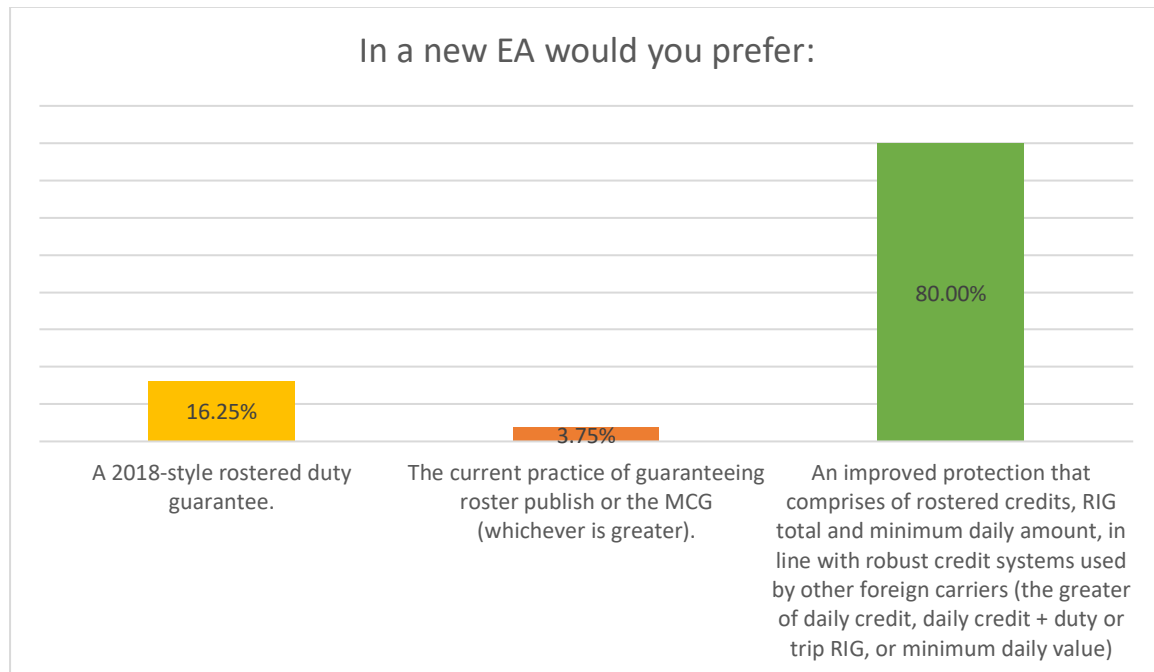
TWU Pilots' pay proposal resets salaries to figures that would have been achieved through a natural progression of normal bargaining, had conditions allowed during the 2021 EA negotiations. The remuneration position allows for a partial recuperation of lost income and retirement planning and are barely measurable against the Return on Investment achieved by Bain Capital, often at the cost of the employees' salaries.

Whilst the position on salary has been provided, the position on days off and undertime concerns will be addressed in other areas of this proposal, appropriate consideration has been given to these concerns and contingencies to remedy for are included.

Credit Protection and Ratios In Guarantee (RIG's).

Throughout the life of the 2021EA, it was clear that a form of credit protection was necessary for both the company and the pilots to achieve stability in working terms and conditions. It is therefore essential that a solid relationship be established between Credit Protection and the application and values of Ratios in Guarantee (RIG's).

Regarding Credit Protection and RIG's, the following questions were asked...



Southwest is also an airline with limited employee career opportunities as outlined in “Competitor Comparison” section of this document.

As a point of comparison to a similar airline operation like Virgin Australia, the Southwest model has been used.

At Southwest,

- Duty RIG's at comprise of 1:1.55 for day trips.
- Trip RIG's comprise of 1:3.45.
- Each day is underwritten by a daily credit value, which is 5:39.

- TRIPS FOR PAY (TFP) system, which sees Southwest pilots get paid by the flight segment (TFP). If the flight segment exceeds 391 kilometres, they earn 10% for every additional 64.37 kilometres.

Due to the varying nature of day off ratios, Virgin Pilots would settle for a minimum guarantee of 4.32, which is the 69/16-day divisor.

Each individual day's value protected to the greater of:

- Minimum Daily Credit Value. (4.32 based on 69-hour definition of FTW).
- Duty Rig Value at Roster Publish. (Rig Ratio 1:1.55)

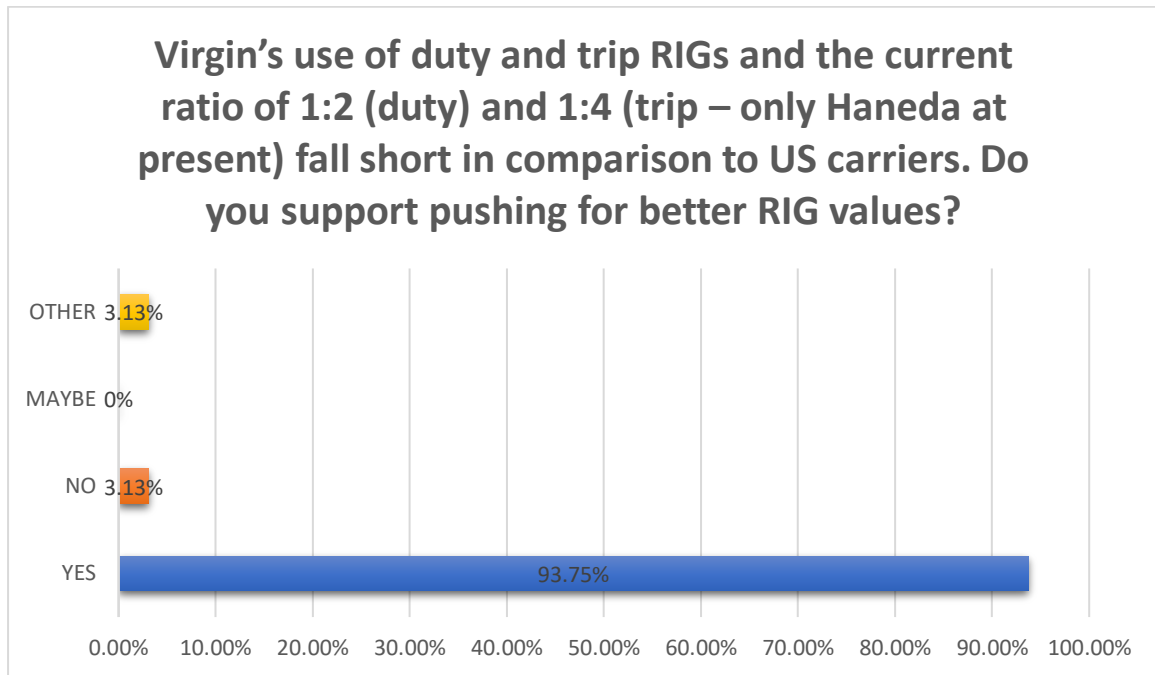
Each multi-day trip vale protected to the greater of:

- Minimum Daily Credit Value Per Day. (4.32 based on 69-hour definition of FTW).
- Trip Rig Value for Entire Trip - 1:3.45.

ROSTER PROTECTION	
69 HOURS OR PUBLISHED CREDIT VALUES WHICHEVER IS GREATER	
DAILY MINIMUM – Greater Of:	TRIP MINIMUM – Greater Of:
<ul style="list-style-type: none"> • 4.32 Credits • Duty RIG value at 1:1.55 Ratio 	<ul style="list-style-type: none"> • Daily Credit Value of 4.32 Credits. • Trip Rig Value for Entire Trip - 1:3.45.

TWU POSITION	<p>Credit Protection: The published roster is guaranteed to the value of 69 credits, or the greater of all flying published, inclusive the cumulative values of any day RIG's or duty RIG's at roster publish. With a minimum daily credit accrual value of 4.32 credits (69credits / 16days).</p>
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Ration In Guarantee (RIG) Values.



In reference to the response option “other”, the responses related to members identifying that they did not completely understand the use of a RIG – and therefore hold little relevance to the outcome of the survey question.

Pursuant to the survey results of the ratio values of RIG’s, it is proposed that these values be adjusted to those utilised by other foreign airlines, which are more realistic and determinant of industry standards.

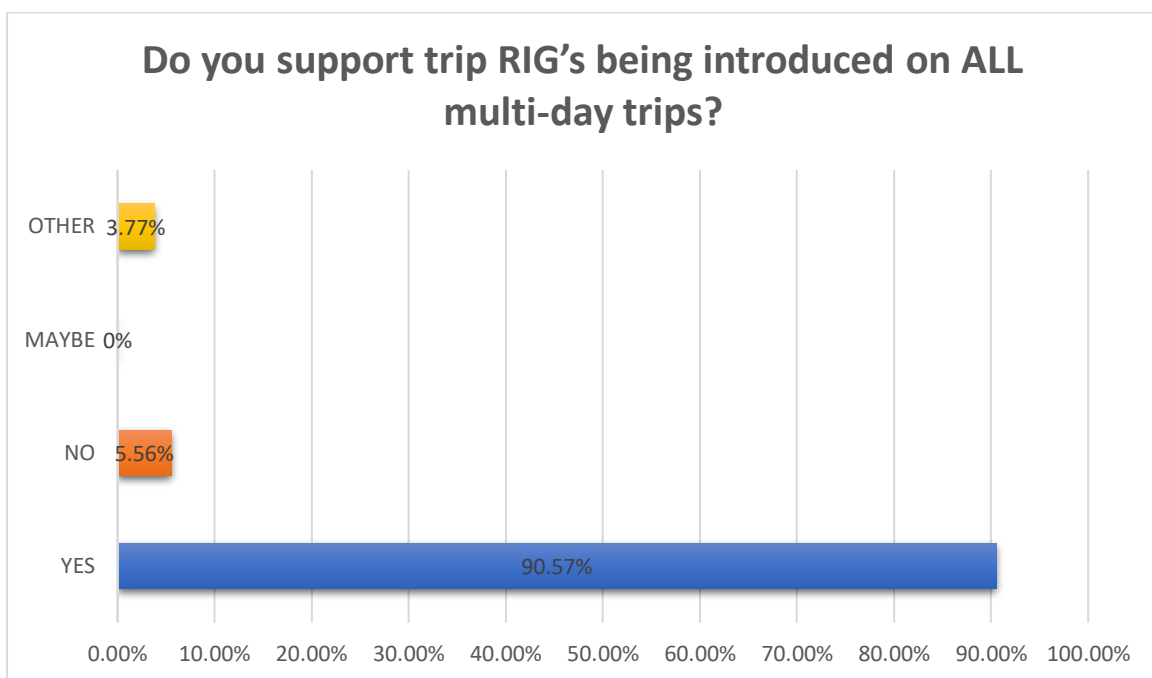
- **DAILY DUTY RIG VALUE** **1:1.55**
- **TRIP RIG VALUE** **1:3.45**

TWU POSITION	<ul style="list-style-type: none"> • DAILY DUTY RIG VALUE 1:1.55 • TRIP RIG VALUE 1:3.45
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Trip Ratios In Guarantee Use.

2021 EA: PART 1 – AGREEMENT APPLICATION - 27. CREDIT SYSTEM

Specifically, Section 27.3 In the event a Trip RIG is introduced, and a Pilot is Rostered a carryover Flight Duty pairing, the Credits for the entire Flight Duty Pairing will be paid in the Roster Period in which the Flight Duty Pairing concludes. Whilst CAE/CMS cutover did not occur, a Trip Rig System is in place, it is proposed that this RIG would be introduced to all multi-day trips, in accordance with the clause above.



Pursuant to the survey results regarding Multi-Day RIG's, it is proposed that Trip RIG's be applied to all multi day trips applicable within Virgin Australia.

TWU POSITION	TRIP RIGs to apply to all Multi-Day Trips, and no longer exclusive to Five-day Trips.
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Credit Table.

During negotiations for the 2021EA various credit values from the credit table were reduced. Those derived from the value of the MCG are contingent upon returning to as 69 Hour MCG as is the position of the TWU in this round of bargaining.

This is necessary for the following reasons:

- A byproduct of establishing Full-Time Work.
- Maintaining Annual Leave Values tiered to realistic values of work performed.
- Maintaining Long Service Leave Values tiered to realistic values of work performed.
- Personal Leave values will be addressed in the Personal Leave revamp section of this proposal.

With respect to Check and Training Credits, refer to the section on Check and Training, for survey results and justification of our position.

TWU POSITION	Return to 2018EA Credit Table values.
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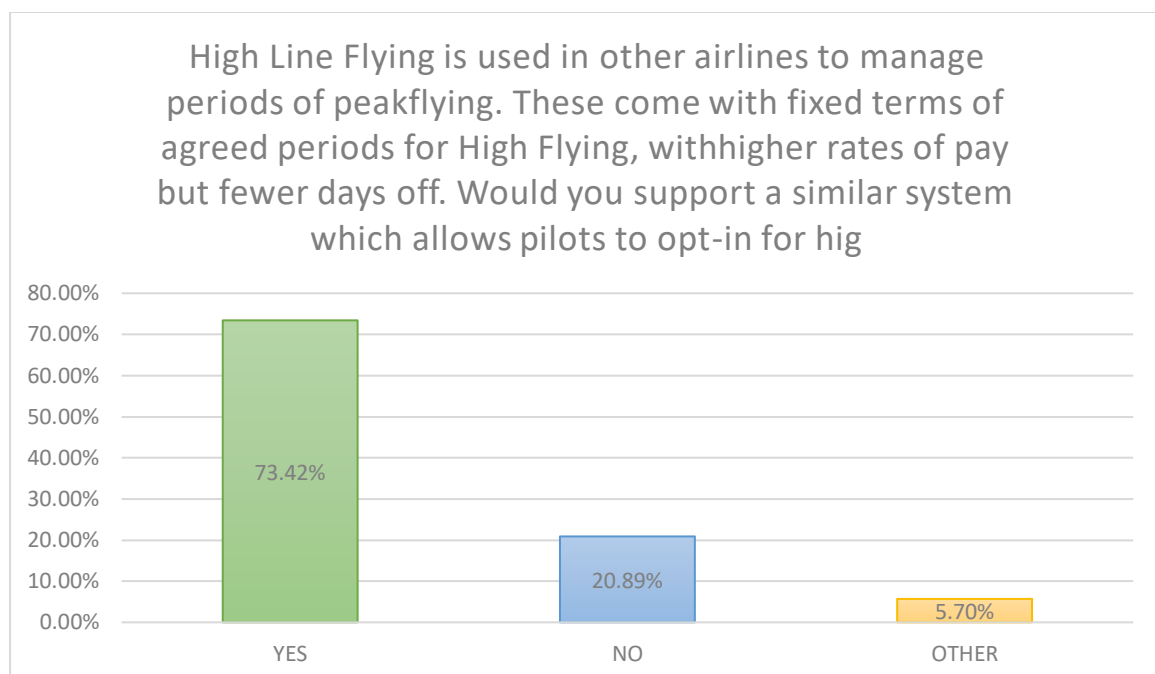
Overtime and Undertime Solution Proposals.

Feedback from Virgin Australia on returning to Higher MCG's has been the potential risk of Undertime, and the need to cater for Overtime.

Whilst the TWU rejects the notion that a base salary is contingent on factors such as Over and Undertime, survey results indicate that members are willing to adopt additional measures to assist with catering for such occurrences.

High Line Proposal.

TWU Pilot members were asked the following question:



Following survey results and based on analysis of other High Line models adopted within other airlines, the following proposal is offered to address the need for High Line Flying.

HIGHLINE – Proposal of a minimum period of 6 RP's – extendable depending on uptake and forecasting need.

- Highline proposal would comprise of an MCG of 77.5 Hours on 10 DDO's.

- Standard Hourly Rate, plus a Duty Allowance derived from average duty hours and a derivative of a draft value for 2 days. (See workings).

An example of a Highline year																			
RP1				RP2				RP3				RP4				RP5			
FT	FT	FT	FT	HL	HL	HL	HL	HL	HL	HL	HL	FT	FT	FT	FT	FT	FT	FT	FT
RP6				RP7				RP8				RP9				RP10			
HL	HL	HL	HL	ALV	ALV	ALV	ALV	ALV	ALV	FT	FT	FT	FT	FT	FT	HL	HL	HL	HL
RP11				RP12				RP13											
FT	FT	FT	FT	HL	HL	HL	HL	HL	HL	HL	HL								

Duty Hourly Rate Calculation: $\frac{\text{Draft Credit Value} \times 2}{152 \text{ (4 Standard Weeks)}} \times \text{Hourly Rate}$

Based on TWU proposal:

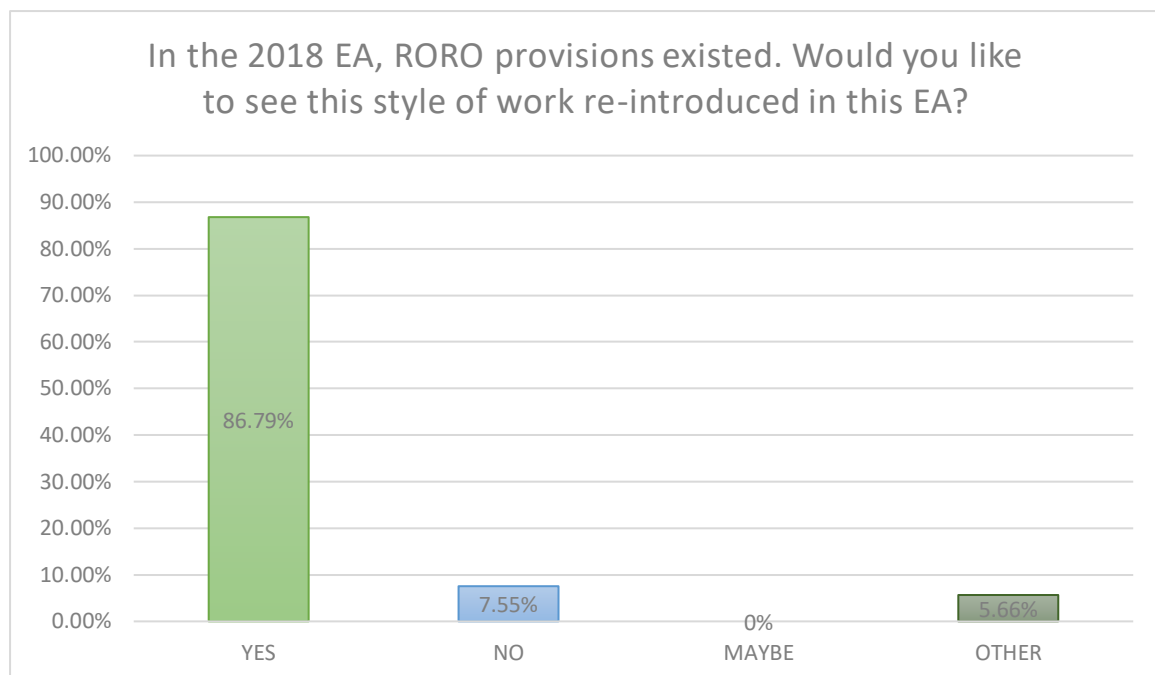
Captain Duty Hour Rate: $\frac{5 \times 2}{152} \times \$334.45 = \$22.00$

First Officer Duty Hour Rate: $\frac{5 \times 2}{152} \times \$222.97 = \$14.67$

TWU POSITION	Introduction of an Opt-In High Line Structure, with a minimum period of 6 months, comprising of a Higher MCG (77.5), 10 DDO's and an Hourly Duty Allowance payable on every High Line Roster.
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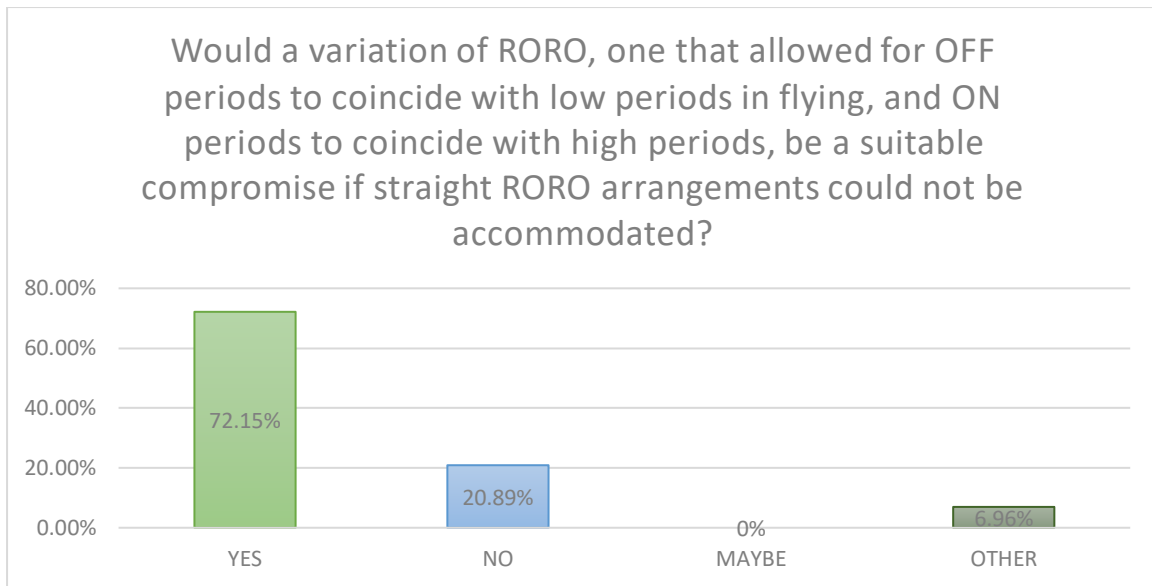
MIN4 MAX6 (RORO Evolution).

Based on the survey responses below, the RORO style of employment is seen as an attractive option that caters for pilot needs and meets a form of provision for undertime situations. However, it recognises that RORO in its 2018EA form is rigid, and loses operational efficiencies around low periods due to the cyclical nature 13RP calendar year in a RORO cycle.



The TWU utilised the previous question to understand the appetite for a flexible style of employment, and one that also helped address the undertime dilemma which acts as a company blocker for returning to a 69-hour MCG for Full-Time pilots.

An additional question was posed, which sought the desire to introduce flexibility to a rigid style of RORO. See below.



The results show a desire for a RORO style of employment option, together with an appetite to alter the RORO style to suit the needs around low and high periods. This provides the TWU with the opportunity to propose a revised version of RORO - see below.

MIN4 MAX6 General Concept

- 13 RP participation.
- Can be rostered blocks of minimum 4 weeks and up to 6 weeks on. (Max 24 weeks)
- Can be rostered blocks of minimum 4 weeks and up to 6 weeks off. (Max 24 weeks).
- Recommend a PT50 salary payable every RP, irrespective of weeks worked.
- Productivity payable per RP based on an MCG consistent with how many weeks worked in the RP.
 - 1 Week = PT25 (17.25 MCG)
 - 2 Weeks = PT50 (34.5 MCG)
 - 3 Weeks = PT75 (51.75 MCG)
 - 4 Weeks = FT (69 MCG)
- 4 weeks leave (Paid at equivalent of 3weeks Full-Time Salary).

An example of a MIN4 MAX6 year																			
RP1				RP2				RP3				RP4				RP5			
1	2	3	4	1	2	3	4	5	6	7	8	9	10	6	7	8	9	10	11
RP6				RP7				RP8				RP9				RP10			
12	13	14	ALV	ALV	ALV	ALV	11	12	13	14	15	15	16	17	18	16	17	18	19
RP11				RP12				RP13											
20	19	20	21	22	23	24	20	21	22	23	24								

Benefits to Employee

- 52 Weeks known in advance.
- Flexible Work Life Balance.

Employer Benefits

- Annual Leave Accrual is 3 weeks (FTE).
- Contingent Workforce available for high and low periods.
- With Maximum 42 days off, Currency can be retained.

TWU POSITION	Introduction of a Employment Option, as described in the MIN4 MAX6 proposal.
-------------------------	--

Part Time

TWU survey questions relating to Part-Time provisions revealed the following.

- 10.06% of survey participants indicated they are employed under Part Time provisions.
- 22.78% of survey participants indicated that they are seeking a Part Time position.

Responses highlighted a requirement for more Part-Time opportunities for Virgin Australia Pilots.

TWU POSITION	Establish an increase in Part-Time Employment Opportunities.
-------------------------	--

Annual Leave

The pilot group was not surveyed on annual leave in general. The standard allocation is what is expected, and there is no prospect of optimised bidding for leave without the 2021 promised system.

The rate and value of a day of leave must be readjusted to be a factor of an appropriate MCG (69 hours).

We believe that more can be done with Annual Leave, and the TWU requests that the company to step up in this area and provide a suitable solution based on the resources it has or foresees to have available.

It has been a longstanding thought among the pilot group that to aid in the utilisation of Annual Leave **during low periods**, the company could offer the firming up of staff travel bookings for staff and their families. This would help with maintaining a low FTE head count during low periods, which further removes the undertime concern the company may have.

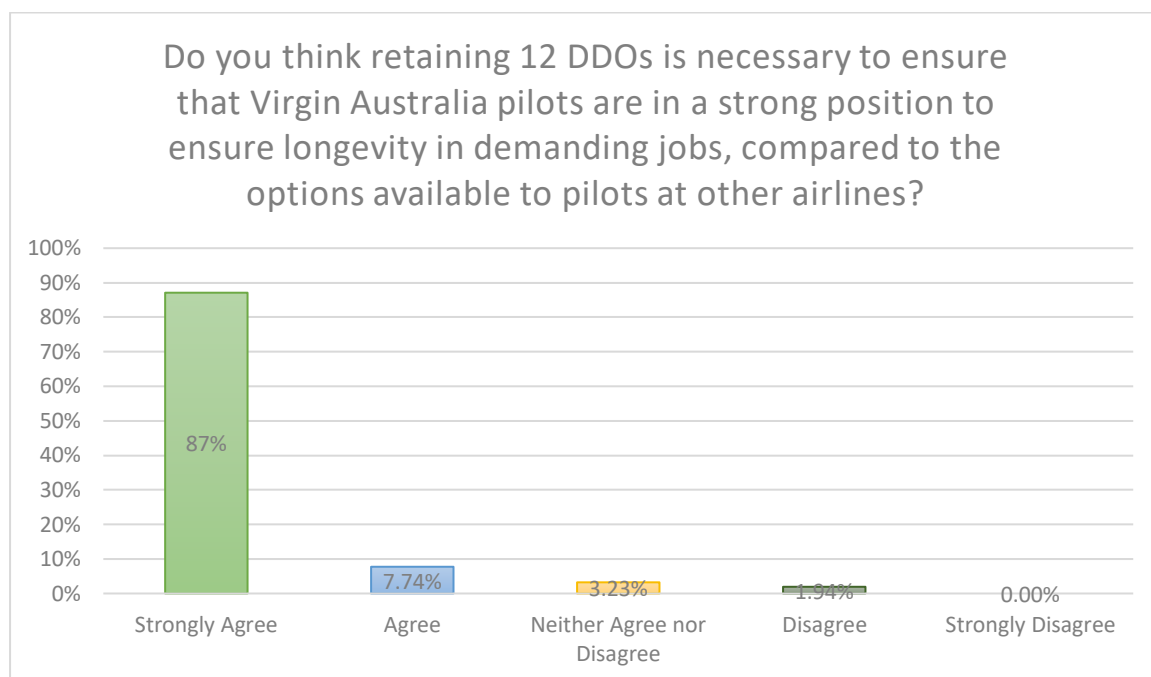
TWU POSITION	Introduction of incentives centered around taking up Annual Leave during low periods. This actively enables establishing of proper Full-Time terms and conditions.
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Days Off

The proposal put forward by the TWU centres around 12 DDO's, however it must be stressed that the 2021 Agreement has provisions for 13 DDO's. And that any concession to 12 DDO's is contingent upon achieving an MCG of 69 Hours.

As only 12 are guaranteed based upon rostering outcomes, the member survey centred questions around 12 DDO's.

TWU Pilot members were asked the following:



This survey question is particularly relevant considering the outcomes found in the section of this document regarding Comparison with our Competitors.

A further question regarding Days Off was posed to members, particularly relating to assurances made by the company during the 2021EA negotiations and its ability to roster more than 70 credits whilst maintaining 12 DDO's.

THE COMPANY MADE ASSURANCES IN 2021 THAT IT COULD ROSTER IN EXCESS OF 70 CREDITS TO ALL PILOTS WHILE MAINTAINING 12 DDOS. WITH REGARDS TO DDOS:

I'M OPEN TO OTHER OPTIONS DEPENDING ON WHAT WE COULD NEGOTIATE IN OTHER AREAS

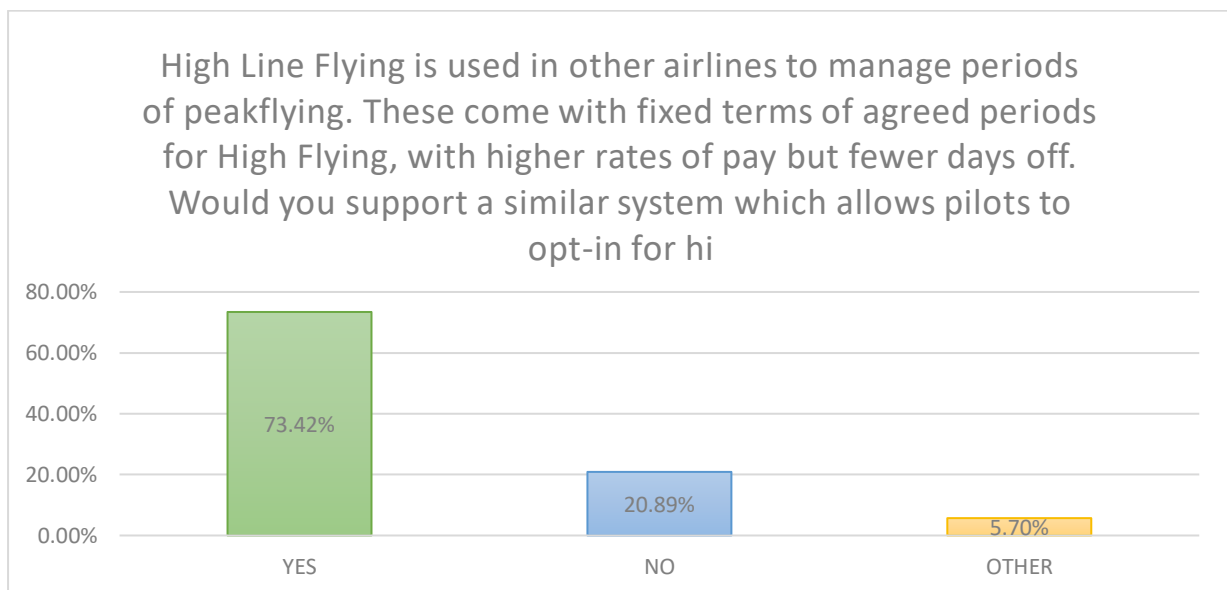
3.86%

WE MUST RETAIN 12 DDOS

91.14%

Regarding days off, our members has made its intentions abundantly clear. Pilots are seeking improvements in their working conditions, but are not willing to concede days off in exchange these conditions.

TWU members are willing to offer up DDO's, on an opt in basis, in the form of a structured set up, such as a High Line arrangement, as evidenced below.



The responses in 'Other' centred around the need for any form of High Line Flying to be opt in only.

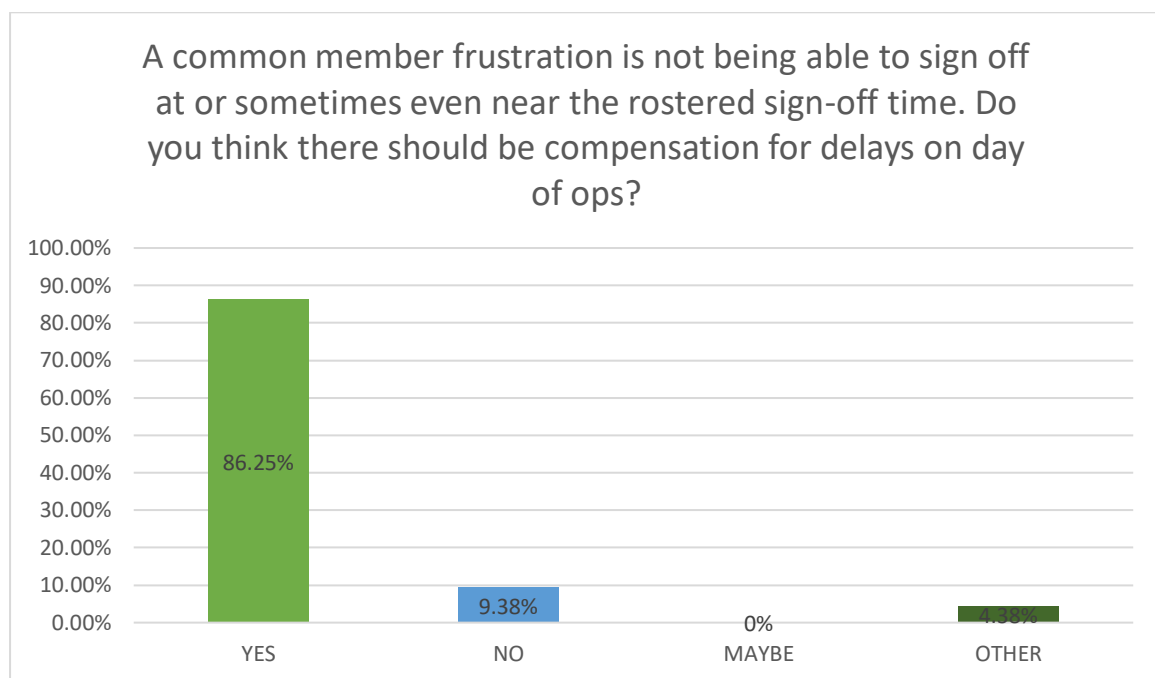
TWU POSITION	TWU proposes a form of High-Line flying which will be detailed in the Overtime and Underttime section of this document.
-------------------------	---

General Work Rules

Surveyed members were asked for their views on work rules from the 2021 Enterprise Agreement that proved problematic or raised significant concerns for members through the life of the EA.

Sign Off Protection

Regarding sign off protection, the main frustration voiced by members generally centres around the inability to sign off at rostered sign off times, and the fact that there is no compensation for this.



In reference to the response option “other”, the responses surrounded around suggestions that the suitable RIG ratios could help to alleviate some of the issues with this problem.

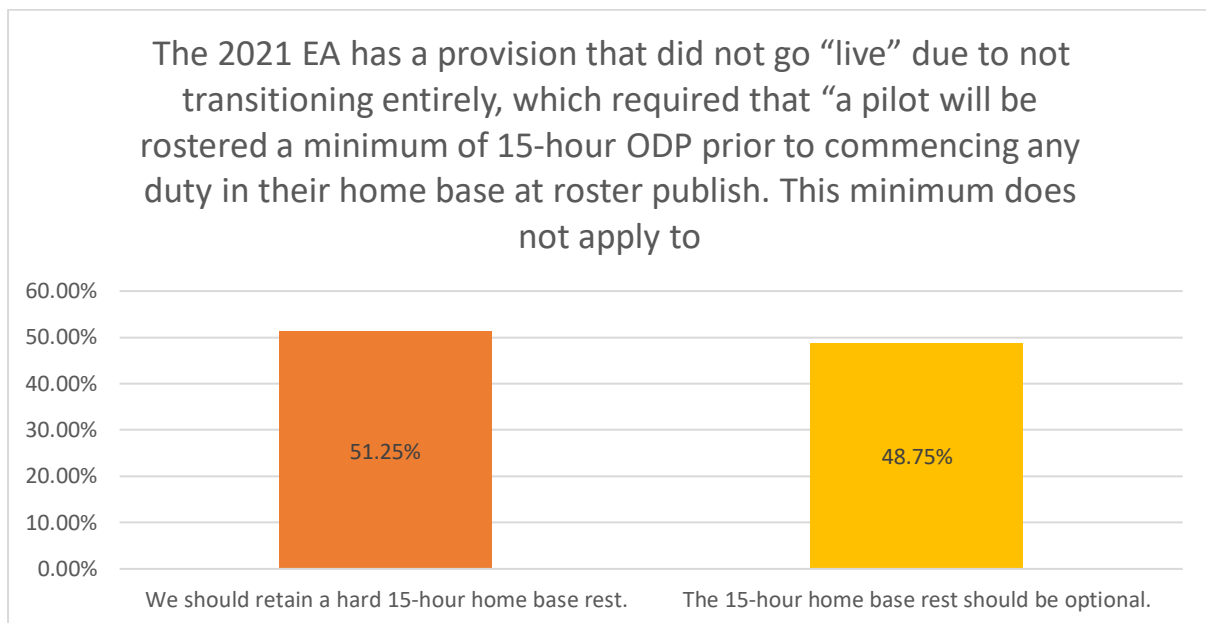
TWU POSITION	Application of appropriate RIG ratio's as positioned in this document, or the introduction of late sign off compensatory provisions must be sought.
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15 hour home based rest

Regarding: (2021EA) APPENDIX 1 – NARROW BODY AIRCRAFT WORK RULES

16.4. A Pilot will be Rostered a minimum of 15-hour ODP prior to commencing any Duty in their Home Base at Roster Publish. This minimum does not apply to ODPs between Standby Duties nor prior to or between Ground Duties including simulator (ODP for simulator duties are dealt with in Part B of the Appendix).

This clause was of relevance to the survey as it was included in an Enterprise Agreement that was based on the introduction of a robust Crew Management and Bidding System.



**TWU
POSITION**

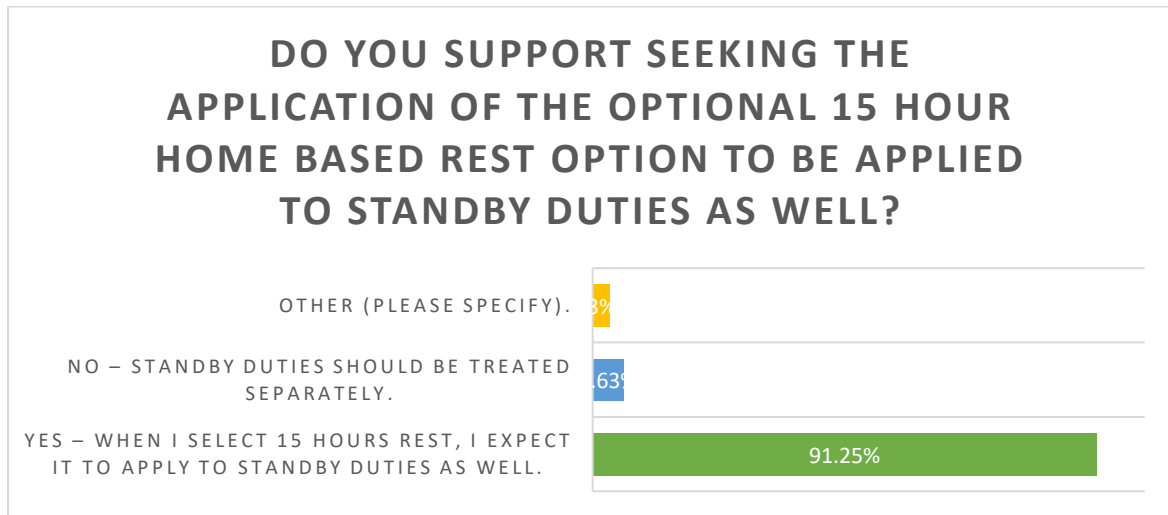
TWU Pilots position clause 16.4. be written to read as follows: “A Pilot **who opts in to** receiving 15 hours home based rest, will be Rostered a minimum of 15-hour ODP prior to commencing any Duty in their Home Base at Roster Publish.”

15 hour home based rest around standby duties

Regarding: (2021 EA) APPENDIX 1 – NARROW BODY AIRCRAFT WORK RULES

Specifically: 16.4. A Pilot will be Rostered a minimum of 15-hour ODP prior to commencing any Duty in their Home Base at Roster Publish. **This minimum does not apply to ODPs between Standby Duties** nor prior to or between Ground Duties including simulator (ODP for simulator duties are dealt with in Part B of the Appendix). Regarding the clause’s application to ground duties – the TWU reserves its position to discussions during Enterprise Bargaining.

The section of the clause relating to standby duties was of particular relevance to the survey as it was included in an Enterprise Agreement that was based on the introduction of a robust Crew Management and Bidding System.



TWU POSITION

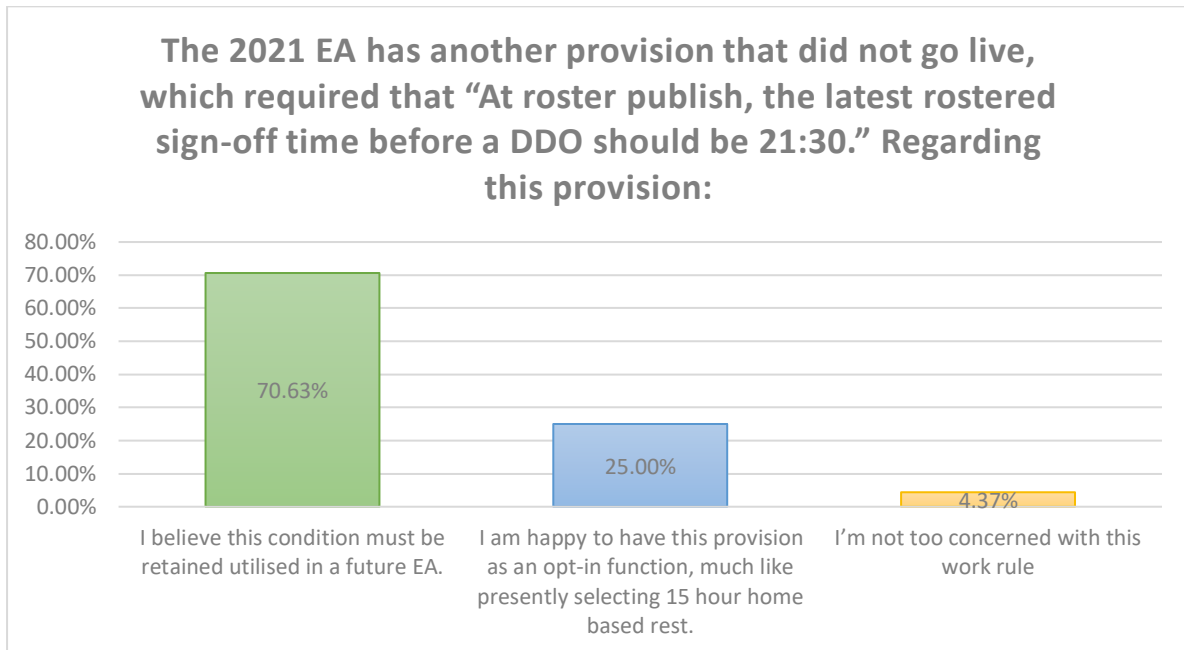
TWU Pilots position clause 16.4. be written to read as follows: A Pilot who opts in to receiving 15 hours home based rest, will be Rostered a minimum of 15-hour ODP prior to commencing any Duty in their Home Base at Roster Publish. This minimum applies also to ODPs between Standby Duties.

Regarding the clause’s application to ground duties – the TWU reserves its position to discussions during Enterprise Bargaining.

Sign off at 21:30 prior to a DDO.

Regarding: (2021EA) APPENDIX 1 – NARROW BODY AIRCRAFT WORK RULES - 23.

DESIGNATED DAYS OFF, specifically: 23.1. *At Roster Publish, the latest Rostered Sign Off time before a DDO shall be 2130.*



**TWU
POSITION**

TWU Pilots position retention of this work rule in a future Enterprise Agreement, with a concession that this could be offered as in an Opt In / Opt On scenario.

Standby Provisions

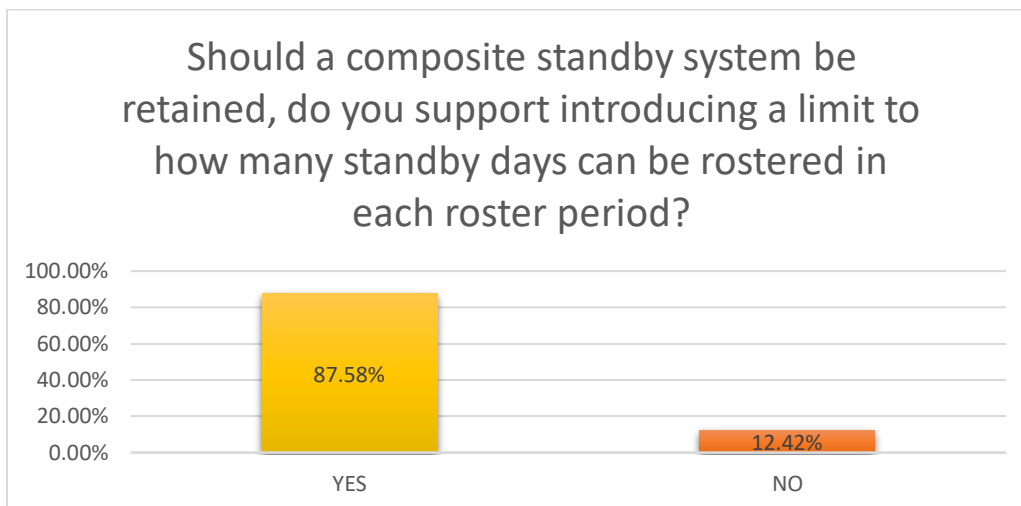
This section serves as more of an information segment than a position.

When asked which style of standby rostering surveyed pilots preferred, the results indicated:

- **59.74% preferred Entire rosters of standby.**
- **40.26% preferred Composite Rostering.**

This leaves this as an opportunity for the company to provide good consideration to the options available, and should it see benefit in utilising both forms, potentially considering having these options as bid preferences.

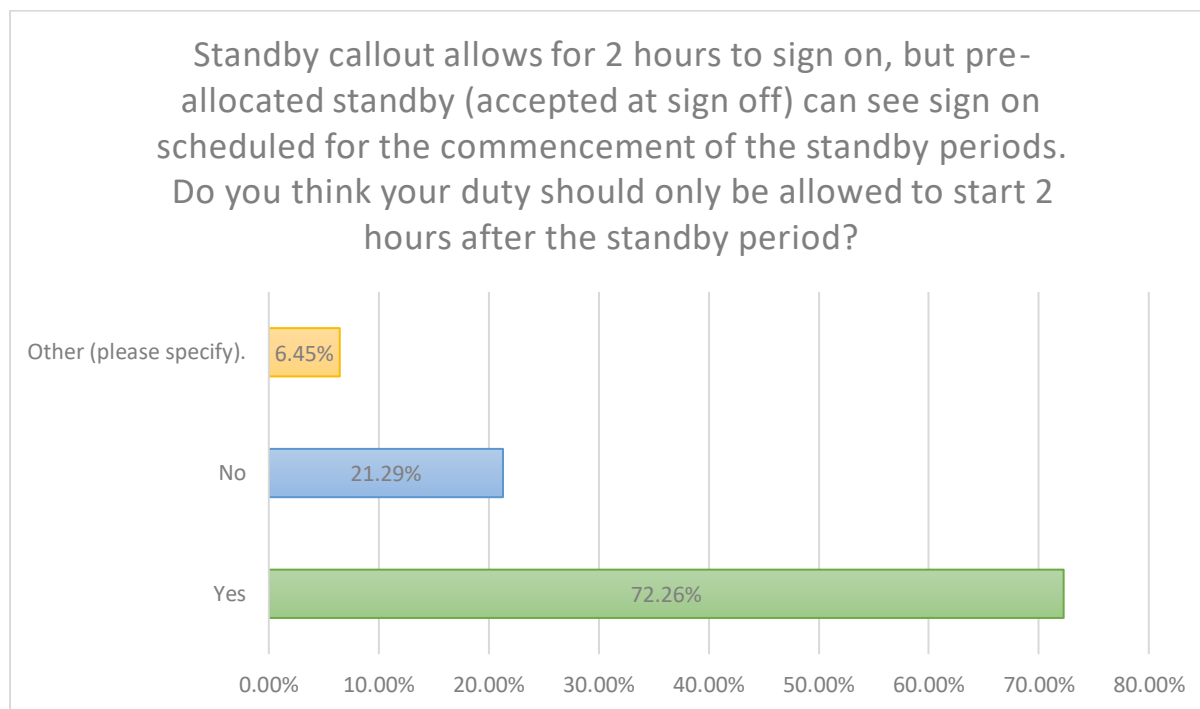
Should a composite style roster be retained, surveyed pilots expressed a desire to place a limit on how many standby duties could be rostered.



TWU POSITION	<ul style="list-style-type: none">• Establishing a limit to standby days rostered.
-------------------------	---

Commencement of Duty when on Standby

In relation to the allocation of duties at sign off to a subsequent standby duty, TWU members were clear that the practice of allocating duties to the commencement of the standby period was frustrating, particularly when planning rest periods and home life.



For further context, the 'Other' responses suggested that this could be waived by mutual agreement, whereas other commented on the desire to protect the 15-hour based rest as the only concern.

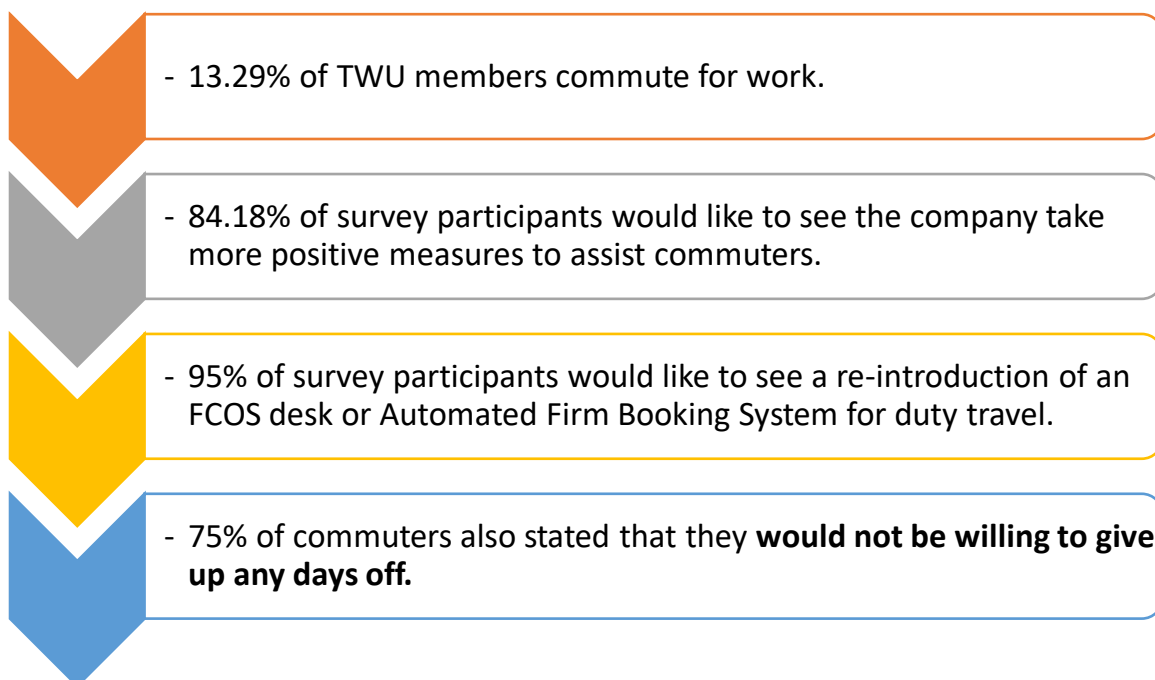
TWU POSITION	<ul style="list-style-type: none">• Duties from standby can only commence from 2 hours after the start of a standby period, except with mutual agreement between the pilot and crew control, this agreement must be achieved by sign off at the previous duty.
-------------------------	--

Commuting Concerns / Proposals.

The events surrounding the COVID-19 pandemic, together with Virgin Australia entering Voluntary Administration saw hundreds of loyal and long-term serving pilots made redundant. Whilst it is widely accepted that the events that occurred were beyond the control of management and pilots alike, it has nonetheless seen returning pilots required to commute from their places of residence.

These are not new young pilots that have entered an airline and have the ability to set up their and their families lives in and around the bases available to them. Long serving individuals who were made redundant and are now returning to VA will most probably face a length period of time as commuters. Also impacted, are other pilots who made educated assumptions on the longevity of commutes they committed to, both as First Officers or when taking up Commands. This situation will continue to get worse as time goes by and has not been assisted by the announcement and then subsequent retracting of a Gold Coast base.

Survey results found that:



When asked if attaching standbys to other multi-day pairings be more beneficial?

- **68% of survey participants indicated that this would not be seen as beneficial.**

When asked if trading days off for commuting provisions was a consideration:

- **76% of survey participants indicated that they would not consider trading any days off for enhanced commuter provisions.**

TWU POSITION	<ul style="list-style-type: none">• Re-introduction of an FCOS desk or Automated Firm Booking System for duty travel.
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TWU POSITION	<ul style="list-style-type: none">• Strongly urging the company to re-consider the establishment of a Gold Coast Base.
-------------------------	---

Check and Training.

The Check and Training department provides the backbone for establishing and maintaining standards within the organisation.

It is the general belief of the pilot cohort that this is an important part of the airline, which needs to attract and suitably reward those befitting of these positions.

Major Positions from the Check and Training pilots, which have been resoundingly supported by members surveyed comprise of the following:

SURVEY QUESTIONS	ANSWER CHOICES	RESPONSES
The return to the 2018 EA's 4.5 credit hours for simulator duties, and 5.5 credit hours for Check Captains and Senior Training Captains conducting simulator sessions.	YES	91.25%
	NO	8.75%
Would you support an increase of up to 5 days of personal flying for Check Captains per RP to aid currency and operational familiarity?	YES	85.81%
	NO	9.03%
	OTHER	5.81%
Given the simulator session construction and preparation requirements, would you support a paid Admin Day for Check Captains and Simulator Training Captains to assist in preparation for Simulator Sessions?	YES	72.08%
	NO	23.28%
	OTHER	4.55%
Would you support a higher pay rate for Standards Captains (i.e., additional level above Check Captain?)	YES	54.97%
	NO	45.03%

TWU POSITION	<ul style="list-style-type: none"> The return to the 2018 EA's 4.5 credit hours for simulator duties, and 5.5 credit hours for Check Captains and Senior Training Captains conducting simulator sessions.
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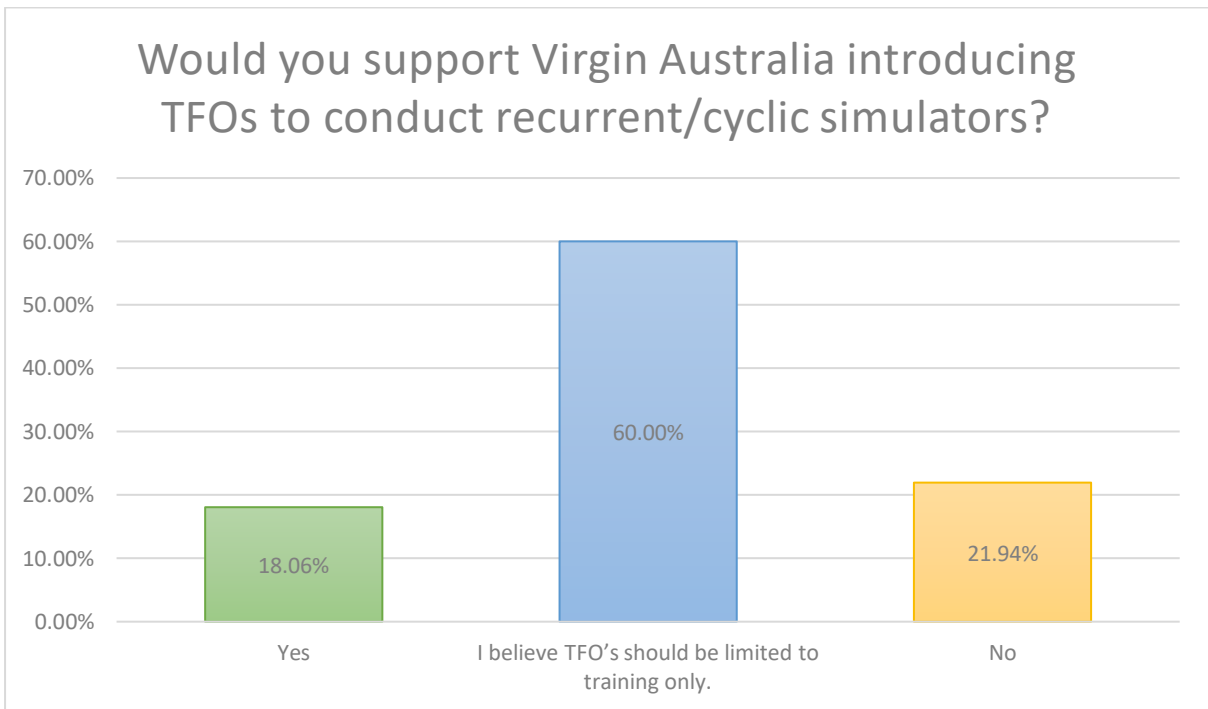
TWU POSITION	<ul style="list-style-type: none"> The rostering of up to up to 5 days of personal flying for Check Captains per RP to aid currency and operational familiarity.
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TWU POSITION	<ul style="list-style-type: none"> A paid Admin Day for Check Captains and Simulator Training Captains to assist in preparation for Simulator Sessions?
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TWU POSITION	<ul style="list-style-type: none"> A higher pay rate for Standards Captains.
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Training First Officers

Regarding the Introduction of Training First Officers:



TWU POSITION	<ul style="list-style-type: none"> • Training First Officers be limited to Training roles only.
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Check and Training Captains, and Training First Officer Salaries.

Regarding the salaries of Check and Trainers, it is proposed that the 2018 EA remuneration provision be the basis of the 2024 EA remuneration packages.

The salaries must comprise of the following:

- All **Senior Training Captains and Training Captains** will be paid an amount that is **10% higher** than their annual base salary as follows:
 - (i) For Senior Training Captains - this allowance will be paid for the duration of the appointment.
 - (ii) For Training Captains - this allowance will be paid for the duration of their appointment.
- All **Check Captains** will be paid an amount that is **16% higher** than their annual base salary. This allowance will be paid for the duration of the appointment.
- All **Training First Officers** will be paid an amount that is **10% higher** than their annual base salary. This allowance will be paid for the duration of the appointment.

It is also proposed that a higher rate be introduced for Standards Captains, who hierarchically hold a role above that of Check Captain.

TWU POSITION	<ul style="list-style-type: none"> • Check and Training Personnel Salaries to return to 2018EA Percentage structures. • A higher rate be introduced for Standards Captains.
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Incentives

During the short and tumultuous life of the 2021EA, Virgin Management sought to encourage engagement and participation by introducing remunerative incentives.

Whilst the success of such incentives are debatable and difficult to measure for multiple reasons, it is encouraging that Virgin Australia appeared open to such measures.

Annual Leave Incentives

Unused or underutilised annual leave has always been an issue brought up during AIC meetings.

TWU representatives suggest considering offering leave slots around particularly low flying periods, where excess FTE counts could impact operating to 69-hour Full Time targets, attached with Firmed up Staff Travel options.

Such measures would serve multiple purposes such as:

- Greater Leave Uptake.
- Seen as rewarding for Pilots.
- Offers surety of a short, less costly break during a period less attractive to travel.

TWU POSITION	Introduction of incentives centred around taking up Annual Leave during low periods. This actively enables establishing of proper Full-Time terms and conditions.
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Productivity Incentives

In line with aiming to find solutions to drive high productivity and further solidify the case for Full-Time Employment defined around 69 hours, the TWU proposes a bonus system for pilots who achieve flying quotas in the following ranges.

PRODUCTIVITY INCENTIVE		
Flying achieved between 750 and 850 – 15% bonus.		
Flying achieved between 850 and 1000 – 25% bonus.		
(E.g., When a Pilot fly's 830 hours, this equates to 80 hours into bonus range. Bonus = $80 * 0.15$ Hourly Rate).	CAPT @ \$334.45	FO @ \$222.97
	\$4013.40	\$2675.64
(E.g., When a Pilot fly's 930 hours, this equates to 180 hours into bonus range. Bonus = $100 * 0.15$ Hourly Rate + $80 * 0.25$ Hourly Rate).	CAPT @ \$334.45	FO @ \$222.97
	\$5016.75	\$3344.55
	+ \$6689.00	+ \$4459.40
	= \$11,795.75	= \$7,803.95

- As a productivity rate of pay for flying above MCG has not been proposed, to avoid complexities with rates during live roster periods, an annual productivity incentive bonus would serve to reward hard working and productive employees.
- It is hypothesised that linking these incentives to a calendar year period, would also serve to incentivise peak flying around Christmas period – with bonuses payable in RP1.

TWU POSITION	Introduction of a tangible incentive centred around total flying performed.
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Ancillary Positions

A list of additional positions which are believed to promote achieving a more workable Enterprise Agreement are provided in this section.

Profit Share

As many airlines around the world have Profit Share Schemes for pilots, this may not be a straightforward proposal with a Bain Ownership.

The most tangible reward scheme conceivable is an Employee Share Scheme and this is something that sees some of the business being rewarded to its loyal employees, which in turn have an even greater vested interest in its success and longevity.

EMPLOYEE SHARE SCHEME



Annual \$1,000 employee share scheme in conjunction with IPO

TWU POSITION	The TWU seeks the creation of an Employee Share Scheme.
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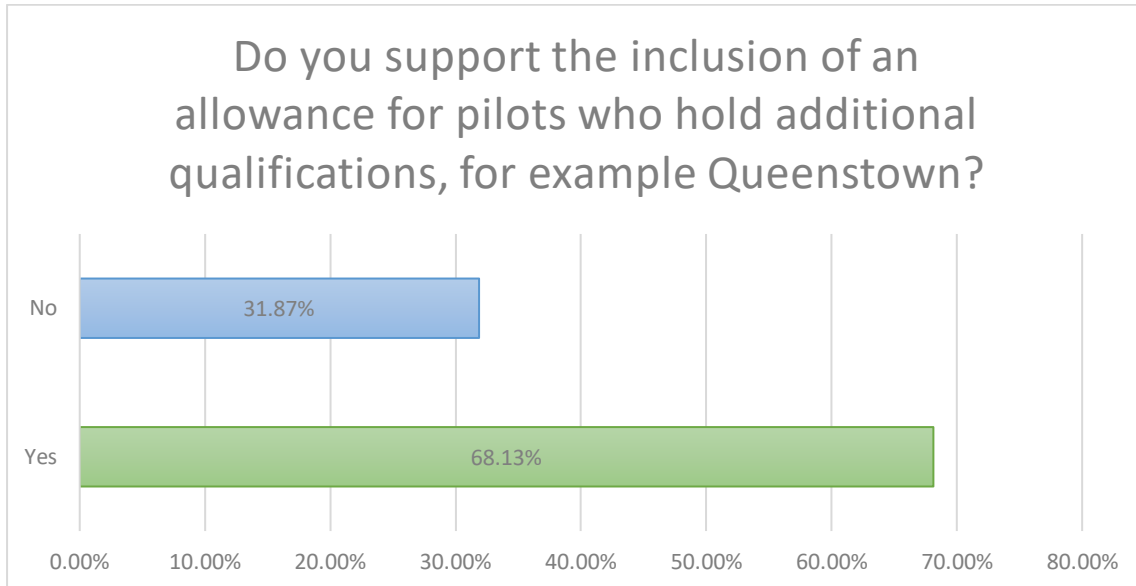
Medical PDO(s).

Whilst this topic was not covered in the member survey, it has been brought up on multiple occasions by members over the course of time. It is proposed that the provision of PDO's for the attendance of CASA Medical Requirements be provided - uncapped.

TWU POSITION	Introduction of Uncapped PDO's for CASA Medical Requirements.
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Additional / Specific Qualifications Allowance

The subject of requiring additional qualifications compared to the rest of the pilot group was raised utilising Queenstown flying as an example.

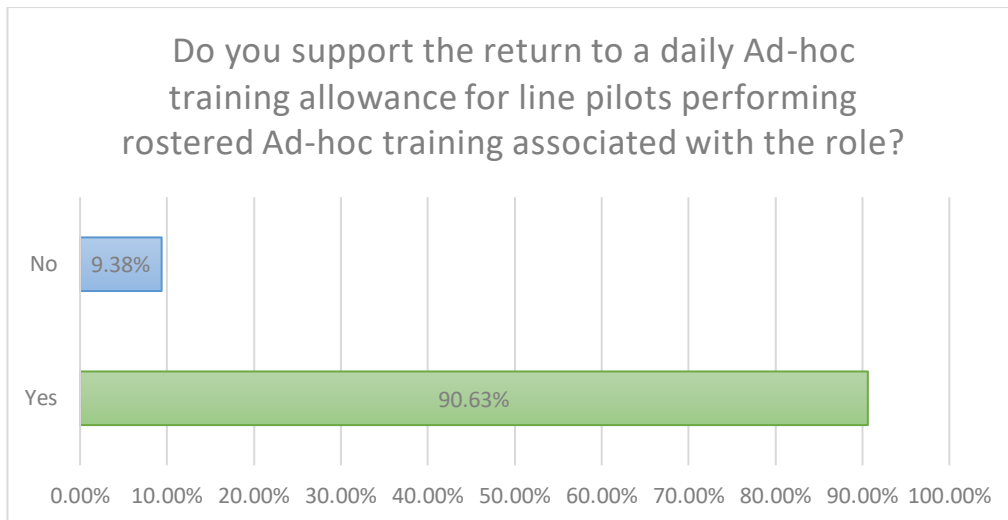


Survey participants agreed that the holding of additional qualifications should attract some form of additional allowance.

TWU POSITION	The TWU seeks that Virgin Australia recognise and appropriately compensate pilots holding additional qualifications.
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Return of Ad-Hoc Training Allowance

The Previous EA included an Ad-Hoc training allowance for line pilots performing rostered Ad-hoc training associated with the role. Pilots strongly support the return of such allowance. Anecdotal conversation with Ground Trainers has highlighted that removal of Ad-Hoc Training Allowances discouraged passionate individuals seeking to commit their time to training.



TWU POSITION	Reintroduction of Ad-Hoc Training Allowance as per 2018 EA (Adjusted for CPI).
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Redundancy Clause

With the increased mixing of flying with VARA pilots, it is proposed that redundancy entitlements are matched to the VARA pilots entitlement.

TWU POSITION	A pilot whose employment is terminated by way of redundancy will be entitled to redundancy pay of three (3) weeks for every year of service or part thereof to a maximum of 52 weeks.
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Simulator Duties Off Standby

Member feedback surrounding utilisation of pilots on standby duties seeks agreement on limiting the use of standby pilots to ‘Ask Only’ situations for Simulator Support.

The expectation that a pilot can hold themselves ready for simulator exercises at short notice is not realistic and does not factor into consideration and jeopardy that could befall a pilot ill prepared for an unscheduled session,

**TWU
POSITION**

Sim Support off Standby be an 'Ask Only'.