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**“...for industrial purposes, Qantas introduced a parasite with real potential to eat away at the parent airline...”**

*Capt Ian Woods, President, Australian & International Pilots Association (AIPA)*

In 2004, Qantas bought a small regional airline called Impulse, rebranded it “Jetstar” and ultimately replaced its B717 fleet with new A320s and A330s from Qantas. Pilots employed by Jetstar agreed to fly their new aircraft for the same rate of pay as their previous type.

#### **Jetstar International a success story for management, disaster for mainline pilots**

Jetstar expanded aggressively in the 4 years which followed and now operates both domestic and international routes competing head to head with Qantas.

#### **Outsourcing our work will lead to downwards pressure on our terms and conditions**

Qantas management has attempted to undermine the pay & conditions of mainline Qantas pilots by threatening Mainline pilots with Jetstar International. Jetstar pilots cost around 30% less than Qantas mainline pilots.

#### **Outsourcing our work will lead to flying migrating to the lower cost base**

Jetstar has 15% market share in the Australian market, and appears to be the Qantas Group’s preferred growth vehicle.

*“...if successful, the Jetstar International strategy would allow Qantas to establish a separate entity to hollow out Qantas and sideline its legacy pilots...”*  
*Capt Ian Woods, President AIPA*

Domestic and International routes are being migrated to Jetstar with its lower cost base and perceived superior “return on capital”.

As pilots on the lower cost base win more and more work from Mainline, mainline flying becomes uneconomical on all but the most lucrative routes.

#### **Outsourcing our work will lead to re-equipment being focussed away from London**

In just 4 years Jetstar has grown from 7 x 717s to 46 aircraft today.

*“Qantas pilots are still extremely worried about Senior Management’s decision to transfer Qantas aeroplanes which were being used on Qantas routes to Jetstar International...”*

*Capt Ian Woods, President AIPA*

There are orders for a further 68 aircraft. These deliveries will include 15 new 787s diverted from an order originally placed by Qantas Airways Limited.

#### **Outsourcing our work will inevitably lead to a threat to our job security**

Qantas pilots are seeking an agreement to be “allowed” to fly Jetstar services, on Jetstar terms and conditions. The Jetstar pilot workforce is enjoying growth while the Qantas seniority list is stagnating.

Qantas mainline pilots have no choice but to work at the Jetstar rate.

Qantas management have conceded only 7 in 20 new Jetstar posts to Qantas mainline pilots, all of whom join at the bottom of the Jetstar seniority list.

#### **OpenSkies pilots not on our master seniority list will threaten our Terms and Conditions**

Without a joint seniority list, the two brands within Qantas compete with each other to win work and drive pilot conditions down.

*“...Qantas Management will do everything it can to prevent Mainline and Jetstar pilots forming a united front because that will threaten the overall strategy of using Jetstar to restrain and converge Mainline terms and conditions...”*

*Capt Ian Woods, President AIPA*

#### **OpenSkies is the biggest threat faced by BA mainline pilots**

Our OneWorld flight crew colleagues at Qantas sum up the threat more eloquently than we can. After all they have seen at first hand the effects of allowing the company the unimpeded opportunity to set up a separate pilot workforce.

*“Global consolidation of the airline industry is all but certain and failure to lock in access to OpenSkies flying will ultimately sideline BA pilot careers.”*

*Capt Ian Woods, President AIPA*

