

# JQ bargaining update - joint union position

At the end of January, Jetstar tabled a comprehensive revised package for consideration. The proposal included an increased remuneration envelope and movement in several important areas.

Jetstar subsequently communicated the key features of its revised offer to pilots via an update from the Chief Pilot, including infographic examples summarising projected outcomes across the life of the proposed agreement. Most pilots will now have had the opportunity to review that material in detail.

As we advised in our previous update, while the revised package represented progress, it did not close the gap between Jetstar's remuneration envelope and the AFAP's minimum benchmarked position.

Since that meeting, the AFAP has completed detailed modelling and analysis of Jetstar's proposal and worked closely with the TWU and AIPA to align a unified response.

## **AFAP, AIPA and TWU United Position**

Over the past fortnight, the AFAP, AIPA and the TWU held a series of joint discussions to align our positions, with one objective: to present Jetstar with a single, unified offer that the pilot unions are prepared to stand behind.

A united position is not symbolic - it is strategic. It places Jetstar pilots in the strongest possible bargaining position and provides the Company with a clear pathway to agreement capable of joint endorsement and recommendation to members. Pleasingly, consensus was reached.

Accordingly, last Tuesday, for the first time in this bargaining campaign, the AFAP, AIPA and TWU met jointly with Jetstar and presented our unified position. This was put forward as an offer the unions would be prepared to jointly endorse and recommend to members, subject to the usual caveat: if any elements are not ultimately agreed by Jetstar, the unions reserve the right to withdraw agreement to any or all concessions offered as part of the overall package.

Attending on behalf of the TWU was Edward Nell, TWU Industrial Coordinator - Aviation  
Attending on behalf of the AFAP were JPF pilot representatives Chris Gibson, Dom Corcoran, Ben Bollen and Paul Hogan, along with AFAP Senior Industrial/Legal staff Deanna Cain, Patrick Larkins and Andrew Molnar.

Attending on behalf of AIPA were pilot representatives Aaron Mete and Reid Lee, along with AIPA Legal staff Natascha Fletcher-Cauchy and Matthew Warburton.

Representing Jetstar were Tyrone Simes (Chief Pilot and Head of Flying Operations), Michael Porch (Senior Manager Flying Operations), Renee Edgley (Head of Employee Relations), Leah Everton (Senior Manager Operational Insights & Strategy), Tim Faulkner (Employee Relations Manager - Flying Operations), and Vera Gorgievski (National Operations Advisor).

# Deficiencies with Jetstar's Offer

To ensure members understand the rationale behind the Joint Union Position, we outline below several key concerns with Jetstar's proposed base salary position and overall package.

## i) Jetstar offer did not meet benchmarking Objectives

From the outset, the AFAP has benchmarked Jetstar remuneration outcomes primarily against Virgin, as the most relevant comparator and, on balance, an operator with industry-leading remuneration and lifestyle provisions.

Jetstar's operating model has evolved significantly, with continued fleet expansion, network growth and strong financial performance. In that context, pilot remuneration should reflect prevailing market rates and align appropriately with industry peers.

While Jetstar's revised package represents movement, our modelling confirms it does not yet achieve the stated benchmarking objective. Using agreed highline assumptions of 1110 duty hours and 504 layover hours per annum which we acknowledge represent a consistent, predictable component of Jetstar remuneration, Jetstar pilots remain behind Virgin across multiple categories as demonstrated by the table below:

Narrow Body (A320 V B737) - VA Base salary and index at 3% from 2027								
JQ Assumptions - Highline 1110 hours, Layover Highline 504 hours								
Rank	Captain				First Officer			
Levels	1	2	3	4	1	2	3	4
Years in Rank	0 to 2	2 to 4	4 to 6	6+	<1500	>1500 (2 to 4)	4 to 6	6+
1-Jul-26	\$279,441	\$287,295	\$295,384	\$295,384	\$158,244	\$167,050	\$179,975	\$186,281
1-Jul-27	\$287,726	\$295,828	\$304,160	\$312,742	\$162,991	\$172,062	\$185,375	\$191,870
1-Jul-28	\$296,273	\$304,605	\$313,187	\$322,026	\$167,881	\$177,223	\$190,936	\$197,626
1-Jul-29	\$305,063	\$313,645	\$322,485	\$331,589	\$172,917	\$182,540	\$196,664	\$203,555
Differential								
1-Jul-26	-7.0%	-4.0%	-1.2%	-1.2%	-22.8%	-16.3%	-8.0%	-4.3%
1-Jul-27	-7.0%	-4.1%	-1.2%	1.6%	-22.8%	-16.3%	-8.0%	-4.3%
1-Jul-28	-7.0%	-4.1%	-1.3%	1.5%	-22.8%	-16.3%	-8.0%	-4.3%
1-Jul-29	-7.1%	-4.1%	-1.3%	1.5%	-22.8%	-16.3%	-8.0%	-4.3%

Structural differences, including Virgin's lower EFA threshold and stronger credit system, continue to compound the effective remuneration gap over time.

For these reasons, the Joint Union Position is clear: further movement is required if the final agreement is to meet reasonable pilot expectations and align with our original benchmarking commitment.

## i) Jetstar base salary proposal moves away from historical pay differentials.

There has long been an understood structure governing pay progression at Jetstar. Across agreements since the 2008 EA, pay differentials between cohorts have remained stable and predictable.

Jetstar's proposal introduces additional levels to reward experience, which is positive and consistent with our approach. However, it also materially alters long-standing pay relativities between cohorts. The practical effect is that certain groups are advantaged at the expense of others, funded by internal redistribution within the pilot group.

The unions will not support an outcome that "picks winners" and sets cohort against cohort. More importantly, accepting internal redistribution in this agreement creates a precedent that weakens future negotiations, allowing the Company to "buy off" specific groups while holding others back.

The tables below demonstrate the historic FO percentages and the proposed FO percentages in Jetstar's offer:

Narrow Body	Historic % of a CP Rate	Jetstar Proposed Rates	Differential	Narrow Body	Historic % of a CP Rate	Jetstar Proposed Rates	Differential
FO Level 1	55.0%	56.1%	1.1%	FO Level 2	60.0%	61.2%	1.2%
FO Level 2	60.0%	59.4%	-0.6%	FO Level 3	65.0%	64.8%	-0.2%
FO Level 3	65.0%	64.4%	-0.6%	FO Level 4		68.7%	3.7%
FO Level 4		66.8%	1.8%	SO Level 1	60.0%	58.9%	-1.1%
				SO Level 2		60.6%	0.6%

Historically there has also been a consistent 14% differential between Narrow Body and Wide Body pilots across cohorts. Under Jetstar's proposal, this shifts for some Narrow Body First Officers to around 17%, representing a material departure from the established differential:

Wide Body to Narrow Body	Historic %	Jetstar Proposed Rates	Differential
CP Level 1	14.00%	14.00%	
CP Level 2		14.00%	
CP Level 3		14.00%	
CP Level 4		14.00%	
FO Level 1			
FO Level 2	14.00%	17.32%	3.32%
FO Level 3	14.00%	14.82%	0.82%
FO Level 4		17.32%	17.32%

Changes of this nature are not minor structural adjustments; they alter the long-standing relationship between fleets and ranks that ensure fairness in pay outcomes across all pilots.

For these reasons, the unions have made it clear that any revised salary structure must preserve core historical pay differentials and avoid creating intra-group redistribution outcomes.

## **i)Perverse progression Outcomes**

Additionally, Jetstar's proposal had some perverse outcomes. Currently the level 1 FO's nearing the end of their time at level 1 are expecting to spend one year at level 2 before progressing to level 3. The same situation arises for Level 1 FO's who were previously SO's. Under the Jetstar proposal they would be required to spend an additional year at level 2 (2 years) before progressing to level 3.

All these concerns have been addressed in our counter-offer outlined below.

## **i)Increased Standby without meaningful disruption protections**

Jetstar's revised package increases standby exposure for pilots rostered below 75 hours, but does not meaningfully address the roster disruption standby call-outs routinely cause.

The displacement of rostered duties as a result of standby call outs, the cascading instability that follows, and the erosion of confidence in the published roster are well-understood across the pilot group.

From the beginning of bargaining, the unions have consistently pressed for standby displacement protections, either through strengthened rules or financial disincentives where displacement occurs.

The Joint Union Position is clear: roster instability cannot remain unaddressed in any acceptable final agreement.

## **Key Elements of Joint Union Position**

The key elements of the Joint Union Position presented to Jetstar are outlined below.

### **1.Base Salary Proposal**

From the outset, our approach to base salary has been simple: a fair outcome for all cohorts. That means applying the same uplift methodology across categories and maintaining core historical relativities, rather than redistributing within the pilot group.

#### **Structure and uplift**

- 8% compliance uplift applied to all existing categories at commencement.
- 3% per annum increases from 1 July 2026 to 1 July 2029.
- Additional tenure-based levels introduced to reward experience in rank, with each new Captain level being a 3% compounding increase on the prior level.
- A new FO level set at 68% of a Level 1 Captain (consistent with maintaining structural integrity and relativities).

## Phasing of new levels

Because these additional levels are a structural reform (rather than a one-off uplift), they are phased in across the life of the agreement:

- 1 July 2027: first additional levels introduced (Captain Level 2 and FO Level 4)
- Additional Captain levels introduced in subsequent years, so that by the end of the agreement Narrow Body Captains and First Officers each have four levels (with Wide Body FO levels structured appropriately given there is no Level 1 on Wide Body).

## Transition and progression principles (all pilots)

- Progression through pay levels is based on time in seat, irrespective of fleet changes.
- Progression does not reset when changing fleet; it resets only when changing rank (e.g., SO to FO or FO to Captain).
- Example: a Level 4 Narrow Body Captain who transitions to Wide Body would become a Level 4 Wide Body Captain.

## First Officer transition and progression

A fundamental change in the FO structure is to reward experience while maintaining reasonable, predictable progression. While our original model tied early FO levels to licence requirements (CPL and ATL), we adopted Jetstar's simpler framework:

- FO Level 1: Less than 1,500 hours total aeronautical experience
- FO Level 2: Greater than 1,500 hours total aeronautical experience
- FO Level 3: after one year as a Level 2 FO
- FO Level 4: after two years as a Level 3 FO

Importantly, this preserves the current expectation that most First Officers spend only one year at Level 2 before progressing.

## Second Officers and new hires

- Upgrading SOs will commence on FO Level 1 or Level 2 depending on total hours.
- If a pilot already has 1,500 hours total aeronautical experience at transition, they commence on FO Level 2.
- New hire FOs will commence at Level 1 or Level 2 depending on total hours.
- Level 1 FOs automatically transition to Level 2 upon attaining 1,500 hours.

	Narrowbody Captain				Narrowbody FO			
LEVEL	1	2	3	4	1	2	3	4
Years in Rank	0	1 to < 3	3 to 5	5+	<1500	>1500	LVL2 for 1Y	LVL3 for 2Y
	3.0%	3.0%	3.0%	3.0%	55.0%	60.0%	65.0%	68.0%
1-Jul-25	\$246,765				\$135,721	\$148,059	\$160,398	
Award Adj	\$266,506				\$146,579	\$159,904	\$173,230	
Commence	\$266,506				\$146,579	\$159,904	\$173,230	
1-Jul-26	\$274,501				\$150,976	\$164,701	\$178,427	
1-Jul-27	\$282,736	\$291,219			\$155,505	\$169,642	\$183,780	\$192,261
1-Jul-28	\$291,219	\$299,955	\$308,954		\$160,170	\$174,731	\$189,293	\$198,029
1-Jul-29	\$299,955	\$308,954	\$318,222	\$327,769	\$164,976	\$179,973	\$194,972	\$203,969

LEVEL	Widebody Captain				Widebody FO			SO
	1	2	3	4	2	3	4	
Years in Rank	0	1 to < 3	3 to 5	5+	>1500	LVL2 for 1Y	LVL3 for 2Y	
	3.0%	3.0%	3.0%	3.0%	60.0%	65.0%	68.0%	60%
1-Jul-25	\$281,312				\$168,787	\$182,854		\$101,273
Award Adj	\$303,817				\$182,290	\$197,482		\$109,375
Commence	\$303,817				\$182,290	\$197,481		\$109,374
1-Jul-26	\$312,931				\$187,759	\$203,405		\$112,655
1-Jul-27	\$322,319	\$331,989			\$193,392	\$209,508	\$219,177	\$116,035
1-Jul-28	\$331,989	\$341,949	\$352,207		\$199,193	\$215,793	\$225,753	\$119,516
1-Jul-29	\$341,949	\$352,207	\$362,773	\$373,657	\$205,169	\$222,267	\$232,525	\$123,102

### Long-term value vs short-term “sugar hits”

The Joint Union salary structure preserves our originally tabled 2029 end-rates for Levels 1–4. However, to progress bargaining, we removed Levels 5 and 6 and phased in new levels over the life of agreement.

The net effect is that experienced Narrow Body Captains would receive slightly lower pay than Jetstar’s proposal: in 2026 (–\$3,235); and 2027 (–\$3,431). However, from 2028 onwards, experienced Captains are ahead: 2028: +\$5,464 and 2029: +\$15,174. All Second Officer, First Officer and junior Captain levels are ahead of Jetstar’s proposal at all times.

While it may appear counterintuitive to propose slightly lower short-term rates than those offered by Jetstar, this has been done deliberately to achieve materially higher base rates at the end of the agreement.

The long-term compounding effect of a higher base rate from 2028 onwards delivers a significantly better financial outcome over time than an upfront “sugar hit” that does not compound in the same way.

This is a structural, long-term value proposition, not a short-term money grab.

### Benchmarking Objectives

Full day-one alignment with Virgin salaries at every level is not realistic within this agreement, particularly at the more junior FO and Captain levels. However, the Joint Union salary structure is designed to progressively close the gap and meet the benchmarking objective in a credible and achievable way.

As outlined earlier, benchmarking comparisons appropriately account for Highline, as it forms a consistent and predictable component of Jetstar remuneration. To maintain consistency and enable a direct comparison with Jetstar’s modelling, the table below utilises the same agreed assumptions applied by Jetstar, namely 1,110 duty hours and 504 layover hours per annum.

On this basis, by the end of the agreement (and assuming 3% annual increments at Virgin):

- Level 4 First Officers are approximately 1.9% ahead of Virgin First Officers (using the same assumptions).
- Level 3 Captains are approximately 3.2% ahead of Virgin Captains.
- Level 4 Captains are approximately 5.9% ahead of Virgin Captains.

We acknowledge that Virgin’s credit system is superior and its overtime threshold is slightly lower, meaning the effective comparison will vary depending on individual flying hours. In practice, this may narrow the gap in certain scenarios.

While Virgin operates under a single Captain and First Officer rate, the strategy adopted in our proposal to close the gap has been to introduce additional tenure-based levels. This approach allows us to reward experience in rank and progressively move senior pilots beyond Virgin benchmark rates, while maintaining structural integrity.

In short, while not every level fully aligns on day one, the proposal is designed to meet the benchmarking objective in a structured, achievable and forward-looking way.

Union Proposal								
Assumptions - Highline 1110 hours, Layover Highline 504 hours								
Rank	Captain				First Officer			
Levels	1	2	3	4	1	2	3	4
Years in Rank	0	1 to < 3	3 to 5	5+	<1500	>1500	L2 for 1 Years	L3 for 2 Years
1-Jul-26	\$292,149				\$162,437	\$176,162	\$189,888	
1-Jul-27	\$300,914	\$309,396			\$167,311	\$181,447	\$195,585	\$204,066
1-Jul-28	\$309,941	\$318,678	\$327,676		\$172,330	\$186,890	\$201,452	\$210,188
1-Jul-29	\$319,239	\$328,238	\$337,507	\$347,053	\$177,500	\$192,497	\$207,496	\$216,494
Differential								
1-Jul-26	-2.3%				-19.6%	-10.3%	-2.3%	
1-Jul-27	-2.3%	0.5%			-19.6%	-10.3%	-2.3%	1.9%
1-Jul-28	-2.3%	0.5%	3.2%		-19.6%	-10.3%	-2.3%	1.9%
1-Jul-29	-2.3%	0.5%	3.2%	5.9%	-19.6%	-10.3%	-2.3%	1.9%

## 2. Duty Ratio In Guarantee (RIG)

The original remuneration proposal included a Duty RIG of 60%. In practice, this would have provided pilots with a minimum pay credit toward their EFA threshold equal to 60% of their rostered Flight Duty Period (FDP), irrespective of total flight time.

A Duty RIG serves two key purposes:

- 1.It incentivises efficient rostering by the Company; and
- 2.It protects pilots’ credit hours in circumstances where flying is reduced or materially altered on the day of operations (for example, where sectors are removed or converted to pax sectors during a long FDP or a pilot extends to complete their rostered flying).

Although Duty RIG was not included in Jetstar's revised proposal, we consider it an important pay protection mechanism that recognises the time a pilot spends at work, not just flight time.

In an effort to progress bargaining constructively, the unions have revised our proposal from 60% to 50%. At a 50% Duty RIG a pilot would accrue 0.5 credit hours for every 1 hour of duty in an FDP. For example, if rostered to a 12-hour FDP, the minimum payable credit for that duty would be 6 credit hours. This proposal is deliberately calibrated to have minimal cost impact if Jetstar continues to roster efficiently. In other words, if duty-to-flight time ratios remain robust, the RIG should not materially increase cost.

However, it provides an important safeguard if the nature of flying changes, duty periods lengthen relative to block time; or significant day-of-operations disruption reduces planned sectors.

We note that Duty RIG is not a novel or new claim. It is an established industry condition with Virgin pilots operating under a 50% Duty RIG and Qantas Domestic pilots operate under a 60% equivalent protection.

Given this context, we consider a 50% Duty RIG a reasonable and industry-aligned position that Jetstar should be willing to accept as part of a balanced overall package.

### 3. International ODTA – ATO Table 8

One of our key remuneration claims, and an integral component of our benchmarking objectives, has been to move international layover allowances to industry-standard ATO "reasonable amounts". Specifically, this involves adopting ATO Tax Determination Table 8 (Reasonable Amount – Total Daily Rate) and Table 9 (Country-Specific Amounts) as published annually by the ATO (currently TD 2025/04).

This claim delivers a substantive improvement in tax-free income for pilots when laying over in overseas ports. Importantly, Jetstar's own analysis has indicated that moving to Table 8 would result in an average increase of approximately 37% to international allowances / ODTA.

As members are aware, the Wide Body fleet undertakes significant overnight international flying, and Wide Body pilots would see an immediate and meaningful benefit from this change.

While international flying currently represents approximately 20% of Narrow Body operations, Jetstar's forward fleet planning indicates that short-haul international exposure is projected to increase to more than 40% by 2029.

This proposal therefore provides some immediate benefit to Narrow Body pilots, but more importantly, future-proofs the Narrow Body fleet as international exposure increases over the life of the agreement.

## 4. Roster Stability Payment

Pilot feedback has been consistent: roster instability caused by standby displacement is one of the biggest lifestyle pain points in the operation.

The unions initially proposed stronger restrictions, including pilot veto rights in certain standby-displacement scenarios. Jetstar would not agree to restrictions or veto rights and offered only general commitments to “try harder” to reduce displacement.

Accordingly, the unions adopted a mechanism proven to influence behaviour: a financial consequence that is entirely within Jetstar’s control, which we note has changed behaviour around rostered late signs off prior to DDOs.

Under the Joint Union Position:

- A 4-hour hard credit Roster Stability Payment applies when a pilot is displaced off duties caused by a standby callout
- This mechanism encourages Jetstar to roster standby more strategically to avoid displacement.
- If Jetstar changes behaviour, rosters become more stable and disruption reduces.

In reaching a united position, we have agreed to expand the RSP to cover displacement for any reason not caused by the pilot which occurs within 48 hours of the rostered duty and results in a loss of credits.

Given there were limitations with Roster Credit Protection (RCP) which are explained further below we have dropped RCP and replaced it with RSP.

## 5. Company Performance Bonus (CPB)

Jetstar has proposed improving CPB eligibility so that any pilot who has completed a full financial year of service qualifies (provided they remain employed at the date of payment), removing the current three-year service requirement. This represents a meaningful improvement for newer pilots.

Jetstar has linked this change to the new EA being approved and operational by 1 April 2026 for the changes to apply to the 2025/26 financial year.

The unions have incorporated this improved eligibility into the joint proposal. Members should note however that the discretionary nature of CPB remains unchanged.

## 6.WDO Formula

Jetstar initially sought to de-link the WDO payment from base salary and instead apply a flat rate for each rank. The AFAP resisted this approach, as it would erode the real value of WDOs over time.

Jetstar then proposed linking WDO payments to Level 1 salary for all ranks. While not our preferred position, in the interests of progressing toward an agreement the unions have agreed to this with one key modification.

We are seeking that the divisor used to calculate a day's pay (currently salary ÷ 231) progressively reduce as additional DDOs are phased in. The divisor will change as follows:

- 231 (status quo at commencement)
- 230 in 2027 (i.e. 365 – 135 DDOs)
- 227 in 2028 (i.e. 365 – 138 DDOs)
- 224 in 2029 (i.e. 365 – 141 DDOs)
- 221 in 2030 (i.e. 365 – 144 DDOs)

As the divisor reduces, the daily rate increases, partially offsetting the structural change and preserving linkage to salary as days off increase.

While not our preferred outcome, this represents a pragmatic compromise this delivers incremental value as additional DDOs are phased in.

## 7.Highline allowance rate

Under Jetstar's proposed position, which has been agreed to by the unions, the Highline allowance for Captains and Second Officers will remain as a single rate. That rate will be increased by 3%, effective from the 2019 EA baseline.

The more significant reform applies to First Officers. Currently, Highline operates across three separate First Officer levels - Level 3, Level 2 for Wide Body & Narrow Body, and Level 1 for Narrow Body only. Under the revised structure, all First Officers will be paid at the Level 3 Highline rate, removing the lower Highline tiers.

As a result, Level 2 First Officers (both Wide Body and Narrow Body) will receive an additional 8.4% increase to their Highline rate and Level 1 First Officers on Narrow Body aircraft will receive an additional 18% increase to their Highline rate.

Proposed updated rates are outlined below:

Narrow Body			Wide Body			
	CPT	FO		CPT	FO	SO
2025	\$12.58	\$8.17	2025	\$14.34	\$9.32	\$5.16
2026	\$12.96	\$8.42	2026	\$14.77	\$9.60	\$5.31
2027	\$13.35	\$8.67	2027	\$15.21	\$9.89	\$5.47
2028	\$13.75	\$8.93	2028	\$15.67	\$10.18	\$5.64
2029	\$14.16	\$9.20	2029	\$16.14	\$10.49	\$5.81

## 8. Additional Days Off

The proposal to phase in additional Days Off (DDOs) over a four-year period is designed to facilitate a smooth and operationally sustainable transition for both the pilot group and Jetstar.

Increasing annual DDOs from 132 to 144 will require an estimated 84 additional pilots over the life of the agreement. While this number may appear modest in isolation, it is additional to existing recruitment forecasts and must be accommodated within current simulator capacity and training resources. As such, implementation represents a significant operational undertaking.

We support the phased approach because it delivers on the primary objective consistently identified by members throughout this bargaining process - securing additional days off. Once fully implemented, this agreement will establish an industry-leading standard for days off, matched only by Virgin.

While concessions that benefit Jetstar such as additional STB below 75 hours are not subject to phased implementation, the immediate operational flexibility has been factored into the overall cost envelope. We also note that while the cost of additional DDOs is distributed across the life of the agreement, improvements to base salary will take effect immediately upon ratification.

## 9. Open Time System

Jetstar has confirmed its support for implementing an Open Time System as part of a new EA and this forms part of the Joint Union Position. While Open Time provisions featured in the 2015 and 2019 Agreements, it is acknowledged that an agreed and functional system has never been delivered.

A number of detailed operating rules are still to be finalised, as recent negotiations have appropriately prioritised remuneration and other key structural matters. However, the framework of the system has been agreed in principle.

As previously outlined, the proposed Open Time System is designed to operate independently of the current EFA divisor (75 hours) and is built around the concept of an Open Time Bank (OTB).

It is not yet known whether full automation will be available at commencement of the new EA, as this depends on the successful rollout of Jetstar's new Crew Management system. In the interim, Jetstar has committed to implementing a manual process until full automation can be achieved.

The primary aim of the Open Time System is to provide pilots with greater flexibility by allowing them to:

1. Offload rostered duties; and/or
2. Pick up additional flying.

Functions of the Open Time System include:

- **Crediting Hours:** Pilots who pick up flying from Open Time will have 100% of those hours credited to their OTB. These hours are guaranteed and independent of the EFA threshold.
- **Maximum Bank Limit:** A maximum credit limit will apply to an individual's OTB. Any hours accrued above this cap will be automatically cashed out in the following pay cycle.
- **Cash-Out Option:** Pilots may elect to have all OTB credits paid out (rather than banked). Payments will be made at the pilot's individual EFA rate at the time of cash-out.
- **Maximum Debt Limit:** A maximum allowable debt (negative hours) will also apply to each pilot's OTB.
- **Offload Restrictions:** If offloading a tour of duty would result in exceeding the maximum allowable OTB debt, that offload will not be permitted.
- **Repaying OTB Debt:** Any debt in the OTB can be repaid in two ways:
  - o By picking up additional flying from Open Time, or
  - o Via a deduction from pay, in lieu of working additional days from OT.
- **Offloading Only Model:** It will be permissible to only offload flying into Open Time and repay the resulting debt, rather than pick up additional flying.

Jetstar will also have the ability to place flying duties into the Open Time System. While there is a theoretical risk that this could reduce WDOs, that risk is considered minimal for two reasons:

1. Duties may only be placed into Open Time seven days or more in advance. Most WDOs arise at short notice during day-of-operations changes.
2. WDO generation is fundamentally driven by pilot headcount (standby coverage) versus the rate of flying. The introduction of Open Time does not alter that underlying equation.

The Open Time System represents a meaningful flexibility enhancement for pilots and delivers a long-standing objective of previous bargaining rounds. Further detail will be provided once drafting is finalised.

## 10. Increased Annual Leave Availability

The AFAP log of claims included a claim to increase to the minimum annual leave slot availability above the current 3.5% of each resource group.

Jetstar's proposed package increases the minimum leave slot availability to 5% across each week of the Ballot Year, including peak periods.

This represents an incremental but tangible improvement in leave access and flexibility. The unions have incorporated this proposal into our joint position as part of the overall package.

## 11. Increased Star Days

Jetstar's proposed package includes an increase in Star Days from 13 to 16 per year, together with a protection preventing any rostered standby duty or sign-on earlier than 0500 following a Star Day. This addresses a consistently raised concern from pilots, namely, the rostering of 0300 standby duties immediately following a Star Day, which has been widely regarded as undermining the value of the day off. While we sought later sign-on protections following Star Days, Jetstar was not prepared to agree to a later buffer.

The joint union position incorporates these proposed improvements, as well as an additional provision to be included in the EA allowing pilots to bid for three consecutive Star Days within a roster period. This is intended to assist pilots in securing extended weekends or meaningful blocks of time off without needing to utilise ad hoc leave.

## 12. Increased rostered STB below 75 hours

The unions have agreed to Jetstar's claim to increase standby days for pilots rostered below 75 hours from three to four. We recognise that this was a pivotal element of the Company's package and a key funding claim in bargaining.

This concession enables the unions to secure substantial funding to enhance other areas of the agreement, including, but not limited to, increases to base salary, structural reform of the salary system, and the increase in DDOs from 132 to 144.

That said, we fully acknowledge that displacement of rostered duties following a standby call-out remains a significant issue for the pilot group due to the cascading roster instability it causes.

For that reason, this concession is directly linked to the introduction of a Roster Stability Payment. We are confident that this financial mechanism will incentivise Jetstar to roster standby duties more strategically, for example, grouping standbys together or bookending them with DDOs, thereby mitigating the disruption that often follows a standby call-out.

Based on the current establishment and flying program, we expect this to equate to approximately four to five additional standby days per pilot per annum, noting it only potentially impacts pilots where rosters are built below 75 hours at publication.

## 13. Changes to Displacement and Re-assignable provisions

Two of the more contentious company claims presented during bargaining were the changes sought to the displacement clause in the Roster Protocol. The company's initial claims were:

- Changing the last day of multi day tour from RAS to STB
- Increasing the RAS span on a single-day tour to +/- 2 hours

Over the course of bargaining the claim for increasing the RAS span on a single-day tour was withdrawn. In October, the company tabled their initial package which included an updated claim regarding RAS on the final day of multi day tour to sign off at the later of 1500 or the current RAS span.

We advised the company that this claim would not be considered unless it was limited to pilot displacement only.

The company's revised package released to pilots on the 30<sup>th</sup> of January contains a claim which states:

·Where a Pilot self-displaces from any day of a multi-day tour, the re-assignable span on the last day will have a latest sign off of 15:00 (unless original sign off was beyond 15:00, then +1hr from original sign off)

Our counter-proposal limits the re-assignable span to 1300 (unless original sign off was beyond 1300) and will only apply if the pilot takes personal leave on day 1 of a multi-day tour.

We understand this claim is an increase in our RAS span but given the significant funding for the overall package that Jetstar has applied to this claim, the unions have included it in our package.

## 14. Part Time Reforms

Jetstar's revised proposal includes significant reform to the current part-time framework, moving away from the existing Voluntary Flexi Line (VFL) model in favour of a more traditional part-time system.

Under Jetstar's proposal, part-time availability would increase from the current effective cap of approximately 12% to 25% of pilots, phased in over the life of the agreement. The proposed structure includes:

- 5% Carer's Flexi Line (CFL) arrangements (currently 2%)
- 5% Transition to Retirement (TTR) arrangements (currently no equivalent)
- 15% general part-time positions (currently 10% VFL), comprising:
  - 5% prioritised for pilots eligible under a Flexible Work Arrangement (FWA); and
  - 10% available for pilots seeking part-time for lifestyle reasons.

This represents a material increase in part-time access across the pilot group.

Under the proposed model:

- Pilots on Carer's and TTR arrangements would be able to elect either a 50% (Narrowbody only) or 75% part-time arrangement and would have the ability to opt out of rostered standby duties. This maintains up to 10% of pilots not being rostered standby, which has been one of the primary attractions of the current VFL system.
- Other entitlements, such as leave, would operate on a traditional pro-rata basis consistent with standard part-time arrangements.

We recognise that moving away from the highly valued VFL model will be unpopular with some pilots. However, this reform was a significant priority and funding claim for Jetstar.

The joint unions have therefore been prepared to agree to this structural change as part of the overall package, in exchange for securing meaningful remuneration improvements and broader enhancements to pay and conditions elsewhere in the agreement.

We will provide further detail on the operation and characteristics of the various part-time categories in future updates.

## 15. Duty Travel

The company's latest package contains no improvements to duty travel. Given that duty travel improvements are highly desired by the pilot group, our counter-proposal includes the following claims:

- 100% credit applied when positioning in economy (both JQ and QF)
- Enhanced upgrade priority codes when positioning on QF Group aircraft:
  - o Captains – F0
  - o First Officers – F4
  - o Second Officers – F7
- When positioning on company aircraft, if an extra-legroom or business-class seat is unavailable, a middle seat cannot be booked.

## 16. Training Appendix

Historically, new Jetstar pilots have been required to resign from their previous employment and then undertake approximately three months of A320 endorsement training without pay. During this period, pilots have either paid \$35,000-\$50,000 upfront for their endorsement; entered into a Jetstar loan arrangement repayable over three years; or more recently been restricted to Level 1 First Officer rates for 3 additional years.

The proposed Training Appendix is designed to fundamentally change this model.

The implementation of agreed training flexibilities via a Training Appendix supports Jetstar's business case for conducting internal type rating training across both fleets. This would allow new pilots to be employed and paid from day one of their training and be placed on the seniority list from commencement. Being on the seniority list from day one has tangible benefits, including earlier base allocation and eligibility to bid should a FSO be published during the training period.

The joint union position supports the introduction of a Training Appendix that provides Jetstar with additional training flexibilities for:

- New pilots commencing employment; and
- Incumbent pilots undertaking promotional training.

We note that similar training flexibilities exist in Qantas Mainline and Virgin agreements. For incumbent Jetstar pilots, these flexibilities unlock additional funding for the broader agreement. For future pilots, they provide the significant benefit of paid employment from day one of training.

### **Incumbent Pilots**

For incumbent pilots, the proposed flexibilities relate primarily to simulator endorsement training conducted outside Australia.

Where a pilot is rostered to train overseas:

- Out of Base OFF (OBF) days may be rostered as rest periods;
- A maximum of three OBFs in any 14 consecutive days may be offset against the annual DDO count.
- Upon return to home base, a tiered OFF-day requirement would apply, linked to time away:

### **New Pilots**

Under the proposed Training Appendix, new hire pilots would be paid as a level 1 FO for Airbus recruits, and as a SO for Boeing recruits from day one of employment. An implementation period will be required and will be agreed with Jetstar.

Until check-to-line, new pilots would operate under defined training flexibilities, including:

1. Designated days off in accordance with the Air Pilots Award (with DDOs pro-rated for the remaining calendar year once checked to line);
2. Meal allowances linked to the Air Pilots Award;
3. Training availability (standby) days to be rostered within defined parameters (details to be finalised in drafting).

The overarching objective is to modernise Jetstar's training pathway, remove the financial barrier to entry, and align with industry standards, while securing broader funding outcomes that benefit the entire pilot group.

# Key Claims not in Joint Union Package

In developing a unified offer capable of joint endorsement, the unions have had to carefully balance priorities and formulate a realistic and credible package capable of leading to a negotiated agreement with Jetstar.

As is always the case in bargaining, not every claim can form part of a final position. Accordingly, some claims did not form part of the Joint Union Position presented last week, including:

- Roster Credit Protection; and
- Standby Credits

We outline the reasons the Unions decided to remove these claims below.

## Roster Credit Protection (RCP)

Jetstar as part of its offer included RCP in line with the Virgin EA. While this does provide a level of protection of EFA for pilots if the Company disrupts a pilot's rostered duties, the benefits are limited particularly with no standby credits included in the package (see below).

The Union's priority is a meaningful financial penalty on Jetstar for disrupting pilot's rosters, which is a critical priority for our members. Within the proposed pay structure, the Unions agreed the most effective means to do this is with a guaranteed payment, regardless of whether a pilot is in EFA, rather than RCP which only penalises Jetstar if a pilot is in EFA.

The Unions have therefore prioritised using the funding for RCP towards a hard payment for disruptions to pilot's rosters within 48 hours of duty or at any time from duties assigned from standby (see our Roster Stability Payment (RSP) above).

This is not just to mitigate the financial impact of loss of EFA, but also to reduce the lifestyle impact of losing rostered duties.

## Standby Credits

As part of its revised package, Jetstar proposed an alternative base salary structure on the basis that the overall offer would include standby credits.

Under this alternative model:

- Level 4 Captain classifications were removed for both fleets; and
- A three-year progression applied at each pay level across all ranks.

The financial impact of this structure was significant. For Narrow Body Captains, the reduction was approximately \$10,000 per annum, and for Wide Body Captains approximately \$11,000 per annum, with this gap compounding indefinitely over time.

In addition, progression timelines would materially lengthen. Upgrading First Officers and junior Captains would take up to nine years to reach the highest Captain level, while First Officers would take approximately six to eight years to reach the highest FO level, depending on total aeronautical hours at commencement.

While we may disagree with the quantum of the impact of standby credits on Jetstar's base salary offer, the practical reality is that this structure would move us further away from our principal objective: increasing guaranteed income and meeting our benchmarking targets.

One of the purposes of standby credits is to discourage the rostering of unnecessary standby by placing a cost on unused standby duties. However we note the most effective means of reducing standby days is by increasing days off, a claim we have achieved. With an increase of 12 days off, there will be a reduced number of duty days available each roster period for Jetstar to achieve its desired flying and standby coverage.

On that basis the Unions have strategically opted to pursue increases to base salary within a structure that does not include standby credits.

## Next steps

The Unions provided Jetstar until the next meeting planned for the week of 23 February 2026 to respond to the Joint Union Offer.

The AFAP also advised Jetstar that on February 6, 2026, the AFAP Executive unanimously approved the AFAP Jetstar negotiating team taking protected industrial action (PIA) if a negotiated outcome cannot be achieved. This is a preliminary administrative step required by the AFAP rules prior to any pilot group taking PIA.

The TWU has also approved lodging an application for a PABO if necessary and in alignment with the other unions.

PIA allows pilots to engage in strikes or other industrial action without risk of repercussions, such as fines or termination of employment.

The AFAP and the TWU have extensive experience in utilising PIA effectively across the industry. However, this option is always a last resort. It is considered only after all other avenues to achieve a negotiated outcome have been exhausted.

If all options for a negotiated outcome have been exhausted in the next meetings, the next step will be for the TWU to file, jointly with the AFAP and AIPA, for a Protected Action Ballot Order (PABO).

## What is a PABO?

The Fair Work Act sets out several procedural steps that must occur before any PIA can commence. The first step is an application by the TWU (or another bargaining representative) for a PABO.

We must demonstrate to the FWC that we are “genuinely trying to reach agreement”, which requires giving serious consideration to all Jetstar’s claims. However, it does not require we make concessions or agree with these claims. We ensure we comply with this requirement throughout bargaining.

If the FWC issues a PABO, it will specify that an independent ballot agent conduct a confidential ballot of TWU members (and/or other Union applicants). This ballot will include various types of PIA specified by the TWU (generally a range of options from minor bans through to strikes of varying duration), and members will be asked to vote to approve each of these actions individually.

In all, 50% of eligible members must participate in the ballot, and of those, at least 50% must approve each action for it to be available as PIA.

Jetstar will receive a copy of the ballot declaration, but this will not disclose the identity of Union members or how individual pilots voted. However, it will include the total number of TWU members and the total votes for each type of PIA. Therefore, maximising membership numbers and participation in the PABO is critical to demonstrate to Jetstar the unity and resolve of the pilots and strengthen our collective bargaining position.

Further steps are required from there before PIA can be taken. If we are escalating further the TWU will ensure members are informed about the impact on you, including in respect of the potential for lost income for engaging in PIA.

## Summary

AFAP, TWU and AIPA have reached and tabled a Joint Union Position that provides Jetstar with a clear, credible pathway to agreement - one capable of joint endorsement by all pilot unions.

Presenting a unified position maximises the bargaining strength of Jetstar pilots and ensures all unions are aligned at the table.

The Joint Union Offer provides Jetstar with a practical opportunity to conclude an agreement with the endorsement of all unions and avoid unnecessary escalation.

Whether escalation becomes necessary now depends on Jetstar’s response at meetings over the next fortnight. If Jetstar demonstrates genuine movement, the unions will continue to exhaust every effort at the bargaining table to secure an agreement. If it does not, the pilot group is united and prepared to consider next steps.

We will update members following the next meeting, which will again be a joint meeting attended by all unions.