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Sacked Cathay pilot wins right to UK hearing

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Britain's top appeals court has given some employees of Cathay Pacific Airways recourse to British labour laws in a decision that has wider implications for how British-controlled firms in Hong Kong handle staff dismissals.

The House of Lords upheld an appeals court decision allowing George Crofts, one of 51 pilots sacked by Cathay in 2001, to seek compensation for what he saw as unfair dismissal at the hands of Veta, a wholly owned subsidiary of the airline. In 2004, Britain's Employment Tribunals had said it was within its jurisdiction to hear Mr Crofts' complaint, a finding Cathay appealed at the tribunal and appeals court levels.

"I think not only that the tribunal was entitled to reach the conclusion which it did, but also that it was right," Lord Hoffmann said in the 5-0 decision in Mr Crofts' favour. "I would therefore dismiss Veta's appeal."

While Cathay is unlikely to suffer substantial financial losses from the subsequent tribunal hearing - 11 of the 12 British-based pilots sacked in 2001 accepted an offer from the airline in April last year - Mr Crofts undoubtedly will see the decision as an important symbolic victory.

Those close to Mr Crofts say his five-year battle with the airline was less about compensation - the tribunal's cap is said to be less than the amount that Cathay offered him to settle last year - than it was about gaining public acknowledgment that he and his colleagues were unfairly dismissed.

Cathay said it was seeking counsel in Hong Kong and Britain to see if the decision was "compliant with the letter of the UK labour law". "We are disappointed with the ruling," a spokeswoman said. "It has always been the company's belief that the dismissal of Mr Crofts was carried out entirely in accordance with the terms of his contract and was perfectly legal under Hong Kong law."

Mr Crofts is favoured to win the tribunal hearing.

In a letter last year to fellow "49ers", as the sacked pilots are known, Mr Crofts urged them to turn down Cathay's offer - believed in his case to be 10 months' salary and re-employment.

"[The] 49ers are black-banned with virtually every prestige airline in the world as a result of being branded troublemakers. This offer makes no attempt to rectify that wrong. It does not in any way clear our names or record," Mr Crofts wrote. "Expunging the unjust,

unlawful termination of the 49ers is paramount to us all. It is, in fact, your careers that rest on this action."

Most of those rehired by Cathay were taken back as cargo pilots at lower wages and less senior positions. Cathay and the pilots' union have mended fences recently after almost five years of acrimony. But that did not lessen the importance of Mr Crofts' victory in union eyes.

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