

CHRONICLE

OCTOBER 1980

The wage round proper got underway with most major awards being settled fairly quickly. The 13.5 per cent wage norm generated by the Drivers Award was maintained through a large number of agreements including printing trades, woollen and knitting mills, cleaners and caretakers. The Building Trades Award established a 13.75 per cent figure which was built on by the Metal Trades Award settlement (13.75 - 13.9 per cent) to create a new plateau.

In late October, the Prime Minister addressed the nation on television to explain that Government had agreed to repeal the Remuneration Act. This was in return for an assurance from the parties that the 1980/81 wage round would proceed at a reasonable level.

Also in late October the Arbitration Court held the hearing on the Electrical Supply Authorities State linkage clause. The parties represented at the hearing included the Electrical Workers Union, the Electrical Supply Authorities Association (as applicants), the Federation of Labour, Employers Federation, Treasury, State Services Commission and Dunedin City Council. In a decision released in November the Court approved the proposed State linkage clause. Approval of the clause will mean a combined wage movement for Electrical Supply Authority workers of 24 per cent over 13 months. In its decision the Court stated, however, that the linkage clause was not intended to create a precedent, that its purpose was to remove a time anomaly between electrical workers in the state and private sectors and is confined to these groups only.

The 200 strong workforce of CERS (Combined Engineering Robert Stone) at Huntly remained on strike in support of the re-instatement of approximately 100 men made redundant. During the second week of the month the Minister of Labour met with both the FOL and CERS about the dispute. On 28 October the parties met under the chairmanship of Mr T.E. Skinner (Industrial Mediator). A further meeting was arranged for 3 November when it was intended to discuss the issues of redundancy, numbers wishing to return to work and disputes procedures.

Officials from the various unions affected by the Southdown closure met in Auckland on 13 October. It was decided to conduct a national ballot of men currently employed in the industry on the question of imposing a national load-out ban from 10 November. It was also decided to impose an immediate overtime and recruitment ban in the Auckland province and at Tomoana. Officials from the two meatworkers' unions met with the Minister on 29 October. As a result of this meeting the Ministers will meet with AFFCO Board members early next month.

A major dispute has developed in the Auckland area over owner drivers. In September a company engaged in waste disposal, Freeth & Brooks Bins Ltd, decided to switch to owner-driver contracts. The company offered contracts to some of its existing drivers, four of whom accepted. Other drivers were made redundant and subsequently a number of the company's workers took strike action to contest the redundancies and to force the company to negotiate the terms of owner-driver contracts with the Northern Drivers Union. Action taken against the company involved a ban on fuel deliveries and a ban on company trucks using ARA and

Waitemata City tips. These tips were re-opened early in the week of the 13th following the serving of a Court order on the ARA requiring them to allow access to the tips. In spite of this the dispute escalated with the union putting pressure on a number of other companies to have the union recognised as the representative of owner-drivers.

The issue of Saturday shopping received a good deal of attention. The Shop Employees Union held a series of stop-work meetings throughout the country. Conciliation on the new Retail Butchers Award broke down on the question and the Shop Employees Association has given notice that stop-work meetings will be held and a recommendation made to members for strike action.

The Minister of Labour announced the appointment of Mr J.A. Boomer as a nominated member of the arbitration Court. He replaces Mr W.C. McDonnell who died last June. Mr Boomer was formerly National Secretary of the New Zealand Engineers Union. In that capacity he has been replaced by Mr E.J. Ball who was previously Secretary of the Auckland Branch of the union.

NOVEMBER 1980

The wages talks resumed in the middle of the month. Following the initial meeting, and in line with the wages accord of August 6, the Government announced the provisions of the Economic Stabilisation (Cost of Living) Regulations 1980. The Regulations provide for a "one-off" hearing in the Arbitration Court to determine a cost-of-living adjustment to rates of remuneration. Included in the criteria the Court is required to consider are the promotion of employment and economic growth, balance of payments stability, promotion of industrial harmony, changes in rates of income tax and movements in earnings and the Consumer Price Index.

The wage round continued with shop employees settling at 13.5 per cent and clerical workers and butchers at 13.75 per cent. The round has been characterised by a high level of stoppage activity over non-wage issues such as new technology, shopping hours, manning levels and redundancy.

Meetings on 3 and 8 November failed to resolve the lengthy stoppage over the re-employment of workers made redundant by CERS at the Huntly power project site. The company was concerned to ensure that some of the restrictive practices in force on the site prior to the stoppage cease before work commences. On 14 November the parties met under the industrial mediator, Mr T.E. Skinner. A large number of the issues in dispute were resolved at that meeting and this resulted in agreement that all available men would resume work on 20 November. Discussions on the remaining issues in dispute were planned to commence in the near future.

In the freezing industry an overtime and recruitment ban was operating in the northern half of the North Island as a result of the union resolution taken on the closure of Southdown. National officials rejected an offer made by AFFCO to re-open two mutton chains until 31 March next year. They insisted that the beef chain be re-opened to kill 400 head a day and that the re-opening be for 12 months. There was agreement in principle for an inquiry to be conducted into the closure. On 19 November AFFCO called for labour for their Horotiu workers. This resulted in strike action in all eight works in the Auckland province and at Tomoana. Also affected were three AFFCO cool stores used to store (among other things) butter and cheese.

Discussions between the company, union officials, and the FOL later in the month did not result in any movement to settle the dispute. On 27 November the dairy industry announced its intention to seek an order from the Arbitration Court for a lifting of all restrictions affecting that industry, the action being taken under S.119C of the Commerce Act (Failure to Resume Work Where Public Interest Affected). The Court hearing was set for 3 December. It was also understood that Hellaby's were

having discussions with the Minister of Labour to seek his assistance in obtaining a resumption of work at works other than those owned by AFFCO.

Parties to the owner-drivers dispute met in Auckland early in the month under the chairmanship of Mr V.E. Wright. Agreement was reached to lift the restrictions imposed on a number of companies affected by the dispute. A condition of the agreement was that all owner driver contracts be referred to employer and union solicitors to ensure they are bona fide owner driver contracts. Restrictions imposed on Freeth & Brooke Bins Ltd were also lifted and discussions on redundancy payments for those drivers who declined owner-driver contracts are scheduled to take place.

The composite agreement pertaining to the Hutt Valley and Porirua motor vehicle assembly plants has recently come up for negotiation. Late last month maintenance workers at the New Zealand Motor Corporation plant were on strike in support of a bonus payment to apply in addition to the expected 13.75 per cent annual movement. A concession on the bonus payment at New Zealand Motor Corporation would be applied in terms of the composite agreement at other plants. The company responded to the strike by suspending all workers at the plant. By the middle of November workers at the company's plant in Panmure and at the national spare parts centre in Auckland had taken sympathy action. Subsequently employers threatened to suspend all workers at Todds, Fords and General Motors employed in the Hutt Valley and Porirua if industrial action did not cease. After the FOL intervened the employers agreed to postpone the suspensions. Agreement was subsequently reached on a return to work from Monday 24 November to allow negotiations to take place between the FOL and the motor companies on the renewal of the agreements pertaining to the industry.

On the Saturday trading issue the *Shop Trading Hours Amendment Act 1980* received royal assent on 14 November. With its coming into force all shops are now permitted by law to open Monday to Saturday from 7am to 9pm.

In the meantime retail butchers throughout the country met in a series of stop-work meetings on the question of Saturday trading. In most instances the meetings were followed by strike action. This, coupled with load-out bans to shops, caused widespread disruption in the supply of meat. On Tuesday 18 November the Federation of Labour and the New Zealand Employers' Federation reached a draft agreement (which was later accepted). The agreement allows unlimited Saturday shopping for the remainder of the year and provides that from 1 January 1981 to 1 June 1981 employers will open only after full consultation. Employers have agreed to notify the union 4-6 weeks prior to a planned opening in order to facilitate discussions. It is also planned to conduct an ongoing review of the arrangements to determine conditions that will apply in the future.

Agreement had also been reached on Saturday trading in the Non-Food Retail Award talks. The Agreement was similar to that reached for retail butchers particularly in respect of consultation and review. In addition the agreement protects existing workers by providing that Saturday work will be offered to them in the first instance but that no existing worker will be compelled to work on a Saturday.

On 1 December the executive of the Auckland and Tomoana Freezing Workers Union met and decided to hand the Southdown dispute over to the FOL. A proposal to resolve the dispute had been developed by the Federation and late in the first week of December was being studied by the AFFCO Board. In the meantime the Court hearing set for the 3rd was postponed till the 10th. A further application from Auckland meat processing companies other than AFFCO works) was set to be heard on 11 December.

After a round of meetings involving the company, the Auckland Freezing Workers Union, the Federation of Labour and the Government, a proposal to resolve the dispute has been accepted by all concerned. It provides for an immediate resumption

of work at AFFCO plants (other than Southdown). In respect of Southdown itself it has been agreed that two mutton chains will operate. There will also be a limited beef kill of 200 per day. Operations were to commence by 5 January 1981.

In line with the agreement, a prominent Auckland accountant, Mr B.N. Kensington, has been engaged to inquire into and evaluate the reasons for the decision to close the works. He is to prepare a confidential report for the company, the Federation of Labour and the Government. If the inquiry justifies the closure of the plant all slaughtering operations will terminate finally on 30 April 1981.

Negotiations on the Harbour Board Employees Award recently broke down over the use of a formula allegedly used in past years to fix wages for Harbour Board Employees. The formula, which is based on an alleged relativity between certain benchmark positions occupied by watersiders and harbour board employees, threw up a movement of 15.8 per cent because of a catch-up element to watersiders who got 12 per cent in 1979 instead of the more general 10.4 per cent. Employers were offering only 13.75 per cent. A conciliators' conference called by Mr Castelli for 3 December failed to avert a planned stoppage for 48 hours from midnight the same day. This national stoppage was followed by an overtime ban and then by a series of rolling stoppages by different sections of the workforce at ports around the country. A return to work was ultimately effected when the parties agreed to reconvene conciliation council with the intention of settling at 13.9 per cent. At the same time the Minister of Labour appointed a Committee of Inquiry, chaired by Mr J.W. Dempsey, to inquire into relativities between Harbour Board employees and watersiders and to determine whether or not relativity restoration to Harbour Board rates is justified. In the event an adjustment was required it would have effect from the date of coming into force of the award.

JANUARY 1981

On 29 December refinery operators at Marsden Point gave 14 days notice of intention to strike. Despite talks in the interim period under the chairmanship of the mediator Mr T.E. Skinner, the shut down - which takes 2-3 days - commenced on the evening of 12 January. The Engine Drivers were seeking an hourly rate for operators of \$5.40 per hour. The company on the other hand wished to settle with its tradesmen at \$5.40 and, to maintain traditional relativities between tradesmen and operators, was prepared to offer operators \$5.30 per hour. For its part the union justified its claim by pointing to rates paid in Auckland and also to what they see as inappropriate relativities. A formula for a return to work was eventually arrived at. Again, it involved referring the "relativities" issue to an independent inquiry. Operators returned to work on the morning of 17 January.

Mutton slaughtermen at Alliance works in Invercargill took strike action from 29 January in pursuit of a demand for an increase in their pay rate of \$6.00 per day. The demand stemmed from an earlier decision made by Mr Grills (Industrial Mediator) which formalised a \$6.00 per day margin at Ocean Beach over the other three Southland works. There was also a disputed claim for cost-of-living and award movements to apply to the productivity component of slaughtermen's wage rates. The \$6.00 per day issue is a particularly thorny one because of its possible flow-on effects and in particular the strong pressure that would arise at Ocean Beach for a restoration of the \$6.00 per day margin.

FEBRUARY 1981

Wages policy working party meetings continued late in 1980 and recommenced again. Following statements by the Prime Minister, the question of wage/tax trade-

offs have become a paramount consideration. Issues involved were discussed on 27 February at a meeting between the Government, Employers Federation, Federation of Labour and the Combined State Unions. Further meetings are planned.

The dispute at Alliance continued on well into the month. Workers finally dropped their claim for \$6.00 and an additional claim for a \$500.00 "once-off" payment for past productivity. In reaching a settlement it has been agreed that cost-of-living and award movements shall be applied to the productivity component of slaughtermen's rates. This brings such payments into line with what has been normal practice elsewhere within the industry.

Conciliation talks to renew the New Zealand Bank Officers Award broke down on 4 February, the union claiming 14 per cent for the wages round plus 6 per cent extra for work value which is claimed as recognition for the extra skills required of bank officers over the last few years. The employers were offering 13.95 per cent. Stopwork meetings held around the country resulted in considerable support for direct action in support of the union's claim. Subsequently, workers employed by different banking groups have taken strike action on consecutive days. The effect was somewhat varied and in many cases public services have been maintained by management and by union members who have not participated in the strike action.

The report of the Committee of Inquiry into Harbour Board relativities was released late in the month. By a majority decision, the Committee found that in respect of the 1980/81 Harbour Board Employees Award, relativity between mobile plant operators and watersiders driving tractors should be the significant factor determining the general industry increase and that award rates should be adjusted accordingly.

On 10 February workers at Ravensdown Fertilizer works in Dunedin stopped work to protest the dismissal of a colleague. Seven days later following a complaint by management, police arrested 32 picketers who were allegedly preventing movement to and from the works. Despite the fact that the dispute was quickly resolved the arrests caused widespread controversy and resulted in a strong reaction from the trade union movement on the right to picket. Subsequent to the dispute being settled the Government gave an undertaking to review the law as it applies to pickets.

In itself the dispute at Ravensdown was not one of major significance (aside from the attention it focussed on the right of workers to picket and their status under the law). However, the events at Ravensdown preceded a period (later in the month) of almost unprecedented industrial disruption and public demonstration. The dispute which triggered the disruption started simply enough when members of the Engineers Union employed by Air New Zealand in Auckland decided to negotiate a separate award from that already concluded for the rest of the company's engineering staff employed elsewhere in the country.

The union was claiming 16.18 per cent in the Auckland negotiations (the New Zealand Award had been settled at 13.9 per cent for tradesmen and 13.75 per cent for other classifications). Conciliation talks were adjourned on 10 February and union members employed at Mangere decided to work to rule and ban overtime from Monday 16 February. On 17 February the company told 16 staff members they were on strike because of their refusal to work overtime. This resulted in all engineering staff at Mangere taking strike action. Using its own management staff the company continued operating from Auckland. The dispute very quickly escalated however, when, on the morning of 24 February, 48 picketing union members were arrested at Mangere and charged with trespass under Regulation 15 of the Civil Aviation Regulations 1953.

With the arrests the focus of the dispute immediately shifted from the pay claim to the right of workers to picket in furtherance of a dispute. Attention on this issue was further heightened when a number of those arrested refused to sign bail bonds and remained in prison. Widespread stoppages followed throughout the country - the

industries most severely affected being transport (including shipping) and the meat freezing industry.

On the 24th the Federation of Labour met with the Prime Minister, the Minister of Labour and the Attorney-General. At that meeting the Federation requested a stay of prosecutions against the arrested pickets and public statements at the time clearly indicated that the stoppages would continue unless the prosecutions were withdrawn. On 26 February, the Attorney-General (Mr McLay) announced that there would be no waiving of the prosecutions.

In the meantime there had occurred a massive public reaction against the widespread disruption. This reaction together with the shock to the trade union movement at the refusal of the Attorney-General to stay the prosecutions appears to have been instrumental in bringing out a major shift in stance within the Federation of Labour and the trade union movement in general. On the afternoon of the 27th the Executive of the Federation of Labour met and passed a resolution recommending all unions to resume normal work from Tuesday 3 March. The resolution also requested Government to examine the legislation relating to picketing and in the event this was acceptable to Government, agreed to recommend a return to work at Mangere and commencement of negotiations to resolve the Air New Zealand dispute. Cabinet was to consider the proposal on Monday 2 March.

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