



SINGAPORE AIRLINES STAFF UNION

Airline House, SIN ALH 05-A, 25 Airline Road, Singapore 819829. Tel 6541 6090/97 Fax 65459221

Chairman's Message

1st May 2009

My Fellow Comrades,

Today is a day when we remember and celebrate the dignity of honest labour.

We recall the courage and sacrifices of our comrades past and present who fought tooth and nail to establish and protect the absolute fundamental right of workers to organize and bargain collectively, who strove for fair wages and stood against exploitation.

Our success as a nation and as a company was fashioned from the toil of workers from time past and we must never forget their sacrifices and how we got here.

As a union, we have faced many difficult challenges throughout our history and this Labour Day comes amidst tumultuous times that require that same resilience.

Today, we face the challenges of the fallout from the Global Financial crisis and a developing Swine Flu pandemic whose impact is as yet uncertain.

No one dares predict when the financial crisis would abate. The general consensus is that it is going to be a period of prolonged stagnation in growth.

Workers around the world have been losing their jobs in large numbers with many established companies trimming their labour force; some struggling to survive.

In Singapore, 16,800 people were laid off in the whole of 2008, translating to a ratio of 11 workers out of every 1000.

Against this backdrop, an 11 % percent capacity cut was made and the first few measures to mitigate the capacity reduction in our flights have been implemented by the company based on the principles enunciated in the 'Tripartite Guidelines on Managing Excess Manpower'.

Namely;

To cut costs to save jobs;



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to mitigate excess manpower by;

- i) Sending employees for skills training and upgrading under SPUR;
- ii) Introducing the Shorter work week concept through either voluntary or compulsory no-pay-leave schemes;
- iii) Redeployment of staff and by adopting a Flexible wage system where the bonus components and the monthly variable component are adjusted based on the company's performance.

Comrades,

Your spirited response to the Voluntary NO PAY leave scheme and your continued determination to uphold the Company in these times is testament to the continuous resilience of this spirit of sacrifice.

From your willing response, the impact of Compulsory NO PAY leave for Cabin Crew was limited to one day for the months of May to August and then again, only for those of us who are not on VNPL for these months.

It is imperative that these sacrifices are recognized sincerely, gratefully and spontaneously by Management, not as an afterthought as part of a mathematical exercise.

And we are hopeful that this would evolve one day.

The spirit of the Tripartite guidelines also encourages management to lead by example in the implementation of wage cuts or shorter work week to assure the workers that the pain is shared equitably.

To this effect, management has announced a wage freeze for the current fiscal year for all management level employees with senior management adopting a shorter work month first, with lower level managers following suit from May 1st.

As of now, flexible wage measures would be taken only when there is an operating loss of \$50 million per quarter at which point 25% of our MVC would be cut. Further losses would result in further cuts in MVC based on the ratio given above.



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Apart from the above, to further sustain job security by reducing the employer wage pressure stemming from mandatory CPF contributions, the company would tap into the JOBS Credit scheme introduced in the Singapore Budget 2009, which reimburses employers 12% of the first \$2,500 of the derived wage cost for each eligible employee on the employer's CPF payroll.

Nevertheless, with no clear idea when the worst would be behind us, there would be a continual exigent pressure to manage costs, which is a bitter but necessary remedy for this period.

As I have pledged to you previously, all cost management proposals are scrutinized and we have striven to ensure that they are fair and justifiable.

We have rejected certain proposals that would result in excessively tight operating patterns or unreasonably long paxing patterns.

In times like the present, corporate pressure tends to misjudge the extent and impact of fatigue amongst airline crew and is unrelenting in pushing for new boundaries.

However no cost saving measure can be justified at the expense of our health and spirit.

Comrades, management should never forget that the greatest asset of this company is the spirit of its people and management needs to value this to ensure the continued success of the company.

It is this courageous and resilient spirit of our workers that has been essential for the remarkable and continued success of SIA.

Yours truly,

Alan Tan
Chairman,
Cabin Crew Division