

Ryanair-IALPA High Court Finding, 14/10/05

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Ruling delivers severe blow to defiant airline

Siobhán Creaton

Ryanair could face millions in claims and legal costs, writes Siobhán Creaton, Finance Correspondent

The High Court ruling to allow the Labour Court to investigate Ryanair pilots' complaints about their terms and conditions could, if upheld by the Supreme Court, mark the beginning of a new chapter for the airline.

Yesterday's verdict amounted to a pummelling, with Mr Justice Michael Hanna finding against the airline on all counts and ordering it to pick up the tab for the case.

Ryanair's chief executive, Michael O'Leary, will be anything but pleased and will already be barking orders at the airline's lawyers telling them to pull out all the stops for the Supreme Court hearing.

In a statement, the airline said it expects its appeal to be filed next week. "We are confident that the Supreme Court will find in our favour," it said yesterday.

This confidence is based on its understanding of the 2004 Industrial Relations Act its Dublin-based pilots are using to allow the Irish Airline Pilots Association (IALPA) to bring their dispute over terms and conditions to the Labour Court to investigate.

Ryanair, which refuses to negotiate with trade unions, had challenged the Labour Court's entitlements to hear the pilots' complaints under this legislation.

It argues that this legal provision was never intended to apply to "high-pay" multinational companies in Ireland like Ryanair and is tantamount to bringing union recognition in by the back door. The airline claims its employees fare better, in terms of their pay rates and terms and conditions, by engaging with Mr O'Leary and his management team directly rather than being represented by trade unions. "Collective bargaining has resulted in better pay for Ryanair's pilots than equivalent pilots employed by our competitors," the statement added.

The pilots, who have waged a battle with Mr O'Leary since the summer, are cock-a-hoop with the outcome.

IALPA president Evan Cullen, who has represented the Ryanair pilots, says the ruling also bodes well in terms of another case the airline has taken to block the Labour Relations Commission investigating the more than 200 victimisation claims made by the pilots.

"This would expose Ryanair to claims of up to €50 million and further legal costs," Mr Cullen said.

Almost all of Ryanair's Irish-based pilots are claiming to have been victimised by the airline and have lodged multiple complaints. Each pilot could be awarded compensation of up to €260,000, equal to two years' pay. Sixty-four pilots have also taken High Court proceedings claiming that Ryanair's refusal to negotiate with a union is a breach of their constitutional rights.

While Ryanair has tried to portray this row as the pilots seeking union recognition, staff argue that all they want is fair and equitable treatment reflected in their contracts.

This row has been rumbling for almost a year and was sparked by the need for the airline's 100 Dublin-based pilots to be trained to fly Ryanair's new fleet of Boeing 737-800 jets. The aircraft they were using were to be phased out and the airline wanted to alter the pilot's conditions in a way that greatly upset their most powerful employees.

Things turned nasty when Ryanair's eight senior pilots entered into a dispute with the airline over their right to training and their contracts and rights where redundancies would be sought. One of them, Captain John Goss, was subsequently suspended. He claimed Ryanair was conducting a campaign of bullying and harassment against him because he was seeking to use normal industrial relations procedures in his dealings with the airline and to have his concerns represented by IALPA.

During the summer, Mr O'Leary and Ryanair were virtually a permanent fixture in the Four Courts as they fought Capt Goss's claim and sought to block the growing number of suits being taken against it by his pilot colleagues. The pilots joked that Ryanair had moved its human resources department to the courts.

After many charges and counter-charges involving the issuing of redundancy notices to pilots who refused to accept the airline's terms, a resolution was eventually reached.

The pilots agreed to pay their own training costs, of about €15,000 each, rather than to accede to the airline's request that as part of the truce, they should drop all claims against the company.

Many of the pilots have already completed their training and will watch developments to see whether they may be entitled to win back that sum from the airline as well as other sums in compensation for their grievances.

Beyond Ryanair, other employers will follow the saga to gauge the full implications of this controversial industrial relations legislation on non-unionised companies.

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Ryanair loses bid to quash trade dispute finding

Mary Carolan

Ryanair has lost a High Court bid to prevent the Labour Court going ahead with a formal investigation into a row between the airline and a number of its pilots.

After yesterday's judgment by Mr Justice Michael Hanna, Ryanair indicated it would appeal the judge's decision to the Supreme Court.

The airline had brought proceedings aimed at quashing a finding by the Labour Court

that there is a trade dispute between Ryanair and the trade union Impact, which represents the Irish Airline Pilots Association.

Last January, the Labour Court found it had jurisdiction to hear complaints by the airline's pilots.

In a reserved judgment on Ryanair's challenge to the Labour Court's decision yesterday, Mr Justice Michael Hanna found against Ryanair and refused to put a stay on his finding in the event of a Supreme Court appeal.

He also allowed costs against the airline but placed a three-week stay on the costs' order.

The court heard that the issue at the centre of the row began in summer 2004 when Ryanair began the conversion of its Dublin fleet, which involved training for the pilots concerned. In November 2004, the company said it would not negotiate with Impact but would negotiate directly with the pilots, who subsequently referred the matter to the Labour Court.

The Labour Court found that a trade dispute exists under the Industrial Relations Act, 2001, that it was not Ryanair's practice to engage in collective bargaining and there was no operative internal dispute resolution procedure in place.

Ryanair had submitted it had traditionally operated non-union recognition in relation to its employees and had an Employee Representative Committee where matters were resolved.

The judge said yesterday that the Labour Court was entitled to conduct its hearing in the manner in which it had and held the Labour Court could go on to carry out its full investigation.

He found the Labour Court was in charge of its own procedures. It was not a court of law and had a less formalistic path than there might be in the courts, he said. It was entitled to manage its own affairs, provided they were within statutory provisions.

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Irish Times: May 18th 2005

Ryanair staff get 3% rise but pilots left out

Chris Dooley, Industry and Employment Correspondent

Ryanair was accused yesterday of victimising its Dublin-based pilots after it announced that all other staff had been awarded a 3 per cent pay increase.

The airline said the increase, backdated to April 1st, had been granted following "direct negotiations" with its staff last month.

However, its Dublin-based pilots had chosen not to negotiate directly with the company and "as a result they have not at this time enjoyed a pay rise", it said.

The decision to withhold the increase from one section of its staff is the latest episode in an increasingly bitter row between the airline and its 70-odd Dublin-based pilots.

The vast majority of the pilots are members of the Irish Airline Pilots Association (Ialpa), which is part of the trade union, Impact. The union has taken a case in relation to the pilots' contracts to the Labour Court, but Ryanair has challenged these proceedings in the High Court.

A number of cases have also been taken by Impact to a rights commissioner, alleging victimisation of the Dublin-based pilots on a number of grounds, including the refusal to give them a pay rise.

In a separate case due to be decided by the High Court today, a Ryanair pilot is seeking to have the company's chief executive, Michael O'Leary, and two other executives jailed for alleged contempt of court.

The pilot, John Goss, claims Mr O'Leary and the two other executives, David O'Brien and Ray Conway, breached a court order by failing to reinstate him to flying duties. Ryanair denies breaching a court order. It said it had told Mr Goss it was operationally inappropriate that he should fly while court proceedings were pending and it was suspending him on full pay.

Mr Goss had in February secured an injunction restraining Ryanair from conducting disciplinary proceedings against him, pending a full court challenge. He claims the airline's suspension of him last month was an attempt to bully and intimidate him and other pilots who wished to pursue issues with the company through Ialpa.

Reacting to yesterday's announcement of a pay increase for all Ryanair staff bar the Dublin pilots, Impact assistant general secretary Michael Landers accused the airline of "gross victimisation". He claimed the rights commissioner, and not Mr O'Leary, would ultimately decide whether the pilots would get a pay rise.

Mr Landers also disputed Ryanair's claim to have negotiated the increase directly with staff, claiming Mr O'Leary simply told staff what the increase would be. "That's what negotiations Ryanair-style amount to."

However, Ryanair's director of personnel, Eddie Wilson, said the airline had negotiated with staff representatives throughout the company.

Some of the staff negotiators had been formally elected by their colleagues in secret ballots, while in other cases representatives had been chosen informally.

In no case, however, had Ryanair selected the people who represented staff.

The negotiations had been genuine and involved three to four meetings with separate groups, he said.