

14 January 2019

Mr Peter Smith  
Industrial Relations Manager  
Qantas Airways Ltd

cc. John Walker

**By Email**



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### **Qantas LAME Pay Structure Quota Review**

Dear Peter,

The ALAEA has been reviewing the data you sent us for the purposes of the clause 16.7.5 in relation to the LAME pay system. The data Qantas sent is insufficient for us to carry out an adequate and thorough review as contemplated by the Agreement. Notwithstanding the lack of detail shared with us, we have found what appear to be hundreds of errors that at this stage are too many to detail in a letter of less than 10 pages. We understand that Qantas may have a legitimate answer to some of our concerns and we will detail a small number of the potential errors in this letter and request a written response to each of the concerns.

We accept your offer to meet later in January as made in your email to us on the 10<sup>th</sup> of January 2019. Prior to that meeting, and to allow us to raise legitimate concerns with you, can Qantas please clarify some areas of confusion for us in relation to the information already sent.

1. We are unclear which employees are Mechanical and which Employees are Avionics. Can you please send through a revised excel table designating the trade stream of each individual?
2. Sheet one has a column called "Quota", we are assuming that if a Y is placed in that column next to an employee, that they are quota exempt. Is this the case?
3. What is the difference between an Open Training Point and an Open Carryover Point?
4. Can you please confirm that the data in the supplied table is accurate?

At this stage we will not press for names of individuals although should any major error be confirmed with the system itself, it may become necessary. The potential identified errors that require a written explanation prior to our meeting are detailed below.

#### **Employee 112235**

Although this employee is not yet at a level where he/she is waitlisted for quotas, this anomaly appears for a level 9 employee. If the same error has taken place to an employee at a higher level, it may disrupt the flow of progression through the system. We do not have enough information to determine if the error exists to employees higher up the system due to a wider combination of training and waitlists required but hopefully a simple answer exists in this level 9 case.

The employee is listed as level 9 with 4 service points. Level 10 is not limited by any quota or training requirement and a LAME in level 9 who accrues 4 service points should automatically be upgraded to level 10. Why is employee 112235 listed as a level 9 with 4 service points?

### **Employees stuck at Level 12**

Employees 112104 (21 points), 112196 (12 points), 111415 (11 points) and 111227 (10 points) we can ascertain from waitlists are a mix of Mechanical and Avionics LAMEs. They all have a sizeable number of points and have been waiting for a vacancy in level 13 for extensive periods of time.

A number of employees with far fewer points were promoted from level 12 into vacancies in level 13. Some examples include employees

- 111261 now in level 13 with 0 points. This employee was elevated in 2018.
- 111321 now in level 13 with 0 points. This employee was elevated in 2018.
- 111436 now in level 13 with 0 points. This employee was elevated in 2018.
- 111599 now in level 13 with 0 points. This employee was elevated in 2018.
- 111640 now in level 13 with 1 point. This employee was elevated in 2018.
- 112003 now in level 13 with 2 points. This employee was elevated in 2018.
- 112137 now in level 13 with 0 points. This employee was elevated in 2018.
- 112146 now in level 13 with 0 points. This employee was elevated in 2017.

Due to the limited supply of data, we cannot ascertain if the promoted employees are Mechanical or Avionics (hence our request for supply of this information). Why have employees who according to Qantas data, have far fewer points, received a level increase in favour of employees with a far greater number of points?

### **Employee 111768**

This Mechanical LAME is level 13 and has 13 unused Training points and 6 unused Service points. He/she is in waiting lists for levels 14 and 15 yet has enough points to progress to Mechanical level 17 where there are many vacancies.

Why is employee 111768 stuck at level 13 when according to the data supplied by Qantas, he/she has enough points to advance beyond those levels?

### **Higher Level LAMEs with only a small number of Service Points**

Levels 16 and 17 would generally contain the most experienced and long serving employees. We regularly receive feedback from higher level LAMEs that they cannot progress any further and in many cases, have more than a dozen unused Service points.

According to the data supplied by Qantas, this is not the case. There are 105 LAMEs listed at level 17 yet only one of them holds more than 4 unused Service points. There are 63 LAMEs listed at level 16 yet only two of them hold more than 4 unused Service points.

Why are there so many LAMEs in these upper levels recorded as having so few unused Service points? Does this anomaly extend as errors to LAMEs in other levels (we cannot ascertain this through the limited data).

### Statements about Quota Levels being Full

Qantas has not co-operated with the ALAEA to the level we would expect in relation to this review. We suspect that the blasé approach is because Qantas simply considers that most quota restricted levels are full. This suspicion was summed up in a comment you made on 10/1/2019 as follows –

*“we confirm that the Company has provided sufficient data for the quota review contemplated by LAME EA 10 to be satisfactorily completed. The data establishes that the quotas are full, save for a small number of opportunities where LAMES are yet to qualify.”*

We are not sure why Qantas insists that most the levels are full and the purpose of this review includes testing whether this is the case or not. The last quota report sent to us by Qantas in September and similar figures repeated in a November Enterprise Agreement negotiation meeting do show that the levels are full. The last quota report table below -

#### LAME QUOTA REPORT - AS AT 10 SEPTEMBER 2018

TOTAL LAMES 1099

AVIONIC 302

GRADE	CURRENT	PERMITTED	VACANCIES	WAITLISTED
Level 12 (17.5%)	36	53	16	0
Level 13 (15%)	51	45	-6	19
Level 14 (15%)	77	45	-32	49
Level 15 (15%)	55	45	-10	50
Level 16 (10%)	36	30	-6	15
Level 17 (7.5%)	36	23	-14	10

291

MECHANICAL 722

GRADE	CURRENT	PERMITTED	VACANCIES	WAITLISTED
Level 12 (17.5%)	126	126	0	63
Level 13 (15%)	108	108	0	121
Level 14 (15%)	111	108	-3	131
Level 15 (15%)	114	108	-6	49
Level 16 (10%)	36	72	36	0
Level 17 (7.5%)	16	54	38	0

511

When we add up the number of LAMES actually in the “full” levels from the data supplied by Qantas, there are far fewer LAMES in these levels than Qantas has been reporting to us.

For example Qantas are assuming that no vacancies exist in level 15 Mechanical or Avionics as 114 Mechanical LAMES and 55 Avionics LAMES (169 in total) occupy those positions.

By adding the number of LAMES in level 15 from the data supplied, we count only 163 LAMES. The quota report numbers are wrong and depending on the Mechanical/Avionics split, there may be vacancies in level 15.

Our suspicions were confirmed and widened when you emailed us a further breakdown of LAMES as below –

LEVEL	TRADE	NUMBER
5	MECHANICAL	1
6	MECHANICAL	10
7	MECHANICAL	16
7	AVIONIC	1
8	MECHANICAL	26
8	AVIONIC	1
9	MECHANICAL	49
9	AVIONIC	3
10	MECHANICAL	35
10	AVIONIC	14
11	MECHANICAL	116
11	AVIONIC	17
12	MECHANICAL	124
12	AVIONIC	33
13	MECHANICAL	101
13	AVIONIC	46
13	QUOTA EXEMPT	1

14	MECHANICAL	97
14	AVIONIC	67
14	QUOTA EXEMPT	11
15	MECHANICAL	104
15	AVIONIC	49
15	QUOTA EXEMPT	10
16	MECHANICAL	26
16	AVIONIC	27
16	QUOTA EXEMPT	10
17	MECHANICAL	11
17	AVIONIC	29
17	QUOTA EXEMPT	65

These figures you supplied are the same as we calculate but vary widely from every quota report Qantas has sent us along with statements about levels being full. The extra information confirms that there are 4 Mechanical vacancies in level 15. In level 14 you say and we agree that there are only 97 LAMEs occupying 108 permitted positions. This means there are 11 Mechanical vacancies in level 14 and there are vacancies in all Mechanical levels from 12 to 15. Vacancies also should exist in Avionic levels.

Unless Qantas can explain to us why these vacancies do not exist, there is a major issue which will have affected the pay of hundreds of LAMEs over a long period of time. For every 11 vacancies in level 14 that get occupied by LAMEs from level 13, 11 new vacancies open to move from 12 to 13 and 11 to 12. Without lengthy work, we will not know when the vacancies arose, who was appropriately positioned in waitlists at the time the opening become available, how much pay they have missed and how to recover from such a situation.

Can you please explain why Qantas has been withholding level increases to employees by inflating the number of LAMEs in quota reports when this review has revealed that many of those LAMEs do not exist?

If you can please respond in writing by close of business Thursday the 24<sup>th</sup> of January 2019 and contact me separately to arrange a meeting in the last week of January.

Kind regards



Stephen Purvinas  
**Federal Secretary**