

WITHOUT PREJUDICE

3 June 2021

Dear bargaining representatives

Re: Boeing Aerostructures Australia Enterprise Agreement Negotiations 2021

I refer to the consolidated offer dated 20 May 2021 presented by Boeing Aerostructures Australia Pty Ltd ('BAA') in relation to the new enterprise agreement ('EA') for our site.

On behalf of myself and the employees I represent ("~~we~~", "~~us~~" or "~~our group~~"), I present below a counter-offer in response to BAA's consolidated offer. For ease of comparison, the counter-offer is a mark-up of BAA's consolidated offer. This counter-offer is made on a without prejudice basis.

General

~~We note~~We agree that the parties have reached alignment on the following items:

1. Travel time payments – international and domestic travel; and
2. Heat stress – change to spread of ordinary hours.
- ~~3. Understanding that there are clauses in the EA that require tidy up for simplicity/clarity.~~

I am happy to review any "tidy up" clauses presented by the company. However, where changes to clauses are proposed for reasons other than:

- legislative or Fair Work Commission requirements; or
- to clarify incorrect, confusing or ambiguous areas of the current EA that may otherwise give rise to dispute.

we reserve all rights to reject any such changes that would result in a change of entitlements.

Details

The details of our counter-offer are itemised below. Please note that these items have not necessarily been listed in order of priority, but rather have largely followed the structure of BAA's offer for ease of comparison between the original offer and our counter-offer.

As part of this counter-offer:~~BAA further agree to:~~

- ~~3.~~ We continue to seek that BAA provide a letter of guarantee from Boeing Australia Holdings or the Boeing Company which is valid for the life of the new EA which will be in the same or substantially similar terms as that in the current EA for employee entitlements in the event of the closure of BAA or its insolvency. I would note, however, that I have received feedback asking for a copy of the proposed wording of this letter of guarantee for review.

~~4.~~

- ~~4.~~ We continue to seek that BAA covers all ~~Cover the cost costs~~ for the assessment, registration and ongoing registration renewal for professional engineers under the new EA to comply with recent Victorian legislation. We acknowledge that these costs are to be covered by BAA only –to

Formatted: Normal, No bullets or numbering

the extent the assessment, registration and renewal is required for the employee to perform their position.

Assessment, registration and renewal form part of BAA's Consolidated Offer for employees who require registration

~~5.~~

~~BAA has reviewed its claims list and in response to feedback in the negotiations, BAA has considered its position on a number of claim items. As part of this consolidated package, BAA continues to seek:~~

~~5. We seek a 4.5-year agreement, as a compromise between our and BAA's claims.~~

~~The counter offer indicates support for a 4 year agreement.~~

~~6.~~

~~7.~~

~~6. 7. We neither accept nor reject the company's claim for the Heat Stress Policy to be removed from the new EA and moved to a policy document. We defer to whatever agreement BAA reaches with the AMWU on this matter, given that the Heat Stress Policy has a significantly greater impact on AMWU's members than on our group.~~

~~Accepts whatever is agreed~~

~~8. The policy document is to be finalised as part of the negotiations and can only be changed by majority agreement of the consultative committee members at the time any change is proposed.~~

~~9.~~

~~7. We neither accept nor reject the company's claim in relation to reclassification to 110% Aerospace Tradesperson. We defer to whatever agreement BAA reaches with the AMWU on this matter.~~

~~Accepts whatever is agreed~~

~~10. 8. Parties to agree that the first step to be met before an employee can be considered for a reclassification to a 110% Aerospace Tradesperson is that there is a business requirement for a 110%. Parties to work constructively to reflect this in the new EA.~~

~~11.~~

~~8. We cannot accept 9-BAA claims on redundancy entitlements.~~

~~The redundancy claim remains a significant item for the organisation.~~

~~This impacts BAA both financially and from a competitive standpoint in that the entitlement is significantly greater than any of our immediate competitors (internal and external).~~

~~12. to be accepted. Under the new EA, the following will apply:~~

~~13.~~

Formatted: Indent: Left: 1.27 cm, Space After: 8 pt, Don't add space between paragraphs of the same style, No bullets or numbering

Formatted: Normal, No bullets or numbering

Formatted: Normal, Indent: Left: 1.26 cm, Space After: 0 pt, No bullets or numbering

Formatted: Normal, Space After: 0 pt, No bullets or numbering

Formatted: Normal, Indent: Left: 1.27 cm, Space After: 0 pt, No bullets or numbering

Formatted: Normal, Space After: 0 pt, No bullets or numbering

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

Formatted: Indent: Left: 1.26 cm, No bullets or numbering

Commented [KDP1]: This was the overwhelming majority of the feedback I received.

Formatted: Normal, Indent: Left: 1.26 cm, Space After: 0 pt, No bullets or numbering

- ~~○ Severance payments to be 3 weeks' pay at the ordinary rate of pay per year of service;~~
- ~~○ Severance payments capped at 60 weeks' pay at the ordinary rate of pay (excluding notice period);~~
- ~~○ Redundancy notice period to be as follows:~~

Period of continuous service	Minimum notice period
1 year or less	1 week
More than 1 year, up to 3 years	2 weeks
More than 3 years, up to 5 years	3 weeks
More than 5 years	4 weeks

- ~~○ Employees over 45 years old who have completed at least two years of service when they receive notice are given an additional week of notice.~~

~~14.9.~~ 10. ~~Subject to reviewing and approving the final wording of the amended clauses, we accept the majority of BAA's claims on long service leave to be accepted except as indicated below. That is, under the new EA, the following will apply for accrued but untaken long service leave:~~

- ~~○ Payout after minimum 1 year of service if termination is due to redundancy;~~
- ~~○ Payout after minimum 5 years if termination is due to illness/injury;~~
- ~~○ Otherwise, payout after ~~6~~ 7 years.~~

~~We've agreed with the other bargaining reps on LSL payout.~~

~~○~~

10. ~~We cannot accept BAA's claims to reduce graduate engineering salaries (classifications 1A and 1B). Item 14 (Special Leave) is included in this counter-offer as a compromise.~~

~~15.~~ This is an important claim for BAA both financially and from a competitive standpoint

~~11. Graduate Engineering Salaries (1A and 1B) to be reduced as follows.~~

- ~~○ Engineer/Scientist 1A classification salary to be \$90,000 on commencement;~~
- ~~○ Engineer/Scientist 1B classification salary to be \$102,000 on commencement;~~
- ~~○ Employees employed by BAA in these classifications on a substantive basis immediately before the operation of the new EA will have the following apply to them:~~
 - ~~— Grandfathered 1A classification salary and salary increases in line with the % increases under the new EA;~~
 - ~~— Grandfathered 1B classification salary and salary increases in line with the % increases under the new EA.~~

Commented [KDP2]: This was the feedback I received, with 6 years being a compromise between BAA's claim and the current entitlement.

Formatted: Normal, Indent: Left: 1.26 cm, No bullets or numbering

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

~~If an employee with a grandfathered 1A and 1B classification salary no longer substantively fills the role of an Engineer/Scientist 1A or 1B, the grandfathering arrangement will cease to apply to these employees.~~

~~11. We accept BAA's claim to amend the 12-~~Public Holidays clause ~~to be amended~~ to reflect that employees are only entitled to be absent from work with pay in accordance with applicable laws for public holidays gazetted for Melbourne in a calendar year. We acknowledge that Show Day will no longer be listed or provided as a public holiday.

We support this position.

~~16.~~

~~12. We understand that BAA's claim in relation to amending the 13-~~Individual Flexibility Arrangements (IFA) clause will mostly affect employees who are currently not flex employees (in contrast to most engineers, who are flex employees). If our understanding is correct, we will accept whatever agreement the other bargaining delegates reach with BAA. We reserve our position on this claim if our understanding is not correct. ~~to be amended to allow an individual to vary their spread of hours in line with the clause.~~

We consider all parties to be aligned on IFA spread of hours.

~~17.~~

~~13. Subject to our position stated above under the "General" heading, we agree to work 14-~~ ~~Bargaining representatives to continue to work~~ efficiently and co-operatively to tidy up clauses which do not change entitlement but provide clarity and supports simplification of the agreement.

~~18.~~ We support this.

~~14. As stated above in Item 10, we accept BAA's claim to remove Special Leave.~~

We have are no longer pursuing the removal of Special Leave in our Consolidated Offer. In any event, we continue to seek the reduction of new graduate engineering salaries.

~~15. We seek the following wage increases during the life of the new EA:~~

<u>Commencement Date of new EA to 30 June 2022, with back pay to be paid from 1 July 2021</u>	<u>3.00%</u>
<u>12 months after Commencement Date 1 July 2022 to 30 June 2023</u>	<u>1.253.00%</u>
<u>36 months after Commencement Date 1 July 2023 to 30 June 2024</u>	<u>1.254.00%</u>
<u>1 July 2024 to 31 December 2024</u>	<u>4.00%</u>

We cannot accept your counter wage increase. The counter offer is well above market and significantly higher than what BAA needs to achieve in order to remain competitive and win new work.

Formatted: Normal, Indent: Left: 1.26 cm, No bullets or numbering

Formatted: Normal, Indent: Left: 0.63 cm, No bullets or numbering

Commented [KDP3]: Please clarify.

Formatted: Indent: Left: 1.26 cm, No bullets or numbering

Formatted: Normal, Indent: Left: 1.26 cm, No bullets or numbering

Formatted: Indent: Left: 1.26 cm, No bullets or numbering

Formatted: Indent: Left: 1.26 cm, No bullets or numbering

16. We continue to seek that the current Engineer/Scientist classification standards be expanded to include the Boeing Salaried Job Codes ('SJC') given the evolving nature of engineering work and skills required at BAA. The parties are to cooperate to draft appropriate wording to include in the new EA.

You provided a draft. You can walk us through it.

Formatted: Indent: Left: 1.26 cm, No bullets or numbering

17. We continue to seek, and support PA's claims in relation to, improvement of the Engineer/Scientist reclassification process. In particular, we seek a centralised lodgement and tracking system for all reclassification applications to ensure stronger enforcement of timelines and feedback requirements stated in the current Reclassification Policy (IS201-3). The parties are to cooperate to draft appropriate relevant wording to include in the new EA.

Formatted: Indent: Left: 1.26 cm, No bullets or numbering

NOTE:

• The process for reclassification – HR? -> working group -> to define the process for the working group. Who manages it?

Formatted: Font: Bold

Formatted: Don't add space between paragraphs of the same style, Bulleted + Level: 1 + Aligned at: 0.63 cm + Indent at: 1.27 cm

• SJC piece – The expansion of the available SJC codes think part 16 of the EA. Include 8 additional job classifications. Are these 8 job classifications required to be brought in because of the type of the work we are doing?

Formatted: Indent: Left: 1.26 cm, No bullets or numbering

Formatted: Bulleted + Level: 1 + Aligned at: 0.63 cm + Indent at: 1.27 cm

Is there some portion change that we can bring in? Not 2, swapping out up to 5 as an example. Need to be agreed.

Formatted: Indent: Left: 1.26 cm, No bullets or numbering

[Reminder, JL to talk to Marina: The push for SJC and how it plays into the reclass process, based around the changing work statement that has been happening over the years now.]

If our counter-offer were to be accepted, we would expect BAA to no longer pursue remaining items from its log of claims.

As part of the consolidated offer, BAA agrees to no longer pursue the following claims that were featured in BAA's claims list:

19- 15. Claim to remove payroll corrections (Redbook);

20- 16. Claim to remove special leave;

21- 17. Claim to reduce personal leave;

~~22- 18. Claim to change Team Lead allowance to a flat rate;~~

~~23- 19. Claim to remove clause requiring employee representative agreement for the amendment of position descriptions in the current EA.~~

In return, the employee bargaining representatives (AMWU, Professionals Australia and the self-represented bargaining representative) agree to no longer pursue remaining items from their respective claims list.

In consideration of the acceptance by the bargaining representatives of the above consolidated offer as a package, BAA offers the following annual wage increases:

~~20. Wage Increases~~

Commencement Date of new EA	0%
12 months after Commencement Date	1.25%
36 months after Commencement Date	1.25%

~~BAA reiterates that this offer is presented as a package.~~

~~Finally, we wish to note that BAA will not agree to any proposal for back pay arrangements in these negotiations.~~

~~We look forward to your response on our counter-offer.~~

Yours sincerely

Dakshinee Kodi
Employee bargaining representative