

Chronicle

November 1995

Employees' average hourly earnings rose by 2.7 percent to \$15.68 in the year to August, according to Statistics New Zealand. This was the largest annual increase since November 1991 and a sharp jump compared to the two percent increase recorded in the year to May 1995. According to the Household Labour Force Survey, the seasonally adjusted unemployment rate was 6.1 percent (or 107,000) down from 6.3 percent in the previous quarter (see August 1995 *Chronicle*) and 7.8 percent a year before. This represents the lowest recorded figure since December 1988. Employment grew by 1.2 percent (or 20,000), taking the number of employed people to 1,643,000. In the year to September, employment grew by 4.7 percent. Despite unemployment falling across all ethnic groups, the burden is far from evenly shared. The rate among Maoris was 15.1 percent, followed by Pacific Islanders at 14.1 percent, and Europeans at 4.3 percent.

Lockouts, as a percentage of industrial stoppages, have increased since the advent of the Employment Contracts Act, according to Statistics New Zealand. In the year to June 1991 lockouts made up only 0.9 percent of all stoppages, but in the 1992 year they constituted 13.6 percent. The year to June 1995 saw lockouts accounting for 6.2 percent of all stoppages. Around \$6.8 million in wages and salaries was lost by stoppages in the year to June (53,286 days lost), compared with \$4.7 million in the 1994 year (39,634 days lost) and \$19.7 million in 1993 (114,432 days lost). Of the 64 stoppages which ended during the year, 52 were complete strikes, eight were partial strikes and four complete lockouts.

A number of high profile industrial disputes dominated negotiations in November. Air traffic controllers gave notice of strike action in December in pursuit of a 16 percent pay rise. The contract dispute between the Professional Firefighters Union and the Fire Service continued in the face of the December referendum. Bulk funding disputes continued to dog contract negotiations between teachers and government, resulting in a number of strikes. Additionally, thousands of power and communications workers faced an uncertain industrial future with the collapse of the Communications and Energy Workers Union (CEWU) after its attempted merger with the Engineers Union was rejected amid financial concerns.

The Airline Pilots Association, representing 320 air traffic controllers, gave notice of a three-day strike from December 4 to December 6 after negotiating with the Airways Corporation since early September. Later in the month, the controllers announced a further four-day strike from December 12 to December 15. The unprecedented strike would disrupt international and domestic flights and raised concerns about the safety of New Zealand skies during the strike period. The Corporation offered a cash payment equivalent to 5.25 percent of annual earnings and stipulated the need for a working party to review pay structures before the next collective contract negotiations. The Corporation was censured by Chief Judge Goddard of the Employment Court for communicating with staff during employment negotiations. The controllers wanted a general 16 percent pay rise rather than the lump sum being offered by

the Corporation, and they wanted new employees to gain the same advantages as current employees. The controllers claimed that a large salary increase was warranted because of an increased workload caused by the jump in international and domestic air traffic. The union also objected to the Corporation trying to take top-ranking controllers out of the collective employment contract and preventing new staff joining it, and the Corporation's refusal to address health and safety issues.

Firefighters and the Fire Service continued to test each other throughout November as the citizens-initiated restructuring referendum got closer. Firefighters had an amended pay offer made to them in the lead-up to the referendum, but the Professional Firefighters Union Secretary Derek Best rejected the new contract offer as a "stunt" to divert attention away from the referendum on December 2nd. The Service had offered a 37.5 hour-a-week roster in many areas and a 40-hour shift in central business districts. This represented a 10 percent rise in hourly wages and the elimination of some "historical allowances" in the existing 25 year old contract. The new roster system would require the Service to take on new staff without any job losses being incurred. A number of disputes relating to the referendum epitomised the ill-feeling between the two parties including the union's complaint to the Chief Electoral Officer that a number of the Fire Service's advertisements breached the Citizen's Initiated Referenda Act 1993 by not including the name and business address of the person who authorised them. Firefighters were also censured by the Service and promised that they would face disciplinary action if they continued to promote their referendum in work time.

Negotiation of a new collective employment contract between the secondary teachers' union (PPTA) and the State Services Commission (SSC) was adjourned after only one day because of a lack of agreement over fundamental issues. While the SSC wanted to talk about pay structures, the PPTA was interested in pay rates. PPTA's contract proposal included a 21 percent pay rise, 1,000 new teachers, 200 of them Maori, controls on workloads, and improvements in entitlements for part-time teachers and in parental, family and sick leave provisions. The collective employment contract expired on November 30th. Additionally, there were a couple of strikes sparked by school boards accepting salary bulk-funding.

Following five months of merger negotiations between the financially troubled Communications and Energy Workers Union (CEWU) and the Engineers Union, no compromise could be reached. Faced with a cash crisis and falling membership, the CEWU had hoped a merger with the Engineers Union in April 1996 would save it. However, revelations that the CEWU was technically insolvent and had debts of \$1.3 million led to a rejection of a membership merger by the Engineers. Other unions, including the National Distribution Union, the Public Service Association and Finsec, expressed interest in recruiting CEWU members. Interim liquidators were appointed to oversee the voluntary liquidation of the union at the end of the month.

An Employment Court decision involving Lyttelton Port Company, the Harbour Workers Union and New Zealand Stevedores Union specified statutory holiday pay entitlements. The Court ruled that port workers were entitled to take a day off on statutory holidays, even if they were rostered under employment contracts to work on those days. The Port Company attempted to ignore previous holiday pay decisions in maintaining that since employees working a statutory holiday were compensated by the eight-hour payment for working, the day in-lieu for working should be without pay. The union insisted that a day in-lieu without

pay was similar to a day's suspension. Some workers, for example, who had accrued 20 days in-lieu could theoretically be "suspended" for a month without pay. According to the *Dominion*, the ruling means that "an employer can request employees to work statutory holidays, but they are not bound to accede to that request, cannot be compelled to do so, and will not be in breach of contract if they refuse".

The Labour party launched its new industrial relations policy *Working Together with Labour*. It promised the abolition of the Employment Contracts Act and provided for a move towards collective employment agreements in lieu of individual contracts through a larger role for unions in wage bargaining. Unionism would remain voluntary but workers who chose to join a union would have the automatic right, where applicable, to be covered by union-negotiated contracts. The party would also re-create an Employment Equity Office to promote women in the workplace, and provide advice on how pay equity might realistically be provided for. All workers would be entitled to six weeks paid parental leave and a minimum youth wage, set at 80 percent of the adult minimum, would be implemented.

The Woolworths Supermarket chain agreed to offer two weeks paid parental leave to its staff. The leave will be available to all part-time and full-time employees who have worked for the company for at least 12 months. These employees will be entitled to take at least three months off to care for newborn children while receiving a week's wages at the beginning of their leave and another week's wages on their return to work. The agreement prompted the National Distribution Union to push for other employers to follow suit. A Women's Affairs Ministry report in August showed that 17 to 19 percent of female employees were entitled to some paid leave.

The ANZ banking group announced that it had accepted an invitation to trial the opening of a branch inside two of Progressive Enterprises' supermarkets. ANZ indicated that it would have full staff in the branch in the supermarket and that it would stay open as long as the supermarket does. Staff would be on a "supply and demand" roster. According to the *NZ Herald*, the finance sector union Finsec accused the bank of undermining working conditions since the jobs on offer were advertised to existing staff with no overtime or penal rates. Finsec's secretary, Mr Paul Goulter indicated that the bank should have raised the issue during recent collective employment negotiations, which resulted in a 3.75 percent basic pay rise for 4,000 staff members. ANZ's general manager of personnel, Ms Julie McDougall indicated that the ANZ would seek the union's agreement before finalising a variation to the collective contract.

A review of 400 companies by law firm Russell McVeagh showed that most firms select people for redundancy on the basis of skill levels. This was true for 46 percent of redundancies made under collective employment contracts and 36 percent under individual contracts. The survey also indicated that employee attitudes were a factor in 17 percent of redundancies made under individual contracts, but only in 11 percent of collective contracts. Most collective and individual employment contracts did however contain provisions outlining how much employees would be paid if they were made redundant. The survey shows that the most common formula for redundancy compensation in collective contracts was six weeks' pay for the first year of service and two weeks for each subsequent year. The most common formula for individual contracts was four weeks' pay for the first year of service and two weeks' for each subsequent year.

December 1995

The referendum on employment levels in the fire service gave an overwhelming endorsement of the referendum question but the low turnout prompted calls for changes to citizens-initiated referenda. The referendum question was: "Should the number of professional firefighters employed full time in the New Zealand Fire Service be reduced below the number employed on January 1, 1995." There were 652,200 valid votes of which 87.8 percent voted "No" - thus supporting the Firefighters Union's view - and 12.2 percent voted "Yes". Turnout was estimated to be 27.7 percent. Subsequently, the Firefighters Union and the Fire Service Commission restarted their collective contract negotiations. The collective employment contract expired 22 months ago and again the negotiations did not result in a settlement.

The collapse of the Communication and Energy Workers Union (CEWU) was completed when it wound up in the High Court. CEWU would have had liabilities of \$1.137 million by early 1996, according to a financial report in October. The planned merger with the Engineers Union became more of a take-over since most members are expected to join the Engineers Union. However, CEWU members at Postbank (now an integrated part of the ANZ bank) will be encouraged to join Finsec, as CEWU and FinSec already had joint negotiation teams at Postbank. The National Distribution Union also started to recruit postal drivers and some electrical workers. A group of Wellington post workers rejected the offer to join the Engineers Union and they intend to create their own union. While 18 CEWU staff were laid off another 13 staff were offered employment with the Engineers Union.

The dispute between the air traffic controllers and the Airways Corporation received extensive media attention when the break-down in negotiations led first to a three-day strike and then to a four-day strike. Despite some movement, there was a considerable gap between the two parties' positions. The Airways Corporation offered a three percent pay rise (up from two percent), a 3.25 percent bonus and a special \$3,000 bonus for controllers of international air space in Auckland. Air traffic controllers demanded a nine percent pay rise over 18 months (down from first 16 percent and then 12 percent). The strike delayed several international flights and many domestic flights were cancelled or delayed. Besides the inconvenience to travellers and business, there were considerations for air safety with the International Civil Aviation Organisation voicing its concern. Negotiations were still at an impasse shortly before Christmas.

Auckland City Council offered its staff a 3.5 percent pay rise but only if they signed individual employment contracts. In order to obtain a collective employment contract the staff and their union, the Public Service Association (PSA), staged stopwork meetings, brief telephone-answering bans and the library staff went on strike for a day.

Figures from Statistics New Zealand show a 2.1 percent drop in employees' buying power in the year to September 1995 with after-tax wages growing 1.4 percent on average, against a 3.5 percent increase in consumer prices.

A study of family-friendly workplaces in the project *Work and Family Directions* by the Department of Women's Affairs found that employers are slowly improving this aspect of

their staff management. Employers tended to focus on cost implications rather than positive benefits and the project found that most family-friendly initiatives were amongst the lower cost options available. Nevertheless, the project report mentioned a number of initiatives which had contributed to better outcomes. For example, Westpac improved its link with staff on parental leave and the bank expected to save on average \$37,000 in recruitment cost every time an experienced employee returns from parental leave.

Two of the major banks - National Bank and Westpac - settled their collective employment contracts. National Bank offered a three percent pay increase. The pay offer was accepted by a slim margin but a number of staff in Auckland, Waikato and Wellington staged a one-day strike in protest of the pay offer, work pressure and under-staffing. Westpac staff achieved an overall 4.4 percent pay rise though increases will vary from zero percent to 10 percent according to new performance criteria. The contract included a greater span of working hours at ordinary-time pay rates but existing staff cannot have their hours changed without their agreement. FinSec had claimed that the six weeks paid parental leave offered in Australia by Westpac should also be offered to New Zealand staff but this was rejected by the bank.

Manukau City Council Staff accepted a new 18-month collective employment contract which provided a two percent general wage rise. The contract dispensed with the previous inflation indexed wage formula which triggered a 4.6 percent pay rise in mid-1995 and instead a skill-based pay system will be introduced during the contract term. The skill-based pay element set the contract apart from the focus on performance pay systems by other local bodies. The quick and peaceful conclusion of negotiations was also different as negotiations have been acrimonious at some local bodies in the Auckland area who have pursued individual employment contracts.

A sharp rise in accident compensation levies, averaging around 20 percent but in some cases being up to 45 percent, caused an outcry amongst employers, employer groups and politicians. According to the *New Zealand Herald*, the chief executive of the Employers Federation, Steve Marshall, was joined by other employer groups in calling for private sector providers being allowed to compete. Besides levy increases for employers, employees faced a rise from 60 cents to 70 cents for every \$100 earned which constituted, as some unions pointed out, another increase in taxation of workers' incomes. The Minister for Accident Rehabilitation and Compensation Insurance, Mr Doug Kidd said that the new legislation would focus on stricter work tests for people with less than 15 percent impairment. There would also be an increase in the weekly independence allowance from \$40 to \$60.

The negotiations between the secondary teachers' union, PPTA, and the State Services Commission resumed but quickly collapsed as the PPTA found the offer of a two percent general pay increase insultingly low. The State Services Commission also offered another one percent in the form of a money pool for merit pay or recruitment purposes. PPTA pointed to recruitment and retention problems in its rejection of the offer and mentioned the possibility of further strike action. A survey of secondary teachers conducted by Massey University found that over 60 percent of secondary teachers would leave their profession if they had a choice. Several schools agreeing to bulk funding of teachers' salaries experienced strike actions. According to the *Dominion*, less than four percent of schools have chosen the bulk funding option.

The Court of Appeal reduced the wrongful dismissal award to the former chairman of advertising agency Ogilvy and Mather, Mr Martyn Turner from \$547,421 to \$300,000. The reduction was mainly associated with a shorter termination settlement and whether a bonus payment was owed to Mr Turner. However, the Court of Appeal agreed with the significant damage awarded for humiliation and injury to feeling in view of some of the actions of the advertising agency.

Service workers at Hawkes Bay hospitals started strike action against their employer, the cleaning firm Tempo. The company had reneged on a commitment to apply national standards to local pay talks, according to the Service Workers Union. Tempo issued a lockout notice but withdrew it while the union called off one of the planned one-day strikes. Further strike action could become nationwide as 100 Tempo workers in Auckland voted in favour of strike action in January if the dispute at Hawkes Bay hospitals was not settled.

The National Distribution Union negotiated a collective employment contract for its members at the supermarket chain Foodtown. The contract lifted average adult pay rates by four percent while some youth workers would get increases of up to 14 percent.

The possible shortage of primary teachers in 1996 led to a recruitment campaign in Britain and Australia. This included one hundred special two-year teacher working permits and an extra \$3,000 relocation allowance for British teachers. Additionally, fast track teacher training will resume in 1997 when the government will fund up to 250 full-time teacher trainees for one-year courses. This is partly a response to the current shortage of teachers and partly a pre-emptive move as primary school rolls are expected to grow over the next 10 years. Several principals, the Council for Teacher Education and the Auckland College of Education voiced their concerns over quality when compressing teacher training into one-year courses. On a separate issue, the Primary School Principals Federation attacked special education funding (cut drastically for the first half of 1996) and threatened to impose an enrolment ban for children with special needs if the Ministry of Education did not increase the funding.

January 1996

The dispute between the air traffic controllers and the Airways Corporation continued with a meeting of air traffic controllers discussing the latest offer from the Airways Corporation. Controllers were unhappy about the suggested pay for performance proposal while a discussion of whether a third strike would go ahead was postponed. This could be a long dispute as the gap between the parties is substantial and the employer is prepared for a long dispute. Documents lodged at the Employment Court showed that the Airways Corporation had already prepared a contingency plan in July 1995 after the union had indicated that air traffic controllers would be looking for a considerable pay rise because of increased workloads and the corporation's large profits. The Civil Aviation Authority was still investigating 14 incidents during the December strike. In a separate dispute, 1,200 passengers experienced long delays because of strike action by Qantas' international flight attendants.

Much media attention was on the employment situation of professional rugby players as the Rugby Football Union adjusted to a new professional era. The media reported a move

towards a union for professional rugby players, amazement over the salaries paid to star players, a financial loss for the Rugby Union, and that the Accident Compensation Corporation (ACC) appointed a full-time manager to deal with injury compensation claims from professional rugby players.

A chartered Russian fishing boat was stranded in Lyttelton harbour because the crew went on strike. The crew was paid below the New Zealand minimum wage and had not received any pay since November. A dozen Indonesian crewmen left a Korean fishing boat in Wellington because of ill treatment. The publicity about foreign crew being paid low wages prompted National MP Nick Smith to propose that statutory minimum employment conditions should cover foreign workers on fishing boats in New Zealand waters. We would also limit the employment of foreign workers rather than New Zealanders. It was questioned whether the minimum conditions stipulated by the Employment Contracts Act would apply to fishing crew as many were employed under arrangements similar to contractors.

A memo sent in December to senior Telecom staff from the human resources manager stressed that Telecom was interested in dealing directly with its staff and wished to avoid dealing with the Engineers Union as it was a bargaining agent with a different agenda from Telecom. According to the *Dominion*, the memo stated Telecom's preference for individual employment contracts and that the company would continue its refusal to deduct union dues from wages. The reinforcement of Telecom's union substitution tactics came at a time when the Engineers Union started recruiting many of the former members of the defunct Communication and Energy Workers Union (CEWU).

There was a political uproar when it was revealed that staff at the Children and Young Persons Service had received around \$6.1 million in bonuses during this financial year. Managerial staff had been given bonuses of several thousand dollars each. The performance-related bonuses were part of a new remuneration package which aimed to increase performance and overcome retention problems. The revelation about bonuses coincided with further staff cuts being announced.

The impending opening of Auckland's Harrah's Sky City Casino was preceded by a major recruitment drive. As casino staff will handle large amounts of cash they are required to be approved by the Internal Affairs Department and 1,150 job seekers obtained departmental approval.

Following the public row over its drug testing proposal (see August 1995 *Chronicle*), Auckland power company Mercury Energy altered its policy. The new drug testing policy allows employees the right to refuse testing. This made the Public Service Association (PSA) and the Engineers Union withdraw their applications for an injunction against the drug testing programme.

Another row brewed in the fire service as the employer started a campaign to recruit 260 frontline staff. Instead of advertising for firefighters the employer was looking for community safety personnel - what the union called "cut-price" firefighters - though their jobs would include firefighting duties. The search for new staff coincided with the fire service offering generous redundancy packages to around 200 experienced firefighters.

The Post Primary Teachers Association (PPTA) appeared before the Parliament's regulations review select committee to ask the committee to override the changes to staffing regulations gazetted last month which abolished the positions of about 800 specialist manual teachers. The union's advisor Sir Geoffrey Palmer pointed out that the staffing orders eliminated a whole group of teachers without consultation and left them without redress. The union had also filed two cases at the Employment Court. During the appearance at the select committee, staff from the Education Ministry suggested that the Crown could consider a move towards bulk-funding in order to limit its financial liability if the staffing regulations were overturned.

A six-monthly staff survey by the State Services Commission found a sharp jump in staff turnover rates amongst public sector staff. Turnover increased from 17.8 percent in the year to June 1994 to 21.4 percent in the year to July 1995. The turnover rate indicated severe problems with pay levels and career possibilities, according to the Public Service Association. For example, the Court's department staff, who had not received a base rate pay increase since 1990, were told before their pay negotiations that they would have to make any pay rises "fiscally neutral", according to the *Dominion*.

The debate over the teacher shortage in primary schools continued. Principals worried that the 130 teachers recruited overseas would be inadequate to cover vacancies while the Ministry of Education and the Minister Lockwood Smith expected that relief teachers would cover most of the vacancies. It was agreed, though, that rural schools would have difficulty in covering their teaching commitments.

February 1996

The collective employment contracts database at the Department of Labour found a substantial spread in minimum average adult wages, ranging from \$481 for miners to \$309 for agricultural workers. The databases also showed annual base rates movement increasing from 1.1 percent in the second quarter of 1992 to 2.5 percent in the third quarter of 1995. Unions still represented most workers (around 84 percent) in the surveyed contracts while non-union bargaining agents covered another seven percent.

Following attacks from the Australian Labour Party, Prime Minister Jim Bolger defended the low real wage growth in the 1990s. Mr Bolger said that the 0.1 percent average real wage growth between March 1990 and March 1995 had to be seen in the context of the disastrous economic position of the country when the Government took office. It was also stressed that New Zealand had experienced a very strong growth in employment.

The Public Service Association (PSA) predicted industrial turmoil as large government departments started to re-negotiate their collective contracts. Most employees had not received a general pay rise for several years but employers were faced with funding restraints. Employees at the Department of Survey and Land Information started low level industrial action, such as work-to-rule, boycotting the use of telephones and fax machines, and non co-operation with the department's restructuring. These types of industrial actions became a full-blown walk-out when two employees were suspended for their work-to-rule approach. Employees returned to work when the suspension of the employees was lifted.

The secondary teachers' pay negotiations resumed but with little progress. Following a membership ballot, further strike action was announced for March and additional industrial actions for the coming months were canvassed at membership meetings. This led to various ministers, including the Prime Minister, attacking the union for its bargaining position. However, the union pointed to increased workloads, higher staff turnover and predictions of severe teacher shortages. Provisional figures from the Ministry of Education showed staff turnover of 14 percent (1,900 secondary teachers leaving) in 1995. Education Minister Lockwood Smith decided to establish a working party to investigate the increase in workload but he insisted that this was an issue separate from the pay negotiations.

While the immediate teacher shortage crisis was tackled by importing overseas teachers and employing relief teachers, the number of teaching vacancies rose. According to a survey by the Ministry of Education, there were 561 teaching vacancies, 51 more than expected by principals in a previous survey late last year. The Ministry announced a \$833,000 financial incentive package to increase teachers' willingness to relocate to schools where vacancies were hard to fill.

Talks between air traffic controllers and the Airways Corporation collapsed when the Corporation refused to discuss a counter-offer. The Corporation said that its December offer was final and the union was given to 26 February to accept the offer. Instead the union gave notice of a six-week refusal to work overtime and to accept recalls. This prompted the Corporation to seek workplace contracts instead of a national employment contract.

Service workers employed by the contracting firm Tempo in Wellington were warned of possible cuts to allowances or redundancies. Tempo workers held a strike at Hawkes Bay hospitals in December (see December *Chronicle*). Tempo re-opened negotiations about a new national employment contract when its Auckland employees served notice of a three-day strike. While the proposal would abolish regional variations it contained no general lift in pay rates because of the company making losses on its contracts with crown health enterprises.

The insurance company Commercial Union introduced the first financial sector collective employment contract spanning the Tasman. The enterprise agreement, ratified by the Australian Industrial Relations Commission, covered Commercial Union staff in New Zealand. This included an extra 17 percent loading on holiday pay, and improved leave and long-service entitlements. While financial sector union, Finsec, promoted the contract as a possible trend-setter, it covered only 17 workers as Commercial Union had sold most of its New Zealand operation to Sun Alliance.

The results of a recent survey, commissioned by the New Zealand Employers Federation, showed greater approval of the Employment Contracts Act. Of the 1,000 people surveyed by market research company MRL, 41 percent approved of the Act, 24 percent disapproved, 31 percent were neutral and four percent had no opinion. The survey found that 56 percent wanted direct negotiations between employer and employee to continue and 19 percent wanted to move away from enterprise-based bargaining. The survey results were discounted by union leaders as the inclusion of managers made it a biased sample.

A number of firms received substantial fines under the occupational health and safety legislation. For example, Tasman Pulp and Paper was fined \$45,000 for an employee having

his foot mutilated in a spike roll conveyer, Ansett NZ Air Freight was fined \$60,000 for an accident in which an employee had one leg crushed by an aircraft loader, and Pacific Steel was fined \$10,000 for an employee being struck by a falling fan from an electric crane motor. In all three cases, some of the fines were awarded to the injured employee. This led to claims that lump-sum compensation was returning under the current legislation.

The Service Workers Union and the State Services Commission negotiated a two-stage pay deal for school cleaners and caretakers. A 2.5 percent pay rise in April will be followed by another two percent next year. The settlement still had to be ratified by union members.

Several major employer organisations, including New Zealand Employers Federation, Business Roundtable, Manufacturers Federation and Federated Farmers, launched their Campaign for Choice in Accident Compensation. This was prompted by the recent large hike in accident compensation levies (see December 1995 *Chronicle*). The campaign aimed at converting the Accident Compensation Corporation into a commercial insurance company competing with private insurers and then subsequently ACC could be privatised. The Minister for Accident Rehabilitation and Compensation Insurance, Mr Doug Kidd, ruled out the employers' campaign and suggested employers make their workplaces safer in order to reduce levies.

A threatened strike amongst rugby referees was called off. The referees had severe misgivings about their pay offer which included a \$15,000 signing on fee and a fee of \$1,500 for each match. Considering the current turmoil surrounding the new rugby Super 12 games, the referees found a boycott undesirable.

The long-standing strike on a Russian trawler (see January *Chronicle*) was solved when the crew were paid their outstanding wages. The crew had not been paid since November and their employment contract had expired. After a new contract was negotiated the trawler finally left Lyttelton.

The dispute over provision of meals between Tranz Rail and the staff on the fast ferry, the Lynx, was decided by the Employment Court. The Court ruled that the staff were entitled to free meals during their 18-hour shift. This overturned an earlier decision by the Maritime Safety Authority which ruled that Tranz Rail should provide meals but not for free. The dispute resulted in several delays as the crew took unscheduled meal breaks.

Former and current staff at the Yellow Bus Company in Auckland asserted in the Employment Court that their contracts, reaching back three years, should be set aside as harsh and oppressive. The Court considered the applications from five drivers and one mechanic representing around 160 staff. Staff alleged that they were deceived and coerced into accepting reductions in terms and conditions. The company defended the cuts by its financially exposed position - surviving without subsidies - and that drivers were still relatively well paid.