

Qantas issues ultimatum to force Project Sunrise pilot deal

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Qantas has told its pilots it will go outside the airline to find people willing to operate its Project Sunrise flights if they will not agree to a new pay deal for the services between Australia's east coast and cities like London and New York.

With the deadline for the aircraft order looming, Qantas has informed pilots a decision is needed and they are prepared to go around the union to get it.

A letter written by Qantas International CEO Tino La Spina said if the Australian and International Pilots Association would not endorse the deal they were proposing, pilots would be asked directly to vote early next month.

He said Airbus had already extended the deadline for a firm A350-1000 order until March 31 and the pilots' agreement was needed before then as the final piece of the Project Sunrise business case.

"We have informed AIPA (and are now informing you) that if we are unable to secure a new long-haul agreement with our pilots that meets the Sunrise investment case within Airbus' time frame, we will be left with no viable alternative but to have Sunrise flying performed by a new employment entity that can provide the cost base we need for this important business opportunity," said Mr La Spina's letter to the pilots.

"To be absolutely clear, this is not our preferred option. And we know that flagging this will not be well received by many of you. But we want to make sure you have all relevant information when you are weighing a decision on EBA10."

The letter said the main sticking point for AIPA was pay rates for future second officers, which were slightly different from existing second officers.

Mr La Spina also pointed out that AIPA had not brought an alternative proposal to the table, and the progress of negotiations had not been helped by several changes in the union team.

A new “employment entity” would likely consist of about 400 pilots, sourced from other airlines and overseas.

The pay rates proposed under the new deal included base annual pay of \$395,000 for captains, \$261,000 for first officers and \$129,000 for second officers.

Mr La Spina said their strong preference was to reach an agreement with our pilots.

“We’ve had extensive discussions with AIPA for months and months and while they have told us they don’t like what’s on offer, they haven’t put forward a proposal of their own,” he said.

“The reality is we are running out of time to keep our aircraft delivery slots with Airbus.”

AIPA president Mark Sedgwick said the letter from Mr La Spina was “unfortunately characteristic of the long haul discussions”.

“It shows how this business would apparently prefer ultimatums to building consensus at this critical juncture,” Mr Sedgwick said.

“Project Sunrise involves multiple safety and regulatory issues that AIPA on behalf of pilots has been working through and will continue to do so in the interests of the travelling public.”

Qantas has a history of playing hardball with unions, with CEO Alan Joyce famously grounding the airline in 2011 to break an impasse with three groups including pilots, engineers and ground workers.

In the most recent dispute with Jetstar pilots, Qantas has started making moves to sell off aircraft which could leave dozens of pilots without a job.