

CHRONICLE

July 1996

The eight-month long secondary school teachers' dispute reached a critical phase and the dispute dominated media news. While a ballot amongst secondary school teachers rejected the latest pay offer from the government (see June *Chronicle*) it recommended that their union, the PPTA, should restart pay negotiations with the State Services Commission. These talks led to another pay offer which involved an overall 12 percent rise in the wage bill and an average \$5,000 for each teacher. It also increased the top salary step to \$47,000 with an ability to add one or two more merit units of \$2,000. The PPTA denounced the offer as inadequate to retain senior teachers and further strike actions were announced. However, strike actions were subsequently suspended as the PPTA came under heavy pressure to seek either further negotiations or another membership ballot. Although the government presented its offer of around \$73 million as "final", negotiations restarted at the end of the month. The sticking point was the PPTA seeking a higher base salary for senior teachers of \$47,800 (compared to the offered \$47,000) and more generous merit payments.

There were settlements amongst other teaching staff. Tutors at polytechnics accepted a 34-month collective employment contract which increased salaries by five percent (plus a \$800 lump sum payment) this year and with two more increases of three percent in 1997 and two percent in 1998. However, tutors at the Auckland Institute of Technology (AIT) rejected the pay offer. AIT tutors were canvassed on options for industrial action at the same time as students started to apply for course reassessments following earlier strike actions. School support staff working in special education settled a two-year collective employment contract and received pay rises ranging from 3.1 percent to 5.7 percent. After eight months of negotiations and threats of strike action (see July *Chronicle*), talks between the kindergarten teachers and the government produced a new funding proposal. Kindergarten teachers were offered the choice between two pay deals - either a 2.5 percent increase or a 12.5 percent pay increase. However, the latter offer was based on working longer hours on the same hourly rate.

Telecom experienced further rounds of industrial action (see June *Chronicle*). Telecom workers held stopwork meetings during the annual shareholder meeting and later in the month nearly 1,000 staff staged a one-day strike. These actions were in addition to the overtime ban implemented by members of the Engineering, Printing and Manufacturing Union. The industrial actions delayed the repair of faults with a national backlog of over 7,000 faults.

A new 15-month collective employment contract at the police provided staff with a 2.2 percent pay increase and a \$500 lump sum payment. The settlement coincided with a report showing a

strong rise in staff turnover amongst police staff. Staff at the commercial affairs division of the Ministry of Commerce agreed to a 17-month collective employment contract with pay increases ranging from 6.6 percent to 10.1 percent (equivalent to annual pay rises of 4.6 percent to 7.1 percent) plus a lump sum payment of \$350. Staff at the Ministry of Agriculture concluded a 15-month collective employment contract with a three percent pay increase and a \$650 lump sum payment.

While a number of public sector settlements were concluded there were still some ongoing disputes. Around 800 staff, belonging to the Public Service Association (PSA), staged a one-day strike to obtain a better pay offer from the Community Corrections Department. The Department had offered a base salary increase of \$1,000. Talks resumed at the end of the month. Staff at the Ministry of Housing also staged a one-day strike. Junior doctors at Dunedin and Wakari hospitals started a week-long strike over pay, retention and training problems. The strike action ended after two days when Healthcare Otago improved on its original offer. The two long-running disputes involving firefighters and air traffic controllers prompted further discontent. There were various forms of protests as professional firefighters were replaced by so-called community safety teams at 15 stations. Air traffic controllers prepared for another round of strikes as negotiations with the Airways Corporation failed to make much progress. At the same time, there were persistent media reports of over-work and increased sick leave amongst air traffic controllers and of difficulty in securing sufficient manning of control towers.

Union membership fell by more than 10,000 in the year to December 1995, according to database figures from the Industrial Relations Centre at the Victoria University of Wellington. The database identified 82 unions with around 362,000 members. Trade unions have lost at least 38 percent of their members since the enactment of the Employment Contracts Act.

The second national Workplace Reform Conference in Rotorua, organised by Workplace New Zealand, was a huge success according to overseas participants and media reports. The conference had 700 participants and it was sold out three months in advance. Several major New Zealand organisations had whole teams of staff and managers at the conference. The conference was mainly attended by organisations from the manufacturing and the public sectors with few service organisations being present. The conference focussed on a new style of employment relations that balanced the demands of various stakeholders such as investors, employees, suppliers and customers. This also involved innovative pay systems, changes to job design and consultative mechanisms.

A Court of Appeal ruling overturned a previous Employment Court decision by allowing casual and temporary workers to be paid holiday pay as part of their weekly wages. The particular case involved a casual worker employed through an employment agency. The worker had agreed in the employment contract to have the holiday pay incorporated into the hourly rate. The decision in favour of so-called "pay as you go" schemes was condemned by unions as a step towards the holiday pay becoming a part of the hourly rate. However, it was welcomed by the Employers Federation as a practical arrangement for casual employees consenting to this payment method.

Two Employment Tribunal cases sent a warning to employees who left their jobs without proper notice. In two separate cases, the Employment Tribunal fined the employees penalties of \$500 each (the maximum penalty is \$2,000). In one of the cases, the employee was fined despite the absence of any written employment contract after more than two years employment with the company.

The number of cases at the Employment Tribunal continued to rise in the 1995 year, according to figures released by the Labour Party. The number of cases had increased by 65 percent compared to 1992 (the first full year of operation of the Tribunal).

The ANZ Bank was fined \$30,000 in a case of Occupational Overuse Syndrome (OOS) which involved three workers. The ANZ Bank pleaded guilty to nine charges - three charges for each of the workers - for failing to ensure employee safety, to identify safety and health hazards, and to adequately train staff. While the bank had safety and health procedures in place to avoid occupational overuse syndrome for keyboard workers, the three staff involved in the OOS case were senior bank officers who used keyboards sporadically. The bank had failed to identify the risks for this type of staff and it intended to revise its health and safety policy to ensure the prevention of similar cases.

The economic slowdown led to a rise of 4,653 in the number of registered unemployed during June. Restructuring led to job losses at Progressive Enterprises, Air New Zealand, Bluebird, National Insurance, Kiwi Packaging and at the national headquarters of the Police. Additionally, Wellington Council and Hamilton City Council decided on further outsourcing of jobs. On the other hand, the defence force was to spend an extra \$2.3 million in pay incentives in order to reduce staff turnover. The Navy offered around 200 of its staff extra lump sum incentive payments and it advertised for recently retired personnel to return to service. Finally, the Air Force offered a \$45,000 bonus to a quarter of its pilots and navigators to stay for an extra two years beyond the expiry of their eight-year contracts.

There was considerable debate when it was revealed that an employer had explicitly banned toilet visits outside scheduled breaks in the company's individual employment contracts. While it was clear that toilet visit rights were not stipulated in the statutory minimum employment conditions, such a clause may be challenged as being "harsh and oppressive".

August 1996

The long-running negotiations between the government and secondary school teachers came to an end when the government increased its total offer from \$73 million to \$80 million. The secondary school teachers union, the PPTA, recommended an offer which will result in pay rises averaging 12 percent or around \$5,000. The salary scale will range from \$29,000 to \$47,100. The top step to the basic scale increased by only \$100 compared to Government's "final" offer in July (see p.328). There will be additional merit payments available to further raise the

earnings of teachers at the top of the pay scale. In fact, the pay deal will expand the merit pay system considerably with each school having merit units allocated in proportion to its school roll. The PPTA had previously been reluctant to advance such an approach.

Before the settlement, a virtual war of words had raged between the parties. The government had stressed the generosity of the offer compared to other public sector settlements while the PPTA had pointed to recruitment and retention problems. The teachers also voted on whether to suspend the weekend supervision of sporting events. The government appeared to be under pressure from the upcoming October election and frequent media reports of teacher shortages. A meeting of secondary school principals expressed growing concern about teacher shortages. Auckland schools started to recruit Canadian trainee teachers to counter staff shortages. After a private member's bill, Parliament re-introduced teacher registration from 1 January 1997.

Negotiations restarted between Telecom and the Engineering, Printing and Manufacturing Union when the union lifted the ban on overtime. Telecom had experienced a long backlog of fault repairs during the overtime ban. During the dispute, some Telecom managers had embarrassed the company by offering their staff pay rises if they left the union. Such tactics clearly breached the Employment Contracts Act and Telecom was forced to apologise to the union. Around 900 workers went on strike in the South Island though it was the overtime ban in the North Island that apparently caused most disruption to Telecom services.

The upcoming October election prompted employers' organisations and unions to donate considerable funds to advertisement campaigns. The Employers Federation launched an extensive campaign in favour of keeping the Employment Contracts Act unchanged. The campaign was rumoured to cost more than \$1 million though this was denied by the Federation. The unions campaigned for comprehensive changes to the bargaining framework though they spent considerably less on their campaign than the employers, according to media estimates. A further item in the election campaign was the focus - particularly from NZ First - on political appointments in public and semi-public organisations.

The health sector experienced another month of industrial disputes. Junior doctors in Hawkes Bay rejected the employers' two percent pay offer - later raised to 2.25 percent - and went on strike to secure a six percent pay rise. Nurses working for the financially strapped Plunket Society announced strike action after they had dismissed the employers' offer of a one percent pay increase. Even this modest pay rise was expected to lead to job losses because of stagnant funding of the Plunket service. Nurses employed by Health Waikato rejected a three percent pay offer and they were planning strike action in September. The negotiations were conducted after Health Waikato had decided to employ more nurses in light of media reports of inadequate staffing at several wards. After an internal audit, Health Waikato announced improved annual leave and rostering to improve staff retention and it would develop a comprehensive recruitment programme for nurses. Hawkes Bay junior doctors returned to work after 11 days of strike action. An increased offer from Healthcare Hawkes Bay was rejected by the doctors but they returned to work during the subsequent negotiations.

Auckland's Yellow Bus Company lost a benchmark case at the Employment Court (see March *Chronicle*). The Yellow Bus Company used the Employment Contracts Act and the threat of partial lockouts as a means to reduce pay and conditions for bus drivers in 1992. The Court ruled that the company had treated the workers harshly and oppressively and the company had deliberately undermined the authority of the bargaining agent. However, the Court found that the employment contracts were not harsh and oppressive. The four bus drivers taking the case on behalf of around 150 other drivers were awarded between \$2,179 and \$6,810 plus interest to compensate for lost earnings. The Yellow Bus Company pointed out that partial lockouts were considered in accordance with employment law in 1992 and it disagreed with the retrospective interpretation. The company would consider appealing the decision.

The industrial dispute at prisons continued despite members of the Public Service Association (PSA) accepting a 17-month collective employment contract (see p.329). The contract increased pay rates with \$1,250. Another union, the Prison Officers Association, recommended to its members to implement a night work ban as a response to the Department of Corrections' plans to recruit casual workers for outside escort duties. As the pay negotiations with the Department broke down, the union announced the night work ban to be effective from 30 August. The Department announced contingency plans which would involve defence personnel taking over guard duties.

The Children and Young Persons Service became embroiled in a public debate over the use of nearly \$9 million on staff training. The debate started when a report from the accountancy firm Coopers and Lybrand raised doubts about the accountability of the spending of these training funds. The Service denied that the money was unaccounted for. The Service also denied an allegation that the training costs had covered just 100 staff as it maintained that the most staff had benefited from the training expenditure.

The Court of Appeal supported the demand for minimum employment conditions from a group of Wanganui home-care workers employed by Good Health Wanganui. The Court of Appeal decision reversed an earlier Employment Court decision. That decision categorised the women as contractors and outside the definition of homeworkers in the Employment Contracts Act. They were therefore not entitled to the statutory minimum employee rights. The case was prompted by new contracts implemented by Good Health Wanganui with hourly pay rates as low as \$3 and without sick pay entitlements. The Court of Appeal directed the Employment Court to consider an adjustment to the workers' hourly pay and the workers' claim of duress. Following the decision, the Service Workers Union called for a review of the terms and conditions of other home-care workers.

The long-running dispute between air traffic controllers and the Airways Corporation continued with a 23-hour strike and lockout planned on 9 September. The controllers' union, the Airline Pilots Association, announced a three-hour strike action and the Airways Corporation responded by a lockout notice for the following 20 hours. Despite the Corporation's contingency plans most airlines expected delays and cancellation of flights. The dispute caused more media reports

of the impacts of staff shortages amongst air traffic controllers. According to the *New Zealand Herald*, a Boeing 737 arriving early at Dunedin Airport had to abort a landing attempt because the landing tower was unmanned.

The airlines had further difficulties with Air New Zealand engineers implementing an overtime ban and with Kiwi International Airline having financial difficulties. Kiwi Air announced that at least one-third of staff would be made redundant in September.

Price Waterhouse superannuation consultant, Mr Boyd Klap, suggested at the annual conference of the Association of Superannuation Funds that the state pension age should be further increased beyond the government's current plans. The government's decision to lift in stages the eligible age for receiving the state pension to 65 by the year 2001 would probably be inadequate in light of the ageing population. Mr Klap pointed to a retirement age of 67 years in Scandinavia and even suggested that the state pension age should be raised to 72 years by year 2021.

The Accident Compensation Corporation announced new testing procedures to ascertain the work ability of compensation claimants. The aim was to reduce the number of people drawing long-term earnings-related compensation. The new procedures were passed by Parliament and they were scheduled to be implemented by mid-1997. While around 30,000 people received earnings-related compensation the Corporation estimated that around 7,000 claimants would be targeted initially. The so-called "work-capacity" tests were highly controversial and caused several media reports about the difficulties faced by some ACC claimants.

Employment prospects dimmed with several large organisations announcing wide-scale changes. The BHP New Zealand Steel plant at Glenbrook hinted at large-scale redundancies and possibly even closure of the plant if BHP was unwilling to invest in new facilities. The closure of the Cedenco tomato plant in Gisborne was announced. Considerations such as climate, market opportunities and government incentives were mentioned as factors prompting a move to Australia. The sales of Forestry Corporation and Work Corporation also raised fears of negative job implications.

The national executive of the Distribution Union voted to disaffiliate from the Council of Trade Unions (CTU). The move was prompted by the CTU's lack of industrial militancy, according to the national executive. The disaffiliation will have to be ratified through a ballot of the Distribution Union's nearly 20,000 members.

A survey of 300 workers, conducted by the 12 Weeks Paid Parental Leave Campaign organisation, found that many workers were unaware of their statutory parental leave rights. The survey also found that income considerations prevented many low-paid workers from using fully the available unpaid leave entitlement. Many men were unaware of their entitlement to parental leave.

September 1996

The secondary school teachers' dispute was finally over when the settlement between the State Services Commission and the teachers' union, PPTA, was ratified in meetings throughout the country. Over 90 percent of the 10,000 teachers participating in the meetings voted in favour of the settlement.

The dispute involving tutors at polytechnics was also ended when tutors at Auckland Institute of Technology (AIT) agreed to the employers' improved offer. The settlement was more generous than the one for other polytechnics (see p.328) as it included a seven percent pay increase and a lump sum payment of \$1,000. According to the *New Zealand Herald*, this will give AIT tutors at the top of the pay scale parity with secondary school teachers and it will align the pay scale with the basic pay scale of teachers at the University of Auckland.

Employment relations featured often in the political parties' campaigns before the first MMP general election on 12 October. The parties' position on the Employment Contracts Act was a key focus though promises regarding taxation, social welfare, health and education also impinged on employment relations. Interestingly, the National Party signalled a softer stance towards amending the Employment Contracts Act when Prime Minister Jim Bolger acknowledged that the National Party would be willing to consider changes to the Employment Contracts Act as part of negotiations to form a coalition government. A possible rewrite of the Holiday Act was also mentioned. In a speech in Sydney, Finance Minister Bill Birch appeared to join the employer attack on the Employment Court when he said that it might be necessary to revisit the decision to have a specialist employment court. However, Mr Birch stressed that the government had no immediate plans to alter the original decision favouring specialist institutions.

The Business Roundtable and the Employers Federation continued its attack on the Employment Court. A report prepared for the organisations by American Professor Charles Baird found that the Court decisions may impose negative employment consequences. It appeared that the ability to dismiss employees at will was the logical end-point for Professor Baird when he, according to the *National Business Review*, said: "At-will or on-notice contracts should not be prescribed or legislatively favoured, but nor should they be outlawed."

The employer attacks on the Employment Court were rebutted by the Chief Justice, Sir Thomas Eichelbaum, when he criticised "well-heeled sectors of the community" for trying to pressurise the government and the Judiciary into accepting a particular justice system. The straightforward criticism of the approach of the Business Roundtable and the Employers Federation prompted predictable responses from these organisations but it also raised the question to what degree and in which way the Judiciary can participate in public debate.

The Yellow Bus Company decided to appeal the decision against it by the Employment Court (see p.332). The Court found that the company had acted in a harsh and oppressive manner and

this opened up for significant pay outs to the involved bus drivers. Any settlement will now have to await the outcome of the Court of Appeal case which is expected to take place early in 1997.

The air traffic controllers' dispute continued with the controllers conducting two one-day strikes. The strikes caused mass cancellation of flights and nearly 10,000 passengers experienced delays. The Airways Corporation and the Airline Pilots Association negotiated intensely both before and after the strikes. The Airways Corporation appeared under some pressure from the airlines as the Civil Aviation Authority had instituted tighter flight restrictions for this month's strikes than during previous strikes.

Air New Zealand ground staff gave notice of strike action from 9 October when their negotiations broke down. A key issue was whether the current collective employment contracts should be split into several separate contracts. The financial collapse of Kiwi International Airline, Hamilton stranded around 3,000 passengers and 259 jobs were lost at the airline.

The prison dispute intensified when prison officers were suspended for refusing to work night shifts. The dispute involved picket lines, suspension of officers associated with the Penal Officers Association, the use of an Employment Tribunal mediator, and military staff drafted in to cover for the prison officers. The prison officers returned to work as the Department appeared to have dropped plans for using more casual workers. While the dispute was prompted by the Corrections Department's wish to hire casual staff on inferior conditions to those specified in the expired collective employment contract it also highlighted the split amongst the staff. The staff are organised by two unions - the Penal Officers Association and the Public Service Association (PSA). The members of the PSA settled their collective employment contract in August (see p.332). During the dispute, the Corrections Department wrote to PSA members to stress that the performance of normal duties under the dispute was stipulated by their collective employment contract.

Wellington lawyers Cheryl Gwyn and Stephanie Dyhrberg from Russell McVeagh McKenzie Bartlett and Company predicted in the *National Business Review* that strikes and lockouts were set to increase. They pointed to new types of strike actions - for example, in the secondary school teachers' dispute - and they argued that the increase in strikes was associated with the attempt by employees to force employers back to the negotiating table. While their argument mirrored the upsurge in strike activity in 1996 it contrasted with recent figures from Statistics New Zealand that found the May 1996 year to have the lowest number of days lost to industrial disputes for 38 years. The figures also showed that industrial disputes had involved fewer days lost in the 1992-1995 period, compared to previous years.

Around 5,000 school support staff agreed to a 22-month collective employment contract. The school support staff received a three percent pay increase with another three percent pay rise in twelve months time. The contract also included four percent increases for physiotherapists and occupational therapists since these occupational groups had experienced recruitment problems.

The debate over training funds used at the Children and Young Persons Service continued (see p.332). The consultants' report, which started the debate, was leaked to the *Dominion*. It revealed that millions of dollars had been spent on hiring temporary staff instead of upgrading the competencies of existing staff.

The negotiations at Telecom hit another problem when Telecom hinted at plans to restructure the employment contract of their technical staff. The contract "adjustment" would abolish a long list of allowances, and reduce overtime and standby rates and instead improve basic pay rates. However, the Engineering, Printing and Manufacturing Union claimed that it would lead to significant cuts in total pay for most workers and a Telecom spokesman acknowledged that people with high earnings would face substantial reductions.

Nearly 800 retired Telecom employees filed a lawsuit against the company to obtain a two-third discount on line rentals and half-price national toll calls. Prior to 1991, the entitlements could be obtained after 40 years' service with Telecom and the Post Office. However, Telecom cancelled the concessions after its privatisation.

Junior doctors at hospitals in Wellington, the Hutt and Wairarapa gave notice of a seven-day strike. The dispute was over pay, working time and rostering. According to the junior doctors, inadequate staffing compromised patient safety as doctors worked extremely long hours which contravened the prescribed 16-hour shift in their collective employment contract.

Kindergarten teachers increased pressure on the government by staging another one-day national strike. The strike was followed by the announcement of another one-day strike in October. Auckland kindergarten teachers, with a different collective employment contract, staged a separate one-day strike. The government had made an \$8 million increase in salary funding conditional upon teachers working a further 40 teaching sessions a year. Likewise, Auckland teachers were offered an average pay increase of nine percent and an extra week's leave if they worked the extra 40 sessions. Besides the strike actions, the government was under pressure with staff turnover reaching epidemic levels - around 45 percent nationally and nearly 60 percent in the Auckland region.

Several small unions at New Zealand Post staged strikes and protest actions in order to obtain collective employment contracts. The main issues were the level of the pay increase and the exclusive union rights given to the Engineering, Printing and Manufacturing Union by New Zealand Post. Thus, the disputes were partly a follow-on from the demise of the Communication and Energy Workers Union (CEWU) in December 1995 (see *Chronicle* December 1995). The Postal Workers Union took New Zealand Post to the Employment Court in an attempt to counter the exclusive rights offered to the Engineering Union.

Registered unemployment increased by 2.5 percent in the year to August 1996. The biscuit manufacturer Arnotts announced that 300 jobs would go as it transferred its production to Australia. This added to the gloomy employment scenario in South Auckland where Bluebird

Foods announced job losses at their Manukau factory and where the Ford and Mazda plant will close next March. Finally, the employment prospects at the BHP-New Zealand Steel plant at Glenbrook appeared more and more uncertain. Economic editor Patricia Herbert blamed many of the job losses in manufacturing on the tight monetary policy in an article in the *New Zealand Herald*. The *Jobs Letter* predicted last month that New Zealand was on the edge of a significant surge in unemployment because of the major job cuts planned.

October 1996

The first MMP general election dominated news in October and most of the political parties had clear policy positions in the area of employment relations. However, the policies of New Zealand First were only specific regarding the level of the minimum wage and that party ended up holding the balance of power. Thus, changes to employment relations, if any, were still difficult to predict as coalition talks started.

There were varying positions taken by the unions in the aftermath of the election. Mr Mike Jackson, secretary of the National Distribution Union, had low expectations of any coalition deal. He anticipated that a repeal of the Employment Contracts Act was unlikely and predicted that an amendment to the Act would be the best obtainable result. This was rebutted by the secretary of the Council of Trade Unions, Ms Angela Foulkes, who thought that the Act blocked for a return to fair industrial relations.

Staff at the Department of Labour staged an impromptu strike action when some staff were suspended as they took low level industrial action such as taking breaks at the same time. The dispute was prompted by the Department's hard-nosed approach during negotiations of a new collective employment contract. The Department sought to cut salaries at the top of the pay scale, increase working hours and abolish the ability to accumulate sick leave. Staff sought a roll-over of conditions and an unspecified general pay rise. The Department resumed negotiations immediately after the strike but it was unclear whether this included an improved offer.

The ANZ Bank was hit by several strikes when contract negotiations between the bank and Finsec broke down. The bank's 3.5 percent offer was rejected in a membership ballot and several short-term strike actions led to closure of branches and delay of services. The bank's offer also involved better sick leave and training provisions, and a higher basic grade salary for new staff. However, Finsec maintained that the ANZ staff were paid less than other bank staff and staff wanted a six percent pay increase. The industrial actions were twice called off as negotiations resumed and then broke down.

The year-long dispute between air traffic controllers and the Airways Corporation appeared settled when the controllers' union, the Airline Pilots Association, accepted a 15-month collective employment contract. The contract is subject to ratification of the 300 involved controllers. The contract included a six percent pay increase and a lump sum payment of 2.5 percent of annual

salary. Another pay rise may be triggered next June subject to the rate of inflation. The controllers originally sought a double figure pay rise and their latest demand was for a 7.75 percent increase.

Kindergarten teachers announced another one-day strike but a last-minute settlement averted the strike action. The settlement involved a 5.5 percent pay increase and a lump sum payment ranging from \$1,500 to \$1,750. However, the pay increase will first take effect from 1 January 1997 and the collective employment contract will expire on 30 June 1997. The settlement also improved on maternity leave, redundancy and redeployment rights. A separate contract for senior teachers was agreed.

Academic staff at Waikato University announced the first strike in the history of the University. Their demand for improved conditions had been rejected because of the University's financial position. Academic staff staged a five-hour strike and general staff held a one-hour strike. The strikes led to cancelled lectures in the last week of term. Waikato Student Union had initially threatened to take legal action to secure students' rights though this was subsequently averted.

The negotiations at the Plunket Society were settled when staff voted by a 98 percent majority to accept a two percent pay increase and an improved redundancy entitlement. The settlement included a guarantee that no Plunket services would be closed prior to 31 March 1998 (see p.331).

A High Court decision sent another reminder to employers about the importance of occupational safety and health. The Court upheld a \$20,000 fine imposed on a fibreglass manufacturer for failing to take all practical steps to ensure the safety of the injured employee. Lawyers for the defendant objected to the fine being paid to the injured worker as it could put pressure to prosecute on the Labour Department from workers seeking compensation. The lawyers' argument referred to claims that lump sum compensation was returning under the current occupational safety and health legislation (see February *Chronicle*). However, the High Court awarded the full \$20,000 to be paid to the injured worker.

Junior doctors in the Wellington region staged a two-day strike after rejecting the collective employment contract offer from Capital Coast Health and Hutt Valley Health. The doctors found the two percent offer inadequate and they wanted urgent action on staffing levels and excessively long working hours. Negotiations subsequent to the strike action did not break the deadlock and the junior doctors announced a seven-day strike in November.

Staff shortages and staff turnover were still debated in the police and defence forces and amongst teachers. An attack on a Wanganui police officer on sole duty raised the issue of staff shortages. Around 600 officers had left the police over the last 18 months and the police had difficulty in replacing them. The October intake of police recruits had to be postponed to March 1997 since there were not enough suitable people to fill the intake of 60 recruits. This led to discussions as to whether the salary package was attractive enough to recruit and retain police officers.

Likewise, the defence force instituted several financial incentives to retain staff. The debate indicated major problems in the airforce and in the navy and it prompted Lieutenant-General Birks, the chief of defence staff, to ban staff from discussing the issue with the news media. Teachers shortages continued to hit media headlines as the campaign to recruit teachers started. The campaign offered various financial incentives such as relocation and training expenses being paid in order to attract teachers. At the same time, concerns were raised over the prospects of shortening the length of teacher training.

The costs and efficiencies of the specialist employment institutions were still debated. Deloitte Touche Tohmatsu's principal consultant Peter Macdonald called on Parliament to "revisit" the Employment Contracts Act to narrow the scope of legal interpretations of the Employment Court and the Court of Appeal. The Council of Trade Unions (CTU) pointed to the costs and inefficiencies associated with developing sufficient legal precedence. The CTU provided several examples designed to show up the slowness and expensiveness of seeking justice through the current institutional set-up. The examples indicated that the system favoured well-heeled sections of the community and it involved significant costs for the taxpayers.

The Employment Court dismissed a case against the Engineering, Printing and Manufacturing Union for poaching members from another union. The case was associated with a union organiser shifting from the Northern Amalgamated Workers Union to the Engineering Union. The organiser was accused of recruiting members for the Engineering Union while still working for the Northern Amalgamated Workers Union.

Erling Rasmussen