

# Cathay Pacific loses two long-running pay disagreements in one day

Three stewardesses and 18 former pilots win long-fought cases against the airline

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Cathay Pacific Airways lost two long-running employment disputes in one day when the top court ruled largely in favour of three flight attendants and 18 former pilots. The judgments yesterday ended years of bitter wrangling over financial compensation for employees of the airline.

Under the Employment Ordinance, Cathay must include certain allowances and commissions in addition to the basic salary when calculating its cabin crew's pay during statutory holidays and annual leave, the Court of Final Appeal ruled. Those include commissions on duty-free sales, and allowances for line duty and ground duty, which attendants earn in the air and while waiting for flights. The ruling, which quashed Cathay's challenge of an appeal court's judgment, carries broader implications for airlines over statutory holiday pay.

Outside court, retired in-flight services manager Becky Kwan Siu-wa called the outcome "very encouraging". I am very pleased that justice is finally done," Kwan said. "The judgment shows that employers must comply with the contract. This case will have effects on other airlines like the British Airways and Dragonair."

She estimated she would be entitled to about HK\$100,000 in compensation. Pay for non-statutory holidays would depend on the terms of the employment contracts, the court held. The dispute stemmed from claims lodged with the Labour Tribunal about four years ago by Kwan and fellow flight attendants Vera Wu Yee-mei and Jenny Ho Kit-man, who still work at the airline.

Separately, the Court of Final Appeal ordered Cathay to pay HK\$850,000 in damages to each of the 18 pilots it sacked over their 2001 industrial action. That includes HK\$150,000 each for dismissing them on the grounds that they took part in work-to-rule union activities. The award is the maximum allowed under employment laws.

The court also found the airline wrongly terminated the pilots and ordered it to pay one month's salary to each of them, overturning a Court of Appeal decision. It noted that Cathay did not go through disciplinary procedures as laid out in their job contracts. The pilots lost their claim for a personal HK\$3.3 million compensation over defamatory remarks made by the airline. The top court, upholding an appeal-court decision, ruled that HK\$700,000 was a suitable amount.