

CHRONICLE

JULY 1991

The number of jobless, a broad measure compiled by the Statistics Department, reached 253,000 in June. Finance Minister Richardson described the soaring unemployed rate as an "awful transition", but told the Institute of Management in Christchurch that job losses were a necessary part of the dynamic process of turning the New Zealand economy around. On 31 July the Statistics Department announced that the monthly Household Labour Force Survey, which measures unemployment, would be conducted quarterly in future.

One of the heaviest blows to employment in recent years was the announcement by the Alliance Group on 26 July of the closure of the Ocean Beach and Kaiapoi meat works and the dismissal of 1450 workers. At Ocean Beach, near Bluff, 117 permanent and 749 seasonal staff were made redundant, at Kaiapoi 74 permanent and 371 seasonal, with additional lay-offs at other South Island Alliance works. The industry, said meat workers' president, Roger Middlemass, had no industrial strategy, no sense of direction and each company was fighting for its survival.

Further redundancies were expected, but the immediate problem, not faced at earlier plant shut-downs, was the 6-month dole stand-down rule, which meant that laid-off workers had to use up their redundancy pay for living costs before they became eligible for the unemployment benefit. Seasonal workers, who had received dole payments from when the 1990-91 season ended in April, were required to pay back these benefits from their redundancy pay. Agriculture Minister Falloon moreover advised the Alliance company to renege on the redundancy agreement it had signed with the meat workers' union after a lengthy strike last year.

Major redundancies were also announced by the North Shore City Council, New Zealand Post and New Zealand Rail. The North Shore council paid out about \$2 million to 126 laid-off staff, 105 of them permanent and 21 temporary. Most of the permanent staff took voluntary redundancy or opted for early retirement, but 39 staff members suffered a compulsory lay-off. New Zealand Post offered re-deployment or early retirement to up to 200 employees in Christchurch and Dunedin. Auckland mail drivers threatened to strike from 22 July over roster changes which would reduce their overtime earnings, but they lifted the threat pending further negotiations with the company.

The Seafarers Union was able to prevent the replacement of the crew of the *New Zealand Pacific* by British sailors. When the crew staged a sit-in in Hamburg, the owners agreed to let them sail the ship back to New Zealand, though its ultimate fate remained in doubt. Forty cooks and stewards on the interisland ferries took voluntary redundancy in July, but New Zealand Rail forecast 90 further job losses on the ferries, depending on the provision of combined eating facilities for officers and other crew. The Minister of Transport issued an exemption from the Shipping Regulations which stipulated separate facilities, but the Merchant Service Guild, whose members objected to common messing, sought a court ruling to stop the necessary structural changes to the ferries. The High Court ruled on 29 July that the officers could continue to eat separately, but the dividing bulkheads were removed on the *Arahura* and the Minister said that common facilities would be introduced progressively through the fleet. The Guild then filed for an urgent Labour Court hearing on the basis that New Zealand Rail had breached an employment

agreement by integrating dining facilities. The Guild claimed that in resisting integration it was not concerned with status, but with issues of discipline and general ship management.

New Zealand Aluminium Smelters announced plans to trim its Tiwai Point workforce by 350, preferably by voluntary terminations. The company also intended to put the remaining 1000 staff on individual contracts which would, it claimed, allow flexibility in allocating work and would enable management to reward workers according to effort and contribution.

Booksellers Whitcoulls, who had ceased to deduct union fees from staff members' pay, decided to resume deductions. The decision was made in response to a request from the Distribution Workers Federation, said Whitcoulls' chief executive, but it was also made following a communication from the Association of University Teachers which threatened to advise university staff and students to boycott the company's bookshops. "We are only a small union," said the AUT executive director, "but one firm we could have an impact on was Whitcoulls."

The fast-food chain Kentucky Fried Chicken approached its staff with an individual employment contract which reduced the starting pay for new employees by more than a dollar an hour, lowered weekend penal rates for new workers and included "disciplinary" wage cuts as punishment for substandard performance. Staff at KFC's sole Invercargill store walked out in protest on 19 July, while in Auckland the Service Workers Federation sponsored radio advertisements warning KFC employees not to sign the company's contracts. On 19 July KFC withdrew its draft contracts and agreed to resume negotiations with the union. It raised its starting wage to \$6.50, but when talks collapsed, KFC on 26 July announced a 3.4 percent pay rise for staff who had completed an in-house training programme (about two-thirds of its 1500 employees). The company still intended to reduce starting rates and penal pay for new workers.

In a landmark legal ruling the Labour Court issued a compliance order on 14 July, stopping a South Auckland bowling centre from changing a worker's pay and conditions without her consent. Thirteen days after the Employment Contracts Act came into force on 15 May, Superstrike Bowling Centres had given a staff member an individual contract which changed her rostered days and reduced her hourly pay. The Court ordered the company to reinstate the employee on her previous shifts and pay rate. Max Bradford, the chairman of Parliament's labour select committee, welcomed the ruling: "I think there is a warning in here", he commented, "for the minority of employers who believe they can unilaterally change terms and conditions."

In another key judgement the Labour Court ruled on 26 July that a clause in the old Port of Tauranga industrial code, which restricted the number of casual workers on the waterfront, formed part of a watersider's individual contract of employment. The worker had challenged Associated Stevedores Ltd over the number of casual workers the company was allowed to employ; the court ruled that no waterside gang should be fully made up of casual labour and that all certifiable equipment must be operated by permanent workers.

Auckland private rest home owners circulated individual contracts to staff, providing for shifts of up to 12 hours without overtime and with no mention of penal pay. Some also included union resignation letters in pay packets and one home reportedly employed 16-year-olds at a rate of \$6.30 an hour, compared with the old award rate of \$8.54.

The Distribution Workers Federation concluded a collective employment contract with the Farmers Trading Company, covering 1600 workers in 47 stores. It provided for a pay rise in December, greater flexibility in working hours, a formula to safeguard overall earnings of existing staff and protection of union rights.

The engineering firm Fisher & Paykel negotiated a composite agreement with 14 unions covering the company's 10 operating divisions. The document did not include a pay rise, but it redefined management prerogatives and established a competence-based promotion structure. The unions in turn accepted some responsibility for discipline and the administration of sick leave.

Wellington railway shunters and engine-drivers stopped work on 12 July, after 2 men were injured when a hand-held radio system failed. The men wanted to go back to conventional shunting methods, which were more labour-intensive. New Zealand Rail suspended some 90 men, but normal work resumed on 16 July after the corporation agreed to review shunting procedures.

The New Zealand Labourers Union merged with the New Zealand Workers Union to form the Amalgamated Workers Union of New Zealand, with a combined membership exceeding 20,000. The new union also covers miners, Wellington and Taranaki drivers and Wellington and Canterbury rubber workers. The Association of University Teachers merged with the University Technicians Union to become the Association of University Staff of New Zealand. A new Maori trade union, Te Roopu o nga Kaimahi o Aotearoa, was launched in Auckland with 400 initial members. Its spokesman, Syd Jackson, was previously secretary of the Northern Clerical Workers Union.

AUGUST 1991

On 13 August, the Government announced the names of the 14 members of the Employment Tribunal which, like the Employment Court, was to begin work on 19 August. Six members, including Tribunal chairman Brian Stanton, formerly manager of the 3 Guys group of supermarkets, were based in Auckland, 4 in Wellington, 3 in Christchurch and 1 (mediator Walter Grills) in Dunedin.

Employment Minister McTigue announced the end of large-scale lay-offs on 16 August. Apart from local government and meat processing, said the Minister, most companies had reached the end of their restructuring. That same day 72 workers lost their jobs with the closure of the *Auckland Star*. Other major redundancies announced in the second half of August were 100 staff at MM Cables, 104 insurance workers at National Mutual, 120 Auckland harbour workers, some 960 Defence Ministry personnel (over 3 years) and 525 Foodtown jobs. Altogether, said Labour's associate employment spokesman, some 1500 people could lose their jobs in the 2 weeks the McTigue family planned to spend on holiday at Surfers Paradise.

A CTU affiliates meeting on 26 August approved executive resolutions on coordinated wage bargaining and decided to work for a core 2 percent pay rise in the coming wage round. Groups of unions would also claim additional pay rises, depending on circumstances in their industry, but the director-general of the Employers Federation dismissed the CTU strategy as a futile attempt to "reconstruct the past". Some employers, he said, would not be able to afford any pay rise and might even have to seek wage cuts.

Civil liberties groups joined trade unionists in opposing a proposal by Fletcher Construction to include random testing for alcohol and other drugs in its employment contracts. The company's employment relations manager agreed that intoxicating substances had not caused any noticeable problems on its construction sites, but claimed that random testing had worked well for its American subsidiary in Seattle. The Auckland secretary of the Building Trades Union warned that an independent person would have to oversee such a programme, which might otherwise be used to victimize workers. The chairman of the Auckland Council of Civil Liberties condemned any testing outside the strict legal procedures followed by traffic officers, police and customs. The armed forces had instituted a random drug testing for service personnel and New Zealand Steel had distributed a memorandum to its 1800 Glenbrook steel mill staff reminding them that workers found with drugs faced instant dismissal. The civil liberties chairman doubted, however, whether civilian employers could include random testing in employment contracts, because the Employment Court had the right to set aside harsh and oppressive clauses.

Air New Zealand threatened its catering staff with replacement by private contractors unless they accepted an employment contract which phased out weekend penal rates, cut paid lunch breaks, reduced overtime payments and introduced youth rates. The company argued that it had to cut costs to meet a new competitor, P & O Catering, who had gained the right to operate at Auckland airport from November. Ground stewards claimed that the proposed contract reduced their average salary of \$45,000 per year by half, and offered to work on the same terms as P & O staff. Air New Zealand, however, on 29 August, laid off 156 catering staff and replaced them with contractors. The company could no longer afford "historical terms and work practices", said its human resources general manager. Dismissed staff received 6 weeks' pay at ordinary rates; the unions concerned, Flight Attendants and Service Workers, had no more than 20 minutes' notice of the sackings. Air New Zealand said it had followed agreed redundancy procedures, but the unions regarded the dismissal as a lockout in an essential industry, which required 14 days' notice of industrial action.

The closure on 9 August of Hawkins Steel Ltd at Mt Maunganui, left 49 workers, mostly boilermakers, jobless. The company, a subsidiary of the McConnell Dowell construction and engineering firm, claimed to be unable to pay out redundancy compensation quickly. There were reports of picketing to stop computerized steel drilling machinery leaving the premises, but a fortnight later agreement was reached with McConnell Dowell which prevented industrial action on the site.

The Labour Court, on 12 August, required the Motueka-based fish processing firm, Talleys, to resume deduction of union fees for those of its 700 staff who remained members of the United Food and Chemical Workers Union. It also upheld the right of union officials to enter company premises at all reasonable times and to hold on-site meetings of workers. Talleys had been acting on the advice of the Wellington Employers Association in ceasing fee deductions, but the Court held that Talleys workers remained covered by individual contracts embodying the conditions of the expired awards.

Kentucky Fried Chicken reached an agreement with the Service Workers Union on 9 August which preserved the starting rate for new workers of \$7.25 an hour. Graduates of the company's 2-step training programme were to receive \$7.50 and \$7.75 respectively, increasing by 25c next February. In return, the union accepted a reduced time and a quarter penal rate for weekend work by new workers.

The Labour Court ruled that joint dining by ferry officers and crew was a breach of the officers' employment conditions and ordered the re-erection of the dividing wall between the dining areas on the *Arahura*, which had been removed on company orders. Any change to dining conditions, said the Court, should have been negotiated with the officers. The wall was hurriedly rebuilt and, pending a legal appeal by the company, the officers agreed to serve themselves buffet-style. This, however, brought objections from the Seafarers Union: "You either have common messing or you don't", said the union's catering secretary. "If the wall goes back, there has to be steward service." The Merchant Service Guild entered negotiations on varying the employment conditions, but it expected a substantial trade-off before agreeing to common messing.

Thirteen nurses at a West Auckland accident and emergency centre stopped work on 1 August, following the breakdown of contract negotiations. The employer's proposals, reported the Nurses Union, would "dramatically disbenefit" the staff through the removal of overtime and penal rates and the introduction of shifts of up to 14 hours. The nurses maintained a 24-hour picket and, when the centre sought an injunction and compliance orders, the Labour Court on 9 August rejected the application, holding that the strike was lawful. Negotiations resumed after the hearing but collapsed when management brought a temporary nurse through the picket line. One of the picketers laid an assault charge against a director of the centre.

The Distribution Workers Federation accused the Deka retail chain, a Lion Nathan subsidiary, of offering an unfair contract to its employees, "considerably worse than its major competitors". The contract, according to the union, reduced holiday and sick pay

provisions and deprived new employees of penal rates, service pay, meal and travel allowances and qualifications payments. The union sponsored newspaper advertisements heading "Deka Contract Unfair" and advised workers not to sign. On 7 August a 2-hour strike closed Deka's Mt Wellington store in Auckland, but further negotiations on 14 August reached agreement on a new collective employment contract. In addition to a 2 percent pay rise, it fully protected, and in some instances improved, existing workers' conditions, set minimum starting rates for new workers under 20 at \$5 an hour (the company contract had proposed \$3.82) and recognized union rights.

The crew of the cement carrier *Golden Bay* went on strike in Timaru on 28 August and were removed from the ship with police assistance. The owners, Golden Bay Cement, a Fletcher Challenge subsidiary, had indicated that they planned to man the ship with permanent employees, while the union sought to protect the traditional "corner" system of engaging labour. Seafarers mounted a picket which immobilized the ship in Timaru.

The PPTA annual conference opposed bulk funding and decided to blacklist schools which opted for it. Delegates voiced concern at the the government's education cutbacks and 8 education sector unions combined to buy television time to inform the public about adverse budget proposals.

SEPTEMBER 1991

The Labour Department's monthly unemployment survey jumped to another postwar peak with just under 200,000 registered at the end of August, equal to 14.8 percent of the workforce. 22,741 had been unemployed for more than 2 years, just over 50,000 for more than 1 year. Highest unemployment rates, exceeding 20 percent, were in Northland, Rotorua and Gisborne.

Manufacturers, whose fulltime workforce had shrunk from 302,000 to 221,000 over the past 5 years, were increasingly adopting 4-day working weeks because of economic difficulties. The Footwear Workers Union estimated that about 70 percent of its Auckland and Wellington members had been put on 4-day weeks in recent months, while the national secretary of the Clothing Workers Federation reported that most of his members had worked 4-days weeks at some time.

The Ministers of Employment and Women's Affairs released a report entitled *Equity at work: an approach to general neutral job evaluation*.

Trade unions held 272 of 628 votes at the Labour Party's 75th annual conference. The executive of one of the party's largest union affiliates, the 26,000-strong Northern Distribution Union, voted to place a recommendation for disaffiliation before the coming round of stopwork meetings.

CTU president Douglas described Air New Zealand's replacement of catering staff with private contractors as "certainly a very aggressive response". Dismissed ground stewards and their families demonstrated at the Auckland airport domestic terminal and outside the airline's Auckland downtown office, while delays at the Air New Zealand airport kitchens, which normally supplied meals for 16 airlines, forced Continental Airlines to serve Kentucky Fried Chicken packs on its Sydney flights. Legal challenges to the dismissals by the flight Attendants' and Service Workers unions came before the Employment Court on 11 September. The 2 unions sought an interim injunction with reinstatement and a judicial review, alleging that the dismissed workers had not been made redundant, but had been locked out in an essential industry without the required 14 days' notice. Air New Zealand argued that the decision to replace ground staff with contracts was not a sham or bargaining device and that at least 500 more jobs would be in jeopardy if the company was forced to reinstate the stewards. Registered redundancy agreements, said the airline, did not specify how much notice had to be given.

The judge accepted that the workers and their unions had a "strongly arguable" case that the company had acted in breach of its redundancy agreements and in an unfair and unreasonable manner. He held, however, that the "die was cast" by the dismissals of 29 August and that reinstatement now would jeopardize the entire operation of the catering division with possibly hundreds of further job losses. The dismissed workers, he said, would have to seek relief by taking personal grievance cases to the new Employment Tribunal. The judge did, however, issue an interim injunction restraining Air New Zealand from dismissing other catering workers "in circumstances that amount to a lockout" without giving the required 14 days' notice of industrial action in an essential industry. A meeting of dismissed catering workers in Auckland on 17 September decided to lodge personal grievance claims. Meeting on 27 September, Christchurch Air New Zealand catering staff voted to reject the company's employment contract and set up an action committee.

The Bakers Union, anticipating an employer push to get rid of penal rates, concluded an agreement with Quality Bakers, a Goodman Fielder Wattie subsidiary, which abandoned overtime and penal rates in exchange for a pay rise of about 50 percent.

The new flat-rate agreement enables bakeries to operate 7 days a week with 2 shifts each working 3.5 days.

According to the secretary of the Building Trades Union, some of his members had their pay cut by as much as \$150 per week since the Employment Contracts Act took effect. Building workers who had earned a take-home pay of about \$400, he reported, were now receiving as little as \$250 for the same work.

Nylex announced the closure of its East Tamaki plastics manufacturing plant within a few months, with the loss of about 60 jobs.

Negotiations between the Resident Doctors Association representing junior hospital doctors and the State Services Commission representing area health boards broke down, when the boards insisted on replacing the national award with regional contracts. The Canterbury board alone expected to save more than a million dollars in annual costs by abolishing overtime and penal rates. At meetings throughout the country doctors voted in favour of strike action. "We see the threat of a strike as the only weapon we have left to ensure that our present employment conditions are continued on a national basis," said the Association's Wellington president. Doctors were particularly concerned to retain rules limiting the number of nights a doctor could be called back each week and preventing doctors working more than 16 hours each day. They were prepared to negotiate regionally, said their industrial advocate, but only if the "safety net" of the national award was in place.

The New Zealand Medical Association and the Association of University Staff both supported the junior doctors. The Resident Doctors Association gave 14 days' notice to the 14 area health boards that its members would walk out with no provision for emergency services for 48 hours at 8 am on 2 October, and again on 9 and 16 October. On 24 September, however, Auckland doctors who comprise about a third of the Association's members, called off their strike after the local board offered discussions on protecting doctors' conditions and preserving a national on-the-job training scheme within regional employment contracts. The strike notices were also cancelled in the Bay of Plenty and Wanganui-Manawatu regions, but other boards decided to apply for injunctions to prevent strikes. The Employment Court was due to consider these applications on 30 September, when last-minute talks succeeded in setting up national discussions and averting hospital strikes.

The downsizing of the meat processing industry continued, with closures of the Pukekohe abattoir (24 jobs), the Whangarei lamb chain (24 jobs), half of a lamb chain at Moerewa (39 jobs), 46 lay-offs at Imlay, and announcements that the second lamb chain at Horotiu would not run next season with the loss of 150 jobs, and that the Feilding works would close altogether with 450 job losses. Earlier South Island closures were responsible for 79 MAFQual meat inspector redundancies.

The Court of Appeal on 18 September adjourned a hearing on an appeal by New Zealand Rail against a Labour Court judgement preserving separate dining areas for officers and crew on the interisland ferries. The adjournment was at the request of New Zealand Rail.

About 30 Auckland front-of-house cinema staff at Pacer Kerridge's Queen Street Theatre Centre struck for 24 hours on 20 September in protest against company proposals to abolish penal rates. Pacer Kerridge had already made two-thirds of its staff redundant over the past 2 years and had cut working hours of the remainder by a third without any pay rise since 1989. The new proposals, according to the union, would cut pay by an average of 25 percent. Pacer Kerridge threatened closure of its Theatre Centre if no agreement was reached.

Emergicare Henderson, a 24-hour West Auckland accident and emergency clinic, was closed by the landlord on 5 September after a 5-week strike by registered nurses. The Nurses Union applied to the Employment Tribunal for a compliance order for back wages.

The Police Association clashed with the PSA over Association attempts to enrol about 1000 non-sworn police staff. According to the Association, it had already signed up some 400 of these former PSA members. Both unions are affiliated to the CTU which has a policy designed to prevent demarcation disputes.

Electricorp announced a further 78 job losses in the North Island, bring to about 600 the number of staff laid off in the past 6 months.

The cement carrier *Golden Bay* remained stranded in Timaru, where seafarers maintained a picket. The owners received 176 applications for 11 positions, none from union members, but union president Morgan warned that his members would not be fazed or intimidated by threats of scab labour.

The NZEI annual conference on 5 September directed members not to accept permanent or relief positions in schools opting for bulk funding. Teachers in such schools were to receive help in finding other jobs and the union decided to give financial support to school principals dismissed because of their refusal to implement bulk funding.

New Zealand Stevedoring, which employs 600 watersiders at 11 ports, signed local agreements increasing base pay in exchange for the abolition of weekend penal rates. Workers would still be paid overtime after 8 hours a day and 40 hours a week, but the company won the right to operate on any 5 days in a week at flat pay rates. The agreement also recognized the Waterfront Workers Union, still a point of contention with other stevedoring firms.

OCTOBER

An invitation to Prime Minister Bolger to address the CTU biennial conference - the first time a National leader had been asked - caused some controversy among unionists. Auckland CTU president Andersen expressed his disagreement and the secretary of the Northern Chemical Workers Union, Pat Brown, described it as "an insult to workers' intelligence", but a bid to withdraw the invitation by the Amalgamated Workers and Service Workers unions was defeated on the opening day of the conference, 7 October. Some delegates, however, boycotted the Prime Minister's address, which was listened to in silence. Bolger gave recognition to the CTU as representing the interests of hundreds of thousands of New Zealand workers, while CTU president Douglas hopefully offered the union movement's cooperation in achieving a quality society through a change in economic direction.

CTU economist Peter Harris presented an updated growth strategy requiring intervention in the economy and a curb on wage demands. Delegates unanimously endorsed a 10-point package embodying this policy and decided to make a community

campaign around this package a priority next to union restructuring, bargaining reform and sector changes. Ron Burgess, the first CTU secretary, retired at the conference; officers elected were Douglas as president, Ross Wilson as vice-president and Angela Foulkes as secretary.

The Labour Party announced a scheme under which each MP will liaise with one or more trade unions. Leader Mike Moore will be "buddy MP" for the Printing Trades Union. Union restructuring made progress with the merger of 3 railway unions (Railway Officers Institute, Locomotive Engineers Association and Railway Trades Association) into CURE, the Combined Union of Railway Employees, with a combined membership of about 5000. The Post Office Union agreed to amalgamate with the Electrical Workers Union (combined membership about 35,000) and members of the service workers' and distribution workers' unions were to vote on a merger.

Advertisements placed in Australia by a New Zealand consulting firm invited Australian manufacturers to move their factories to New Zealand where the Employment Contracts Act allowed employers to cut wages by up to 25 percent without having to pay penal rates or contributing to superannuation schemes.

The Association of University Staff asked its members to boycott Air New Zealand in protest against the airline's actions under the Employment Contracts Act. University staff used air travel extensively and the political cost of lost business could have some impact, said the Association's executive director.

The Downer construction company signed a collective employment contract with its building tradesmen providing a 3 percent pay rise compensated for by changes in hours of work.

Telecom announced on 1 October a further 83 redundancies before next March in its Auckland telephone exchange maintenance section. IBM announced on 2 October that it planned to reduce its 600 staff by a third, preferably by voluntary redundancy. Woolworths announced on 4 October its intention to lay off 102 staff in 3 weeks, while a new Big Fresh supermarket, which opened in Manukau City in October, received 3700 applications for 220 jobs.

The Society for the Intellectually Handicapped planned reductions of the equivalent of 230 staff; according to the general secretary of the Community Services Union, IHC staff were being pressured into accepting reduced hours and were told that they would be required to work at any time of the day during a 7-day week.

Otago junior hospital doctors gave notice of a strike on 5 and 6 November, followed by further walkouts in later weeks. Doctors in other centres also made preparations for protest strikes over the breakdown of award talks. The general secretary of the Resident Doctors Association said the area health boards wanted to retain their right to negotiate individual contracts when the next intake of junior doctors arrived and were "absolutely set" on decreasing wages. The general manager of the Otago board replied that his board's offer was generous "in today's hard economic times".

Anxious to retain an industry-wide document when the current Metal Trades Award expired on 7 December, the Engineers Union drew up a Metal Trades Collective Contract, which it asked employers to support (by signing a statement of intent) and workers to endorse. "It offers stability and a cost-effective way of bargaining for companies who want to get on with the real business of manufacturing", explained Christine Meade, the union's Auckland coordinator of "Operation Metal"; employers, however, were advised by their associations to opt for separate site deals.

South Island meat workers negotiated productivity documents at the 9 Alliance plants, after signing a new collective agreement on 24 September which virtually renewed the old award with no wage rise this season. At Richmond plants in the North Island the company offered a 2 percent pay rise but insisted on separate site agreements.

Auckland harbour workers held a stopwork meeting on 7 October and then marked to the Ports of Auckland head office to deliver a protest note. They complained that the company was pressuring employees to sign individual contracts "while pretending to be

negotiating for a collective employment contract." The company's chief executive, who denied this charge, accused the national Harbour Workers Union of making inflammatory statements full of "cloth-capped emotion"; he issued a warning over threats of intimidation after unauthorized notices appeared on bulletin boards describing named individuals, who had signed contract documents, as scabs. Having already laid off 120 workers, Ports of Auckland issued a further 38 redundancies and gave notice of yet another 20 lay-offs. A combined committee of 4 unions, harbour workers, watersiders, foremen and electricians, on 21 October condemned the company's "jackboot" tactics, resolved not to work with outside contractors or any scab labour and threatened to call an open-ended strike if the company did not resume negotiations. The unions also prepared legal challenges to the dismissals.

The Amalgamated Workers Union made an out-of-court settlement with Fletcher Challenge, which disposed of a \$10 million damages claim against the old Labourers Union over a 1988 dispute and a \$1 million claim over an Auckland strike last year. The terms of settlement were not disclosed but were reported to involve payments by the union.

The Manukau City Council asked more than half its 1100 staff to take pay cuts of up to 16 percent by replacing allowances and overtime with a single base rate and cutting sick pay and holidays. Unless it could reduce staff costs, said the Council, it would be forced to employ private contractors, but a stopwork meeting on 17 October resolved to resist the Council proposals. When negotiations broke down on 29 October, the Council's director of works told the union that there was no point in continuing discussions unless the workers agreed to "significant cost reductions".

The NZEI forecast the loss of 398 fulltime teaching positions next year. The PPTA, which anticipated a loss of about 600 secondary posts, initiated legal proceedings, claiming that the Government had breached teachers' employment contracts by unilaterally changing their conditions of employment without negotiation.

Talks with Pacer Kerridge for a new collective agreement for front-of-house cinema staff at the company's Auckland Theatre Centre broke down because of what the union claimed was the company's non-negotiable stance and "ever hardening attitude". Pacer Kerridge then offered individual contracts involving substantial wage cuts to the 47 staff. 26 employees who refused to sign were faced with instant dismissal, but the Northern Distribution Union applied for an injunction and compliance order to the Employment Court. On 22 October unionists picketed the Theatre Centre, where Terminator 2 was screening, with placards such as "Pacer Kerridge - The Terminator". Next day the company gave an undertaking in Court that it would not dismiss any Theatre Centre workers for rejecting new employment contracts. The judge awarded the union \$2,000 costs. On 25 October Pacer Kerridge issued redundancy notices to 18 employees.

Negotiations for a new employment contract with the other major cinema chain Hoyts also ran into trouble. Hoyts offered flat rates ranging from \$6.30 an hour for school-leavers to \$9 for adults, with the abolition of penal rates. Meetings of 200 front-of-house staff at 12 cinema complexes in 6 centres rejected this offer, whereupon Hoyts on 25 October, withdrew it and announced that new workers would be hired on individual contracts on the rates the company had offered earlier. Existing staff decided to "sit tight" on their current employment conditions.

The Maori workers' union, Te Roopu o nga Kaimahi o Aotearoa, asked the Employment Tribunal to hear, on a marae, its complaint against Radio Aotearoa over alleged sexual discrimination against women who were made redundant last May. The union also asked for compensation for its founder, Syd Jackson, who was made redundant at the same time.

Herbert Roth