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TO: ALL MEMBERS

RE: TRAINING BOND AGREEMENTS

In recent weeks the ALAEA has received several requests from members seeking assistance in relation to the enforceability of Training Bond Agreements ('Training Bonds') which the members have signed, and where the member has resigned from their employment before the expiry term of the Training Bond.

As a general proposition Training Bonds are enforceable because they are *quid pro quo* arrangements (i.e., something is received in exchange for something provided). With respect to LAMEs, it is aircraft type training they receive from the employer with the benefit being the acquisition of an aircraft type rating on their CASA licence. In exchange, the LAME provides the employer with exclusive service for a predetermined period of time post the training/licence acquisition. In these instances, Training Bonds are usually enforceable, however, the ALAEA is now dealing with situations where the employer has only provided the LAME with 'theory training' (i.e., no POC training) and then incorporating this training into a Training Bond. The question that then arises is – **are Training Bonds of this kind enforceable?**

Before dealing with above question some contextual background needs to be provided. The prevalence of 'theory only' Training Bonds seem to have evolved as a result of COVID. As consequence of national/international border closures (inclusive of the prohibition on face-to-face learning) AMOs seeking to train their LAMEs have only been able to acquire online theory training. Following the theory training the AMO has then made application to CASA to have the LAME issued with an Airworthiness Authority for maintenance ('Maintenance Authority'). Anecdotal evidence suggests that CASA have been fairly accommodating with issuing the LAMEs of AMOs with Maintenance Authorities throughout COVID, nevertheless, CASA do attach the condition that POC training must be completed once it is available. As borders have now opened the ALAEA is of the position that the time is **NOW**.

Returning to question of the legal enforceability of 'theory only' Training Bonds, the ALAEA is of a position that such agreements are in contravention of the *Fair Work Act 2009* (Cth) ('FW Act'). We hold this position for the following reasons:

- Theory training does not result in an aircraft rating outcome on a CASA licence (i.e., POC training is also required);
- Only the employer benefits from a Maintenance Authority;
- Unlike type rating on a CASA licence, Maintenance Authorities are not portable;
- Theory training has a 5-year expiry period under the *Civil Aviation Safety Regulations 1998* (Cth) and POC training must be completed within this period; and
- Objectively viewed, the overall cost of POC training is significant and therefore financially restrictive for most individual LAMEs.

Notwithstanding the ALAEA's position concerning the unenforceability of 'theory only' Training Bonds, the FW Act provisions to which the ALAEA is referring have not been tested in relation to Training Bonds post termination/resignation. For this reason, the ALAEA subscribes to a view that **PREVENTION IS ALWAYS BETTER THAN THE CURE**. Therefore, we highly recommend that all members, when issued with a Training Bond from their employer, to always seek the advice of the ALAEA before signing Training Bonds.


Steve Purvinas
Federal Secretary