



RECOMMENDATION

Fair Work Act 2009

s.437 - Application for a protected action ballot order

Australian Federation of Air Pilots

Transport Workers' Union of Australia

Australian and International Pilots Association

v

Jetstar Airways Pty Limited T/A Jetstar Airways

(B2026/226, B2026/228, B2026/230)

COMMISSIONER REDFORD

MELBOURNE, 27 MARCH 2026

Proposed protected action ballot of employees of Jetstar Airways Pty Limited

Summary

[1] This recommendation records an in principle agreement reached between Jetstar Airways Pty Limited T/A Jetstar Airways (**Jetstar**), the Australian Federation of Air Pilots (**AFAP**), the Australian and International Pilots Association (**AIPA**) and the Transport Workers' Union of Australia (**TWU**) in relation to a new enterprise agreement to cover Jetstar pilots. A draft agreement will be prepared over the coming weeks and then put to Jetstar pilots in a vote. Each of the Unions has said that they endorse the agreement. The agreement reflects a sensible compromise position reached by the parties to this negotiation to provide significant improvement in the terms and conditions of the employment of Jetstar pilots while maintaining Jetstar's financial viability and competitive position.

Background

[2] Jetstar and the Unions have been bargaining to make a new agreement to replace the *Jetstar Airways Pilots Enterprise Agreement 2019* which reached its nominal expiry date on 21 November 2025. Since May 2025 they have met on a fortnightly basis. The Jetstar team and each of the Union negotiating teams have invested significant time and effort in the process. A

large number of issues have been worked through, and agreement has been reached on a range of those issues.

[3] On 13 March 2026 three orders were made by the Commission, one in respect to each Union, that protected action ballots be held involving the employees to be covered by the proposed enterprise agreement. Section 448A of the *Fair Work Act 2009* (**the Act**) says that if the Commission has made a protected action ballot order in relation to a proposed enterprise agreement it must make an order directing the bargaining representatives for the agreement to attend a conference. It was therefore necessary for the Commission to conduct compulsory conferences in respect to each matter. The conference occurred jointly with the consent of all of the bargaining representatives.

[4] Two conferences were conducted in person in the Commission in Melbourne, on 19 March 2025 and on 25 March 2026.

[5] By the time the parties attended the Commission, they had reached in principle agreement on a number of matters. However, there were some significant matters that had not yet been agreed (which are summarised below)

The interests of the parties

[6] To make a new enterprise agreement, it is necessary for the three Unions, their members and Jetstar to navigate several competing interests.

[7] Jetstar wants to make an agreement that reflects the significant value they place on their pilots. But they must do so in a way that ensures their business remains viable and competitive in a volatile domestic and global market. They need to adopt responsible cost control now and into the future.

[8] The Unions are seeking to improve Jetstar conditions of employment for pilots, so they are more comparable to key industry benchmarks. They need Jetstar to agree to (and fund) improvements beyond simply topping up existing conditions, so that Jetstar pilots are paid at a level more commensurate with other aviation carriers. This will better ensure Jetstar can attract and retain pilots and will properly value pilots for the important work they perform.

The issues that were outstanding

[9] At the commencement of the conference process, each party agreed that the following key issues were outstanding:

- a. salary levels, and the manner in which employees will transition to new salary levels under the new agreement;
- b. changes sought by Jetstar to displacement and re-assignment rules;
- c. eligibility in relation to the company performance bonus;

- d. the introduction of a roster stability payment;
- e. proposals about duty travel;
- f. the introduction of a new training appendix.

[10] There may be other matters of a much more incidental nature that require confirmation through a process the parties will now undertake to draft a written agreement, before it is put to employees for them to vote on and approve.

The conference process and the in principle agreement.

[11] The conferences which occurred in the Commission were conducted in good faith, and both parties demonstrated a willingness to hear and understand others' positions, consider proposals and search for compromise. Significant work was done between conferences to advance proposals for consideration.

[12] This process has resulted in an in principle agreement being reached which resolves each of the outstanding matters. The manner in which these primary outstanding issues have been resolved by the in principle agreement is set out as follows.

Salary levels and transition

[13] The parties have reached agreement as to the salary classification structure which will include, among other things, the insertion of new levels. The structure includes significant improvements to salary levels to apply at the commencement of and over the life of the agreement, also taking into account improvements arising from the inclusion of the new levels. The parties have also agreed on principles as to how employees will transition on to the new structure. A written document was tabled during the conference which contained the salary classification structure and those principles, and it has been agreed to by all parties.

Displacement and re-assignment rules

[14] The parties reached agreement as to a longer re-assignable span on the last day of a displaced multi-day Tour of Duty. The longer span only applies when a pilot removes themselves from any day of a multi-day Tour of Duty due to:

- a. any form of leave; or
- b. fatigue where a pilot had greater than 36 hours (inclusive of 2 local nights) rest immediately prior to the duty they have removed themselves from.

Company performance bonus

[15] The parties have agreed that the company performance bonus eligibility criteria will be expanded to capture all pilots who had worked the entire financial year and remain employed

on date of payment. This new eligibility will be reflected in the enterprise agreement. It was agreed that for the expanded eligibility to apply to the 2026 financial year the enterprise agreement needs to be voted up by pilots by 30 June 2026.

Roster stability payment

[16] The parties reached agreement as to the introduction of a new roster stability payment having application when a pilot is assigned a duty from a standby or available day, and at the time the duty is assigned, it causes a displacement of a subsequent rostered Tour of Duty. The payment is a dollar amount (as agreed), indexed by 3% annually.

Duty travel

[17] The parties agreed that Jetstar will not book a middle seat for pilots when on duty travel on a Jetstar flight, and Jetstar will request that Qantas afford pilots the same privilege.

Training appendix

[18] Agreement was also reached as to the inclusion of a new training appendix, which will apply to all new hire pilots from commencement of enterprise agreement regardless of internal or external type rating, noting other elements of training appendix for existing pilots requires discussion between the parties.

Other matters

[19] The parties agreed that there remain other matters requiring confirmation in the drafting process.

In principle agreement and undertaking as to protected industrial action

[20] Each Union has given their in principle agreement to this package and will recommend it to their members. Accordingly, it is expected that if a written draft agreement is formulated giving effect to this in principle agreement, the Unions will endorse to their members that it should be approved.

[21] Each Union has also given an undertaking not to notify protected industrial action. This undertaking will extinguish if an agreement is put to employees for their approval but not approved, at the time the results of that unsuccessful vote are declared.

[22] Each Union has also undertaken to support the proposition that if the Agreement is approved by employees, each employee, and each reasonably foreseeable employee who would be covered by the Agreement would be better off overall than if covered by the relevant Award.

Jetstar's undertaking

[23] Jetstar has undertaken that it will not resile from this in principle agreement before it is put to employees for their approval. This means that, even if global events might cause Jetstar to want to withdraw from their in principle agreement, they undertake not to do so.

Next steps

[24] This package, which has Jetstar's and the Unions in principle endorsement and agreement, is a sensible outcome to this negotiation. It allows both the Unions and Jetstar to both fulfil, to some extent, their competing interests. For Jetstar pilots, the outcome doesn't mean they have achieved everything they wanted, but it results in significant improvements in their pay and conditions. Jetstar has plainly invested more in the outcome than it had originally intended. This seems a justifiable investment in people who are key to its business, while still staying within the bounds of sensible financial management.

[25] It appeared that the alternative path was the continuation of the dispute, and possible protected industrial action. As is usually the case, industrial action would have resulted in disruption and financial loss for Jetstar and for pilots. In circumstances where parties had invested so much time in reaching a compromise, and where the result was a package that significantly improves pilots' conditions, it is difficult to see how this alternative was in anyone's interests. Taking this into account and noting that the package has the endorsement of all parties, it should be approved by pilots when it comes time to vote on the proposed agreement.



COMMISSIONER

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