

INDUSTRIAL RELATIONS CHRONICLE

APRIL

Tripartite talks on wage policy involving government, employers and the Federation of Labour were scheduled for 24 April. Before then the quarterly price index figures became available, which showed an annual inflation rate of 18.3 percent. Both the Federation of Labour and the Combined State Unions demanded an immediate cost-of-living adjustment, and insisted on meeting the government before the wage policy talks. This meeting, with the Prime Minister, took place on 18 April. Government spokesmen claimed that wage rises had kept pace with inflation, and that a married worker with two children was better off in real terms than a year ago. According to the Federation of Labour submissions, however, "no amount of statistical magic can disguise the real experiences of working people who are reeling under wave after wave of price increases".

The Prime Minister promised to reply later. Meanwhile the wage policy talks took place. They were described as amicable and constructive; only broad issues were discussed, but the parties agreed to exchange papers and to meet again at a later date. On 28 April the government announced that it had declined to issue a general wage order, but it offered the Federation of Labour the choice of waiting for the price index figures for the June quarter before further talks, or of referring its case to a special tribunal which the government was prepared to set up. In either case no decision was likely until after the June figures became available. The Federation decided to refer to its forthcoming annual conference.

The Prime Minister, in a speech in Christchurch, repeated his warning that "unless the trade unionists wake up it is only a matter of time before the Socialist Unity Party takes over complete and open control of the Federation of Labour." Mr Knox however told Wellington Rotarians that the political affiliations of trade union officials were not the concern of the Federation of Labour, as long as those affiliations were kept separate from Federation policy. "As president of the Federation of Labour," he said, "I will defend to the hilt Mr Andersen's right to speak freely on issues which concern members of his union."

An inter-union conference of mainly white-collar unions in the public and private sectors met in Wellington on 10 April to discuss the impact of new technology. Delegates approved a draft policy for consideration and implementation by the Federation of Labour and the Combined State Unions.

One of the issues discussed at the wage policy talks was indexation: the total or partial linking of wage increases to rises in the cost of living. The Engineers Union had ascertained, in an earlier hearing, that indexation could be included in individual awards; late in April it appeared before the Arbitration Court with a claim for quarterly indexation of the award for engineering

draughtsmen. The employers opposed the claim and the Court reserved its decision.

A growing trend towards the unionisation of middle management, with a potential membership of 100,000 persons, caused concern to the Employers Federation. Its executive director, Mr J.W. Rowe, told an augmented council meeting of the Federation that employers must stop union coverage rising up the ranks, and must ensure that middle management is not unionised. He repeated this warning in an address to the Tanners' Conference at Waitangi on 18 April, and urged employers to give middle management better consideration, including contracts of service which clearly spell out rights of dismissal and protection against unfair dismissal.

An across-the-board union for middle management, the Canterbury and Northern Industrial Districts Association of Professional, Executive, Scientific and Managerial Staffs (A.P.E.X.), lodged an appeal with the Court of Arbitration against the refusal of the registrar to accept its registration. Other single industry unions for supervisory staff have however been granted registration in recent years. They include unions for aeronautical engineering supervisors, freezing works production supervisors and other salaried staff, motor vehicle assembly production supervisors, textile supervisors, technicians, and professional engineers.

Mr P.J. Mansor, the secretary of the Wellington Storemen and Packers Union which is not affiliated to the Federation of Labour, claimed in a special insert in his union journal that a Soviet agent was co-ordinating four left-wing groups — the Socialist Unity Party, Socialist Action League, Maoist-Marxist Leninist Organisation and the Communist Party — in an attack on his leadership. "I think he is high up the KGB organisation's ladder," he told the *New Zealand Herald*, but he added, "I have no proof that would stand up." In another interview with *N.Z. Truth* he claimed that "violent union elements" were planning to assault him.

The apparent cause of this outburst was the formation of a Storemen and Packers Rank and File Action Committee which pressed for changes in the union rules, and in particular for regular elections for the post of secretary. The rules were changed, but in the opposite sense, by giving the executive increased powers and removing the secretary's post from election altogether. Mr Knox criticised Mr Mansor for using innuendo against another unionist and refusing to provide names. On 17 April some seventy storemen and packers demonstrated against Mr Mansor outside his office in the Wellington Trades Hall with placards reading "Unions Need Elections" and "Give Us A Say In Our Union".

The N.Z. Education Officers Association, whose 1800 members comprise administrative and clerical staff employed by the education boards, technical college councils and secondary school boards, merged with the Public Service Association on 1 April.

Secondary school teachers continued to take compensatory time off classroom duties to catch up with work neglected through staff shortages. The Southland branch of the Post-Primary Teachers Association voted 44 to 30 in favour of affiliation to the Federation of Labour, and a remit to this effect will come before the P.P.T.A. annual conference in August.

The Police Association, a union which only rarely enters into public controversy, expressed its dissatisfaction with the government's failure to settle longstanding claims for penal rates and overtime payments. A series of station meetings was held and, according to the Association's secretary, there was talk of "direct action of some type". Negotiations resumed with the State Services Commission, and the Police Association received a firm commitment that police pay rates would be adjusted in accordance with a survey.

MAY

The annual conference of the Federation of Labour was held in Wellington from 6 to 9 May.¹ In a television interview after the conference Mr Knox urged the nationalisation of multinational enterprises like Shell, Mobil and Comalco, and called for a socialist Labour Party. The Labour leader, Mr Rowling, replied that nationalisation was "definitely not the answer", but at the Labour Party conference, which followed the Federation conference, Mr Knox was greeted with enthusiastic cheering and foot-stamping when he urged the party to support a minimum living income for all people, an equitable tax structure, public control of large economic enterprises, and New Zealand control of New Zealand resources.

The tripartite wage talks resumed on 16 May. The parties discussed papers which they had exchanged earlier, and set up a nine-man committee to study seven points at issue. The next meeting was scheduled for 15 July.

The Federation's fortnight of action was launched in Auckland on 29 May, with a meeting attended by more than a thousand union officials and delegates from both private and public sector unions. Mr Knox and Mr Thorp, the president of the Combined State Unions, were the main speakers. The meeting decided to seek an immediate wage rise of 13.3% to compensate for cost-of-living increases. On the following day drivers at one Auckland haulage firm put such a claim to their employer and declared a strike when the request was refused. The president of the Auckland Provincial Employers Association urged his members not to concede these union claims and denounced the campaign as a straight-out challenge to the government and a political action "conceived and orchestrated by the Socialist Unity Party".

Auckland boilermakers picketed the ship *Iron Baron* which arrived in Auckland on 17 April with a cargo of steel products from Australia. They claimed that they and not watersiders were entitled to cut the "tombings" — steel brackets which tied part of the cargo to the ship's sides. Discussions between the two unions failed to reach agreement. On 13 May the Waterfront Industry Tribunal ruled in favour of the watersiders, but the boilermakers ignored the decision and maintained their pickets. The port employers then asked the Federation of Labour to adjudicate, and on 19 May Mr Knox met both parties. Under a compromise deal the 20% of the cargo which was held by the tombings was sent back to Australia, but the remainder of the 8000 tonne shipment was discharged. The demarcation dispute was not solved, but the ship's Australian owners may cease using welded steel for tombings and revert to wood, wire or chains, which have been traditionally cut by watersiders.

The Allied Liquor Trades Employees (previously Brewery Workers) Union voted 4 to 1 in favour of a boycott on the handling of Coca Cola products, in

response to an appeal from the Geneva-based International Union of Food Workers. This internationally co-ordinated action was in protest against violence and intimidation suffered by union leaders at the Coca Cola plant in Guatemala City. A 24-hour ban on the manufacture and distribution of Coca Cola products in New Zealand was called from midnight on 29 May.

The Court of Arbitration rejected the application for quarterly indexation of the engineering draughtsmen's award, but expressed itself in favour — tentatively and over the objection of the employers' representative — of the principle of indexation. Under existing rules, award rates have to remain unaltered for at least 12 months; quarterly adjustments are therefore impossible, except with the agreement of all parties, which was not forthcoming in this instance.

The annual meeting of the N.Z. Farm Workers Association, which met in Feilding on 20 May, decided not to wind up the Association but to press for a compulsory membership clause. The meeting was told that the Association now had 2500 members and that it had cleared its debts. The Dominion Council of Federated Farmers supported automatic membership, provided it was approved by a prior poll of all farm workers and provided individuals had an opportunity of opting out.

The arbitrator in the pilots' seniority dispute, Professor D.E. Feller of Berkeley University, released his findings. The report, which has to go to the Aircrew Industrial Tribunal for ratification, places international pilots ahead of domestic pilots in the seniority list.

The Secondary School Assistant Teachers Association, a small breakaway group from the Post-Primary Teachers Association, announced that it planned to lodge a complaint against the P.P.T.A. with the Human Rights Commission on the grounds of discrimination against non-graduate teachers, many of whom are women or Maori language teachers. The Association is affiliated to the Federation of Labour but is not recognised by the Education Department as a negotiating body. It was founded in 1971 to press for a uniform salary scale for graduates and non-graduates.

The Association of Teachers in Technical Institutes withdrew an invitation to the Minister of Education to address its annual conference, in protest against proposed changes in the State Services Conditions of Employment Act. On 29 May teachers at the Auckland Technical Institute held a two-hour stop-work meeting which approved proposals for a national ballot on the question of direct action.

Co-operation between the Federation of Labour and the combined State Unions has become much closer: Mr Thorp addressed the Federation of Labour conference, while Mr Knox was asked to perform the opening ceremony at the new Public Service Association building in Wellington. The C.S.U. endorsed the Federation's fortnight of activity, and Mr Thorp joined Mr Knox in addressing the opening meeting in Auckland, which was attended by delegates from both sectors. The organisations are also co-ordinating their research efforts, but Mr Thorp denied that there were immediate plans for affiliation to the Federation.

Workers employed by the Christchurch contracting firm of Musgrove Bros. Ltd. went on strike to secure a satisfactory redundancy agreement for twenty of their colleagues who had been laid off. The Canterbury Trades Council on 2

May imposed a ban on fuel deliveries to the firm but agreed to attend a compulsory conference on 13 May to settle the dispute. Before this conference met, Musgrove's management served writs on four Christchurch union leaders and on five local unions, seeking a restraining injunction and damages for losses incurred through the fuel ban. The unions called off their ban and the strikers resumed work. The compulsory conference failed to reach agreement, and it was left to the mediator, Mr M. Teen, to make a binding decision.

H. Roth

JUNE

On 4 June in a speech to members of the Wellington Chamber of Commerce the Minister of Labour, Hon J.B. Bolger, outlined the seven point agenda being studied in the tripartite wages policy talks. The main points of the agenda included the incorporation of wages policy within a wider economic framework; the role of taxation and benefits in a wages policy; an evaluation of wage indexation, wage guidelines, general wage order type systems, and other options; and a consideration of wage relativities, job evaluation within industry and margins for skill.

In the same speech the Minister also spoke of Government's decisions taken to restructure the textile industry and its effects on employment. He announced a special package of employment assistance to be available for workers displaced from the synthetic yarn sector of the industry. The package has four categories of assistance: local job search, distant job search, training or retraining and relocation.

This announcement was quickly followed on 11 June by the announcement of the closure of Fibre-makers (NZ) Ltd. plant at Shannon and the loss of 120 jobs.

At the Huntly power project the stoppage by 21 workers employed by Clarke Roofing Ltd. over an alleged incident of assault by the company's site manager entered its third month. The dispute has now been taken over by the Federation of Labour.

Professor D.E. Feller, the expert retained by the Aircrew Industrial Tribunal to find a solution to the seniority dispute which resulted from the merger between Air New Zealand and NAC, submitted his report and recommendations on 29 May. In June, his recommendations were given effect by an order of the Aircrew Industrial Tribunal making an award. Apart from domestic negotiations on compensatory by-pass payments the award finally settled the seniority dispute by the making of a joint seniority list.

The Mangere Bridge saga re-emerged early in the month when Mr Beetham, the Social Credit Member for Rangitikei introduced the Mangere Bridge Completion Bill into the House. The main feature of the Bill was the provision for automatic reference of the dispute to the Arbitration Court if it was not settled within 30 days of the date of the Act coming into force. The Bill failed to get a second reading.

JULY

A 4 per cent General Wage increase was announced in the Budget on 3 July. Earlier in the year — in April — the Federation of Labour and Combined State

Unions had pressed for an immediate cost-of-living adjustment. This was declined by Government on the basis that current figures showed that wages had kept pace with price movements over the past year. Government indicated at the time that no decision was likely till after the June figures were available. In announcing the general increase the Prime Minister noted that the increase was in line with estimated price increases over the June quarter and would allow wage and salary earners to maintain their standard of living until the settlement of awards got under way. He also expressed the intention that the across-the-board increase should ease the transition into the 1980/81 wages round by relieving some of the pressure on the collective bargaining system.

The tripartite wages policy talks continued through July. The working party's report focussed on a wages policy package which included the following elements: the establishment by the Arbitration Court of a basic wage; the formation of industry groupings to establish margins implied by the basic wage; six monthly adjustments to that basic wage; and the facility for individual industries to opt out and negotiate their own arrangements.

It became clear from events which followed the working party's report that the prospect of implementing the wages policy package prior to the 1980/81 round was slight. While there was broad agreement on the principles underlying the package there were a number of difficulties associated with the implementation of some aspects of the proposals. The Government for its part saw difficulties particularly in respect of the proposal for six monthly adjustments and the facility for individual industries to opt out of the new system. The feasibility of adopting a system of cash margins was also questioned. It also emerged from the Federation of Labour advocates meeting on 16 July that further discussions would be required before agreement could be reached within the trade union movement on industry based negotiations.

At the Huntly power project discussions on the Clarke Roofing Co. dispute shifted to consideration of safety matters. At a meeting early in the month between the company and the Federation of Labour an agreement was reached on safety procedures and the men returned to work on 14 July. This was the first dispute at Huntly that attracted public attention and which gave an indication of developing industrial relations problems at the site.

Another dispute arose over the introduction of gas to the site. Some time ago both private and state sector unions had put in a claim for an allowance and additional holidays to compensate for working in proximity to gas. An attempt to introduce gas on 26 July was thwarted by the imposition of a picket.

It was announced that Fletchers' tender to complete the Mangere Bridge had been provisionally accepted. Negotiations between the company and the Federation of Labour on a site agreement commenced soon after.

On 7 July Government rejected an application made by Alliance Textiles Ltd. for financial assistance towards its takeover of certain of Mosgiel's operations. After an exercise undertaken by Alliance and the Development Finance Corporation to re-examine Alliance's proposals the Government announced, on 23 July, its commitment to provide funds for the takeover. This amounted to a \$1,000,000 loan, a suspensory loan of \$2,000,000 and \$1,000,000 in interest free convertible debentures.

On the same day it was announced that the package of special employment assistance available to workers displaced from the synthetic yarn and non-wool woven sectors of the textile industry was to be extended to employees displaced from Mosgiel Ltd.

Alliance took over the operations of Mosgiel Ltd. at Mosgiel, Roslyn and Ashburton from early August. Alliance did not take over the knitwear operation. It was expected that approximately 450 check workers would be made redundant.

AUGUST

On 5 August an agreement emerged from the tripartite wages policy talks which distinguished between the immediate concerns of the 1980/81 wages round and the question of wider reforms to the wage-fixing system. In the agreement the parties formally acknowledged Government's responsibility to act in the interest of economic stability. Against this backdrop the government agreed to repeal the Remuneration Act (a major issue with the Federation of Labour) on the understanding that the wage round would proceed on a responsible basis. The parties also agreed to the institution of a cost-of-living adjustment under the auspices of the Arbitration Court. On the question of reforms to the wage-fixing system it was agreed to continue discussions on the working party's report. The minimum living wage proposal is also to be considered in the context of these discussions.

In line with its commitment to repeal the Remuneration Act the Government introduced a Repeal Bill into the House on 15 August. After its first reading it was referred to the Labour and Education Select Committee for the hearing of submissions.

The 1980/81 wages round was kicked off by the settlement on 20 August of the New Zealand General Drivers Award. Wage increases of 13.5 per cent were agreed.

Trouble continued on the BNZ site in central Wellington as carpenters and labourers pressed for a new site agreement which would bring their rates more into line with those paid to boilermakers on the site.

SEPTEMBER

Negotiations for a new Electrical Supply Authorities Award concluded on 15 September. The terms of the settlement include a 13.5 per cent adjustment to rates and allowances together with a state linkage clause which must be submitted to the Arbitration Court for approval in terms of the Wage Adjustment Regulations 1974. The effect of a state linkage clause will be to produce a further adjustment of some 10.11 per cent within a month or so (assuming state electricians receive the 13.5 per cent). The combined effect is a wage increase of 24 per cent for 13 months.

The reasons for the large adjustment centre on changes to state wage-fixing procedures. Up until three years ago, state tradesman's rates were adjusted by means of a ruling rates survey. Because of delays etc, state rates were adjusted around July/August, backdated to November. The state adjustment determined the movement in Electrical Supply Authorities rates (with minor variations),

which applied some two months later.

In the last two years, state rates have been adjusted by the amount of the movement in the trades backwards, which are negotiated in September/October. The result is that the backdating element has been virtually eliminated; the state adjustment has been in December, backdated one month. This has focussed attention on the lag in Supply Authorities wage rates, which evidently the union could not live with. Hence, the agreement on a state linkage clause, which provides for an immediate adjustment to maintain parity.

With the settlement being presented as a 24 per cent wage increase and in view of the embryonic state of the 1980/81 wages round the Government immediately became concerned to prevent a wages explosion above the established 13.5 per cent. Government first sought to have the question of a state linkage clause referred to an inquiry but the parties rejected the suggestion. The Government decided to amend the Wage Adjustment Regulations 1974 — under which state linkage clauses must be approved — to expand the criteria for approving such clauses. The aim is to enable the Court to consider the economic implications of linkage clauses. The Court will be required to hold a hearing at which all interested parties including Government can put their views.

Discussions at the BNZ site continued this month between the Bank and the Carpenters and Labourers Unions. No agreement was reached on new rates or allowances but some agreement emerged on referring the matter to ad hoc arbitration. Unfortunately this proposal foundered and in mid-September the two unions involved handed the dispute over to the Federation of Labour.

On grounds of poor productivity a decision was taken by one of the contractors at the Huntly project (combustion Engineering and Robert Stone (CERS) to make 100 men redundant. Lay-offs commenced on 5 September and were on a 'last-on first-off basis' without exception. This included job delegates. CERS workforce met to discuss the situation on 9 September. The remainder of the company's workforce of about 200 men decided to take indefinite strike action until all the workers who wished to return to the job were reinstated.

On 15 September it was announced that the Auckland Farmers Freezing Company would cease its operations at Southdown from 17 October. The permanent workforce in excess of 900 workers was to be made redundant. Also affected are an additional 400 seasonal workers. Reasons for the closure lie in the changing stock patterns in the northern part of the North Island and the cost of operating an old freezing works in an urban area. As a result of union reaction to the announcement, the company subsequently decided to close the works three weeks earlier than originally intended. The Auckland and Tomoana Freezing Workers Union have indicated that, unless there was an agreement to prevent the works closing as planned, industrial action would be taken at the commencement of the killing season. It was thought this could include bans on the taking on of seasonal labour.

During the month the Ministers of Social Welfare and Labour jointly announced a change in policy regarding redundancy payments and the payment of unemployment benefit.

Previous policy treated one-half of any redundancy payment as a capital sum to compensate a worker for the loss of job rights associated with length of service. The remaining 50 per cent was treated as continuing income for the

number of weeks represented and entitlement to unemployment benefit was off-set accordingly.

The change in policy results from a review undertaken by the Social Security Commission. From 1 October 1980 redundancy payments will not be set-off against entitlement to unemployment benefit.

Janet Scott

HAS THE NEXT BUS GONE YET?: INDUSTRIAL RELATIONS IN THE 1980s

FJL YOUNG*

This title was drawn from the punch line in one of those Irish stories which still creep into local publications despite the Human Rights Commission. Paddy's query on arriving at the bus stop (the writer argues) seems to summarise much current concern about industrial relations.

AGITATORS AND INDUSTRIAL CONFLICT

A widespread view is that many of New Zealand's industrial ills can be traced to the presence of a few agitators. The Sofinsky Case notwithstanding, such a view cannot go unchallenged. It is hard to conceive how 150 (or even 1500) people can upset New Zealand's democratic, egalitarian society unless that society is far from well. The writer consequently is not alone in drawing attention to the comments of the industrial relations adviser in the Prime Minister's Department. Dr Turkington writes:

'There are a number of difficulties with the 'agitator argument'. First, whether one labels a person an agitator depends very much on one's view of the nature of the enterprise. Management may regard leaders of workers in conflict situations as 'agitators', while the workers themselves may regard them as anything but. Second, and aside from the problem of definition, the argument fails to explain how a few 'militants' can infiltrate otherwise peaceful groups of workers and lead them into conflict action. In other words, it does not adequately explain why agitators exist in the industry and why they are apparently successful.'¹

Later in the same work, in a very careful analysis of the multiplicity of causes of conflict in the meat freezing industry, on major construction sites and on the wharves, Dr Turkington comments:

'It seems the 'agitator argument' has minimal explanatory value by comparison with more basic factors.'²

Experts have long pointed to certain facts about industrial conflict. Some environments are particularly prone to conflict (e.g. motor assembly plants and meat freezing). Others are relatively peaceful (e.g. banking and retailing). The environment, however, need not be the deciding factor in determining whether or not open conflict occurs. The capacity of the parties to handle the inherent conflict in an employment relationship is generally much more important. Even a stoppage-ridden industry can still have enterprises which are rarely (if ever)

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1 Turkington, D.J. (1976) *Industrial conflict* Wellington, Methuen, p. 119.

2 Turkington, *ibid.* p. 319.