

# BA cabin crew dispute

## Media briefing - Questions & Answers

### Background

Unite the union represents more than 95% of BA's cabin crew. Since January last year, Unite and their crew members have been engaged with BA about widespread changes aimed at reducing costs. These discussions ended when BA imposed changes in November 2009. This imposition prompted an industrial action ballot.

In December 2009, over 80 percent of the cabin crew voted by 92 percent to take industrial action to defend their jobs and end the imposition. However, in a remarkable ruling, a High Court judge ruled that the ballot was invalid. In January 2010, Unite began to re-ballot its cabin crew members; the result will be known on February 22nd.

While crew accept that BA must save money, they are seriously concerned about changes which have been railroaded through without agreement - and that these changes are damaging BA's business. Unite has repeatedly called upon BA to work with the union and the workforce on mutually acceptable changes.

### So, is this dispute about money?

No. Crew offered a 2.5 percent pay cut as well as a two-year pay freeze. This is NOT about pay, but about changes forced upon crew by management. The crew say these changes - including cuts to crew numbers - are damaging the service BA can offer passengers, and are changes to their contracts and so should not have been imposed.

### What do these changes mean?

Last November, BA imposed sweeping changes which would see crew numbers cut between one and three on all flights. For European flights, this represents a reduction of 25 percent in crew numbers. For some long haul flights, such as those to Brazil, three crew have been removed from the flight. Where there were 15 crew to care for more than 300 passengers, there are now 12.

### Have crew offered sacrifices?

Yes. Cabin crew offered BA management significant changes to working practices this time last year. These changes would have saved BA tens of millions of pounds; around £51 million per year by BA's own independent analysis. But BA did not take up the offer, and a long and drawn out dispute ensued.

### But BA is in trouble - it needs to make changes

Yes, times are tough for aviation - the global recession has hit it hard. BA's crew members understand that sacrifices do have to be made. That is why they offered pay cuts to fund the service to passengers.

Most crew would rather see their wages fall for two years - or for however long it takes to get BA back into profit - than for the standard of the service they provide to drop. Crew members believe that it is customer care which keeps passengers flying BA - but that passengers will desert the airline if those service standards fall.

### Crew can afford to make sacrifices - they're well paid

This is also not true. Seventy percent of BA's crew earn less than £20,000 (below median earnings in the UK, which are around £25,000). To top their wages up, crew rely on their overseas trips, which can help them increase their earnings by £5,000 a year.

BA introduced new contracts for crew 13 years ago. Under these contracts, crew earnings are:

**Main crew:** Starting salary £11,000, rising after 12 years' service to £20,000

**Purser:** Starting salary £18,000, rising after 18 years' service to £29,000

**Cabin Services Director (CSDs):** Starting salary £28,000, rising after 20 years service to £36,000

There are a very few CSDs on higher wages, but these will have at least 25 years service with BA. The allowances crew receive for food and accommodation when overseas are set according to local cost of living (hence more for a trip to Tokyo than to Delhi) and are also taxed in the UK.

For cabin crew operating out of Gatwick, wages are even lower. Most will earn under £15,000, including allowances, and many rely on tax credits to top up their earnings.

## **OK, but they are still better paid than the low cost airlines**

Unite has never denied that good union organisation at BA has protected the pay and working conditions of cabin crew.

But it is wrong to suggest that BA crew are somehow overpaid. Compared to their true competitors – that is, the other premium global operators – BA's crew wages are around average, but many of the other airlines offer better allowances and rest time.

It is true that the low cost airlines offer lower wages but these airlines are not BA's competitors. The majority of BA's routes are long haul, where low cost carriers do not operate, and the bulk of their profit is made from premium travellers. These customers have paid for a service which they expect to have delivered.

## **But wages are a huge drain to BA....**

In an industry that relies on high levels of customer service, BA does have a wage bill of nearly £1 billion each year. But while 13,000 crew cost BA around £500m, they pay almost the same again for their fewer than 3,000 pilots who earn on average £120,000 per year.

BA also has to pay around £1 billion a year in fuel costs.

It has been reported in the media that illegal ticket price fixing has cost them well over £350 million, and BA has also incurred significant losses because of management's mishandling of the opening of T5.

Compare these outlays with the "savings" BA made by imposing changes on crew operations in November 2009, which led to the present dispute, but saved them only £31 million – half of what crew themselves had offered the company as savings back in spring 2009.

## **And BA is an airline in decline....**

The recession is tough on BA. It makes most of its money out of premium class travellers, and has many big banks among its leading clients, so the global downturn has hit it especially hard.

But less than two years ago, BA was posting excellent profits – 2007/8 BA made £883m and in 2006/7 £611m. Unite considers that BA not an airline in decline – and has appealed to both the management and the board to stop talking the business down.

Unite believes it was a combination of costly errors and the recession which has wiped these profits out, not the costs of its loyal cabin crew.

BA's last results earlier this month show that growth is returning to the airline - BA produced a third-quarter operating profit of £25m. It is not out of the woods yet, but Unite believes that the operating profits should give BA more flexibility in its negotiations with cabin crew.

## **What savings did crew offer?**

Last year, crew offered a 2.6 percent pay cut. This would have generated £17.6m for the business immediately; it was refused by BA. On top of this, crew offered a two-year pay freeze, which would

have netted £28m. Again, this was refused by BA. And crew also offered a freeze on meal expenses, which could have saved £6m.

In total, these changes, could have banked BA at least £51m nearly one year ago. Compare this also, to the savings reportedly offered by pilots of only £26 million. It was reported that these were achieved not through changes to working practices but by the pilots simply deferring their pay increment for one year. These savings were not refused by BA.

## **So what is the cabin crew job?**

BA cabin crew are extremely professional. Their training enables them to deliver babies; to administer Cardio Pulmonary Resuscitation and an EpiPen injection for anaphylactic shock; to operate a defibrillator for people who have suffered cardiac arrest; to take command of a life raft in a ditching scenario; in survival techniques; in fire fighting; in search techniques when bomb threats received; and how to deal with situations when a pilot becomes unconscious.

Crew understand what the job is when they sign up for it. Nonetheless, the long hours at work and the long periods spent away from their families take their toll. And the job is tough – one crew member likened it to going on a six-mile walk uphill, and doing it at 30,000 feet. So taxing are the overseas trips that many crew rarely enjoy the city to which they've flown, preferring instead to catch up on rest.

## **What is a Cabin Services Director?**

A Cabin Services Director (CSD) is the most senior crew member and has an extensive range of management responsibilities. The CSD is responsible for health and safety on board the plane, and must work closely with the flight crew; together, they ensure the plane complies with aviation law.

During the flight, the CSD must speak to every passenger and check on their comfort during the flight. With around 300 passengers on a flight, this is a considerable undertaking in itself. They must also ensure that all passengers complete their visa entry forms - if not BA faces hefty fines per passenger.

However, under BA's imposed changes the CSDs have been brought "into service". This means not only do they have to complete their own extensive management duties, but they also have to absorb other crew duties. With BA also removing the Purser position from all flights, the extra duties to be absorbed by all crew are considerable.

Unite believes that this increased workload and the confusing roles are damaging the quality of service to the passengers.