

Transport Workers' Union of Australia

National Office

a. 447 Kent St Sydney NSW 2000

t. 02 8114 6500

ABN 18 559 030 246



National Secretary
Michael Kaine

Kylie Rampa
CEO
Queensland Investment Corp

CC Virgin Australia CEO Jayne Hrdlicka

24 July 2023

Dear Kylie,

The Transport Workers' Union represents thousands of aviation and road transport workers across Australia. This includes thousands of Virgin Australia ground crew, cabin crew and pilots with whom Queensland Investment Corp (QIC) has the shared interest of ensuring the ongoing stability of Australia's second airline.

QIC has acknowledged the important role of a strong second airline and the additional benefits this provides for Queensland workers, the travelling public and regional communities. Prioritising the workforce that built the airline's esteemed safety and service standards is essential to ensure the ongoing success of the business.

Both publicly and in worker briefings, Bain Capital and Virgin have made clear the serious consideration of an IPO of Virgin Australia, with media reports highlighting the significant returns stakeholders stand to gain.

A public offering will inevitably influence the running of Virgin Australia and directly impact our members. We further note reports in Friday's *Australian Financial Review* of possible corporate job cuts, which included a quote from a Virgin spokesperson that "We remain vigilant regarding our focus on productivity improvement and cost discipline, which are a natural and necessary part of ensuring Virgin's long-term success."

Prioritising and investing in the workforce as well as in the airline's fleet and technology, is essential for Virgin Australia's ongoing success. Our members are therefore seeking an urgent commitment from QIC to support the following ahead of an IPO:

1. **Respect for workers.** Virgin has historically valued its dedicated team. Over the past few years, workplace issues such as pay and conditions falling behind, unfair rostering systems, and workers being unable to take rest breaks have caused stress, high turnover and fatigue-related absenteeism. These cultural issues must be addressed as they arise, with workers heard and respected.

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2. **Good, secure jobs.** QIC must commit with other stakeholders to an insourcing model across the country, ensuring that all ground, cabin crew and pilot work will be performed by direct employees in good, secure jobs.
3. **Ongoing investment.** For Virgin Australia to succeed, ongoing investment in technology, fleet and workers must be prioritised to maintain and grow safe, fair and sustainable standards across the business.
4. **Employee share scheme.** In conjunction with the upcoming IPO, workers who were instrumental in seeing Virgin Australia through administration and whose loyalty and experience will be central to the ongoing success of the airline should be rewarded through an annual employee share scheme of \$1000 per year, as is standard across many other businesses in Australia. We invite further discussion on this scheme, including the shared benefits for workers and the business.
5. **Support for industry reform.** Over decades, exacerbated by the covid pandemic, jobs, experience and standards across our airports have been in decline while aggressive competition has burdened Australia's main airlines. It is in the interests of the industry, the airline and airport workers for the Federal Government to establish a Safe and Secure Skies Commission to set appropriate standards to rebalance aviation and protect the industry from sudden shocks. This will safeguard aviation and keep skilled workers in jobs, which will in turn enhance safety and service standards for the travelling public. Workers are seeking a commitment from QIC to support their calls for this reform.

Our members have also written to Bain Capital and the Virgin Group to call for their support of these important commitments to ensure the long-term success of Virgin Australia.

The TWU invites a meeting at the earliest opportunity in order to further progress these discussions well in advance of the commencement of a public offering.

We look forward to hearing from you soon.

Yours sincerely,

Michael Kaine
TWU National Secretary

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