

Chronicle

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Employment figures from New Zealand Statistics showed a strong upswing in job creation in the September quarter. Manufacturing, building, construction and financial services had a job surge while fewer jobs (2.1 percent down) were recorded in the community, social and personal services areas. Unemployment dropped to 7.8 percent (down from 8.3 percent in the June quarter) with an employment growth of 64,000 jobs over the last year.

Increased employment led to bottlenecks in some industries. Employers in Auckland's construction industry staged a crisis meeting which urged the government to accelerate training opportunities. Additionally, Executive Director Karl Bale, Quantity Surveyors Institute, pointed to a shortage of quantity surveyors, engineers and architects. There is also an alleged shortage of clinical hospital staff in the Auckland area where Auckland Hospital alone needs to recruit another 185 nurses according to a recent review. A survey by the Canterbury Manufacturers Association also showed difficulties in filling vacancies for skilled employees.

The latest figures from the Education and Training Support Agency show the number of people on formal apprenticeship being at an all-time low. In the year to June 1994, the number of people on apprenticeships dropped to 11,743 from 29,982 in 1974 and more than 20,000 in 1990. However, new apprenticeships have increased to 4,536 compared to 2,843 in the previous June to June year. The overall drop in apprenticeship numbers must also be attributed to new training arrangements under recent legislation, according to Employers Federation Education and Training Adviser Marilyn Davies. The government announced a \$1.5 million fund to help new Industry Training Organisations (ITOs). The government ruled out, however, allowing ITOs to levy employers to fund training in particular industries.

The final report on the Employment Contracts Act from the International Labour Organisation (ILO) got differing interpretations by unions, employers and the government. According to the *New Zealand Herald*, the Minister of Labour, Mr Kidd declared that the ILO had "stepped right back" from supporting the complaints by the Council of Trade Unions (CTU) and he concluded that only one of the four final recommendations was critical of the legislation. Nevertheless, the government rejected the ILO recommendations for change, and in particular the call for legislative change to allow strike action in pursuit of multi-employer collective employment contracts. The CTU, on the other hand, thought that the ILO had upheld the core of its complaint against the legislation.

The government's quick response to the ILO report was in contrast to its year long delay in putting before Parliament the report on the Employment Contracts Act from the Labour Select Committee. The government has already pre-empted some of the recommendations through its stance on the holiday regulations and by increasing the resources of the labour

inspectorate. The government disagreed, however, with the recommendation to review employee rights under Part I of the Act and the implied suggestion that the Act may not allow workers an effective right of association.

As the Minister of Labour got ready for the annual review of the statutory minimum wage in December, debate started for and against adjusting the current minimum wage of \$245 a week (40-hour-week). The CTU suggested a rise of \$1 an hour to \$285 a week and CTU economist Peter Harris complained about underpayment. Harris advocated that fines should be set at twice the underpayment and be paid to the worker in order to give employees an incentive to report offenders.

An article in *The Economist* reported that the gap between rich and poor has increased in New Zealand. In terms of income dispersion, measured as the ratio of the richest 20 percent of households to the poorest 20 percent, it is only the United States and Australia that have a wider gap than New Zealand. The article states: "It is no coincidence that the biggest increases in income inequalities have occurred in economies such as those in America, Britain and New Zealand, where free-market economic policies have been pursued most zealously."

There are indications that collective pay settlements may be edging upwards. A 4.5 percent pay rise obtained by the Northern Chemical Workers Union at Revlon may set a new industry benchmark for collective agreements. About 900 members of the Engineers Union ratified a collective contract for Air New Zealand's maintenance engineers. The settlement included a three percent pay rise backdated to 1 July and another two percent next year. Members of the Aviation Technicians Association rejected the pay offer. The long running negotiations between the secondary teachers and the State Services Commission came to an end when around two-thirds of all secondary teachers accepted the offer (Wellington teachers decided to reject the package as being "too mean"). The 12-month collective contract included a \$600 before tax bonus to be paid on December 21 and a two percent pay rise from April 1995. It also involves improved redeployment provisions for teachers laid off because of falling rolls. Negotiations were continuing over the union's redundancy claim.

A University Vice-Chancellors Committee survey of 18,107 graduates indicated a more buoyant job market. The average salary for recent university graduates was \$25,157 which included a large gap between the average salary in medicine and in agriculture/horticulture - \$43,999 versus \$18,016.

Health Minister Jenny Shipley suggested at an international workshop on substance abuse in the workplace that it may be time to introduce random drug testing for safety reasons. This is partly to protect other workers and partly to avoid large costs associated with drug-related accidents and injuries. However, vice-president of the CTU, Mr Ross Wilson, warned that random drug testing in the workplace could land the government in court as it may breach the Privacy Act and the Bill of Rights.

The controversial Maritime Transport Bill, introduced into Parliament in May 1993, was narrowly passed by 46 votes to 44 in its final reading in Parliament. The Act allows foreign vessels to carry local cargo between New Zealand ports. The Minister of Transport,

Mr Williamson, predicted lower freight rates, better shipping services and possibly more shore jobs, while the opposition saw "rust buckets" undercutting local shipping through cheap labour and tax avoidance as the more likely outcome.

The health sector was plagued by controversies - from hard-nosed bargaining, chief executive bonuses, rising stress levels amongst doctors, and claims of "bureaucracy gone mad" from contractors. Strike action by house surgeons at Eastbay Health became more complicated when Eastbay Health decided to recruit Australian strikebreakers. The Australian doctors were offered two- or four-week packages including return airfares, free accommodation, car and meals. The Association of Salaried Medical Specialists started to warn overseas doctors about New Zealand employment contracts in advertisements in international medical journals.

Draft standards proposed by the Nursing Council will require nurses moving from overseas to take anti-racism workshops before being registered. The Nurses Organisation and the Nurses Society described the draft standards as potentially contentious and suggested that they could harm recruitment by hospitals.

News that all 23 chief executives at the crown health enterprises had been paid their bonuses - 18 received the full bonus and the other five received part payments - prompted an angry response from the Public Health Coalition. The bonus comprises 20 percent of total salary and it is paid for redirecting administration costs and overheads into health services. The CEOs' eligibility for bonus payments was decided by the crown health enterprises. Crown Health Enterprises Minister, Mr Paul East acknowledged that the government neither monitors implementation nor collects information about the bonuses.

The Chief Executive of Telecom, Dr Rod Deane complained in a letter to the Minister of Health about the bureaucracy associated with dealing with regional health authorities. Dr Deane based his complaint on dealings with the health authorities in his capacity as president of IHC Society and he included a contract proposal from Midland Health that required free access to IHC information and premises, immunity from liability, and reserved the right to interfere in day-to-day IHC operations.

A decision in an Auckland District Court case between two modelling agencies foreshadows further restrictions on employees in regard to information handling and staff poaching. The case centred on whether former employees may use publicly available lists to approach employees of their former employer. The court ruling implies that this cannot be allowed if it would advantage a competing company. Canterbury University senior law lecturer John Hughes described the New Zealand courts' approach as "an extremely strict view of employees' duties."

A woman badly burned and blinded in an accident involving caustic soda received \$21,000 in compensation in an Auckland District Court case. The woman suffered burns to 58 percent of her body, lost her right eye, and her left eye can only distinguish light from dark. The company admitted liability in failing to ensure proper use of caustic soda, adequate training and the implementation of hazards systems. According to a Labour Department lawyer, it was the heaviest penalty and highest award so far under the Health and Safety in Employment Act 1992.

The Human Rights Commission produced its first annual report under the Human Rights Act 1993, showing 235 formal complaints in the year to June 1994 (up 29 percent compared to the year to June 1993). The largest award for sex discrimination - in excess of \$2 million according to media reports - involved 17 female Air NZ cabin crew, while in another sex discrimination complaint one woman received damages of \$200,000.

Employment contract negotiations prompted a number of disputes in November. The long running pay negotiations at the Yellow Bus Company in Auckland involved pickets, growing friction between groups of workers and challenges to the Tramways Union representatives by a local elected committee. A growing number of workers had signed the contract by November and, after a postal ballot, the Tramways Union signed a two year agreement including a \$400 before tax lump-sum, a 2.7 percent wage rise immediately and another 2.25 percent in October 1995.

The Fire Service is trying to achieve a savings target of \$28 million by proposing changes to the firefighters' collective employment contract. The proposals include a nine-day work roster with weekly hours rising from 42 hours to 56. As part of its bargaining strategy, the Firefighters Union announced plans for a national referendum on cuts to fire services. Capital Power negotiations resulted in strike warnings as the Communication and Energy Workers Union and the Public Service Association issued notices for 140 line workers after the workers rejected a 1.5 percent pay offer.

Statistics New Zealand's industrial stoppage figures for the year to July 1994 paint a mixed picture: there were more stoppages but fewer days were lost compared to the previous year. The vast majority of stoppages was associated with negotiations and contract coverage. The number of stoppages was 68 (59 in the previous year); they involved 33,840 employees (26,479 employees in the previous year), and 50,500 working days were lost (106,250 in the previous year).

A survey of personnel practices amongst managers found that there is a large gap between ideal personnel standards and what is actually occurring. The postal survey conducted by consultancy firm Wevers & Company for the NZ Institute of Management targeted 6,000 managers and 1,173 replies were received. The widest gaps between perception and reality were found in the areas of performance management systems, training and development, and devolving personnel responsibilities to line managers.

December 1994

While unemployment was generally on the way down, the end-of-year registered unemployed figure started its seasonal rise: up 1,506 in November to 174,057. It was, however, still 14.9 percent lower than in November 1994. The long-term unemployed also dropped as a share of the total registered unemployed, down from 51.1 percent to 48.7 percent.

A number of organisations announced job cuts before Christmas. Telecom announced that 40 to 50 installation jobs in the Auckland area would go sometime in early 1995. Income Support Service expected 120 jobs to go as part of a restructuring of district offices. The

restructuring of the Justice Department into three divisions was approved by Cabinet and it was expected to lead to significant job losses. Finally, the announcement of a continuing tariff reduction programme for the next five years gave rise to job fears in industries such as footwear, clothing, and motor vehicles.

The Employment Taskforce report put the goal of full employment back on the political agenda. The report included 120 recommendations and six "milestones" to achieve "a situation where all who want it have an opportunity for paid work." The report tackled many key issues: the transition from school to work, the abatement regime applying to part-time workers receiving benefits, the statutory minimum wage, stand-down periods for dole payments, job schemes and individualised assistance to the unemployed. It proposed a system of national employment commissioners. According to media reports, the upswing in employment will force the government to give attention to long-term unemployment and its ethnic distribution.

The Taskforce proposals were estimated to cost around \$428 million but their implementation will be discussed with Labour and the Alliance following the multi-party accord on unemployment. There were claims of the consultation agreement being broken when the government moved swiftly to keep school leavers in school and off the dole. The government announced a \$33 million youth employment package as welfare payments were cut off for under 18 year olds from the beginning of 1996. This will raise the eligibility age from 16 to 18 for the training benefit, tertiary student allowance and sickness benefit. The package increases family support pay for 16 and 17 years olds and targets unemployed youth of 18 years and over for individual case management by New Zealand Employment Service. An additional 3,000 places on job schemes were also funded. In a separate announcement, the Prime Minister, Mr Bolger promised more money for secondary schools expected to have an increased number of senior students because of the youth policy changes.

Minister of Labour, Mr Doug Kidd, announced a two percent rise in the statutory minimum wage for adults from \$6.12 per hour to \$6.25 (from \$245 for a 40-hour week to \$275). The statutory minimum wage for under 20 year olds increased from \$3.68 per hour to \$3.75. The adult minimum wage was last increased in September 1990 by the Labour Government. While the CTU economist Peter Harris pointed to the inflationary erosion of the minimum wage since 1990, the Employers Federation President Richard Tweedie noted what he described as the harmful employment effects of statutory minimum wages.

A number of pay settlements occurred in the public sector. Following a pay agreement in November, secondary teachers settled the outstanding redundancy issue. If teaching jobs disappear because of falling rolls, several options will be available: staying on for 30 weeks to look for another job, retraining for 30 weeks, or severance pay based on length of service. It is the first time redundancy pay has become an option. However, the Post Primary Teachers Association reacted angrily when the State Services Commission extended the pay deal to all secondary teachers on individual employment contracts.

Local Government Minister, Mr John Banks announced that local government salaries and allowances for elected representatives can increase by up to five percent. This was the first adjustment since 1989. However, mayors and councillors do not get the maximum level

automatically as salary levels are voted on by individual councils.

The Public Service Association (PSA) started a wage campaign involving employees of most government departments. While some state sector employees have received one-off payments on an enterprise basis, many employees have not had an across-the-board wage rise for several years. The campaign is a reaction to the government's centralised approach to wage bargaining.

The Higher Salaries Commission increased judges' pay by 4.5 percent on average to compensate for increased stress and workload. It is the second rise this year for judges, with an average two percent awarded earlier for the 1993 wage round. An editorial in the *Dominion* called on judges to forego the pay increase.

Around 10,000 school support staff received an 18 cents-an-hour pay rise in an 18-month settlement with the State Services Commission. It will raise wages by around two percent on average and it was slightly down on the 20 percent sought by the union, the NZ Educational Institute. Junior doctors at Whakatane Hospital were offered a \$2,000 salary rise following an 18-day strike in November. The salary increase will be backdated to June with a further two percent rise due in mid-1995.

The above negotiations were settled but a number of other negotiations dragged on and involved industrial action. Following the breakdown of pay negotiations with Air New Zealand, the Aviation Technicians Association announced a 24-hour strike on New Year's Day. The lack of refuelling and engineering checks by aviation technicians was expected to lead to some delays of Air New Zealand flights.

The primary teachers' campaign for pay parity gained momentum as two reports came out in favour of a unified pay scale. A joint government-union working party and a report from Deloitte Touche Tohmatsu both supported a unified pay scale and were critical of the government's push for performance pay. The Deloitte report found that primary teachers scored higher than secondary teachers in terms of breadth of knowledge needed to teach a range of subjects. Nevertheless, the Cabinet rejected the claim for pay parity but raised its pay offer by \$5 million to \$25 million in total. The primary teachers' response was to vote for two days of strikes in March.

Labour Department staff picketed Department buildings during a 24-hour strike. The strike was a reaction to the inability of the Department to reach a settlement with its employees after two and a half years of negotiations. The union's threat to ban collecting and assessing departmental statistics subsequent to the strike was countered by the Department's threat to suspend employees participating. The union called off the ban.

Auckland kindergarten employers walked out of national pay talks as a stalemate continued after eight months of negotiations. A substantial gap existed between the kindergarten teachers' claim of four percent (six percent for senior and head teachers) and the government's offer of two percent subject to available funding.

Workplace health and safety featured prominently in media reports. A Department of Labour report found repetitive strain injury/occupational overuse syndrome (OOS) cases up

by 40 percent. OOS now accounts for roughly half the cases of notifiable diseases in New Zealand. The report coincided with a prosecution in an Auckland District Court against FAI Metropolitan Life Insurance. The company pleaded guilty to two charges involving an OOS injury which violated the requirements in the Health and Safety in Employment Act requiring employers to give adequate training and take all practicable steps to ensure employee safety.

Tally's Fisheries was fined \$8,000 for an industrial accident in Nelson District Court after that company also pleaded guilty to failing to take all practical measures to ensure employee safety. The company was ordered also to pay court costs and solicitors' fees. The employee, who had a foot crushed in an auger, received \$6,000 of the fine.

An independent study of 1,187 university staff found that academics have worked longer hours and suffered more stress-related illness since the tertiary education changes of 1990. The increased administrative workload and larger class sizes have meant that academics now work an average of 53 hours a week.

The government announced a relief package whereby over 50,000 people can benefit from one-off payments through the Social Welfare Department's special grants system. The government introduced the Social Welfare Reform Bill. It will provide for more flexibility for temporary work through amendments to existing stand-down periods for beneficiaries' temporary work and in relation to lump-sum insurance payments. The Bill included tighter eligibility rules for special welfare assistance.

The Employment Court gave weight to contract sanctity by ruling that parties to employment contracts cannot withdraw once settlement has been reached. Shell Todd Oil Services found a month after finalising negotiations that an hours of work clause could have wider implications than intended. It claimed therefore that employees could not ratify the contract and the company's advocate put pressure on the union negotiator to change the clause. The Court ruled that the company had to sign the contract it had given to employees for ratification. In another case, the Employment Court ruled that employers cannot claim that hourly or weekly pay rates include holiday pay. The holiday ruling still left unanswered questions over statutory holiday entitlement (for example for casual workers and if statutory holidays fall on a Sunday) and the Labour Department's labour inspectorate received 3,000 holiday calls a week in the pre-Christmas period. Some unions, for example the National Distribution Workers Union, have negotiated special pay rates and a day off in lieu if statutory holidays fall on a Sunday.

The Human Rights Commission's draft guidelines for pre-employment procedures put limits on information solicited in job interviews or on application forms. The guidelines would ban asking job applicants their age, marital status, gender, birthplace, and relationship to their nominated next of kin. The draft guidelines provoked employer anger and several recruitment agencies described them as cumbersome. The Employers Federation was also unhappy with a Human Rights Commission judgement which ruled that Stagecoach Wellington had discriminated against disabled people by not buying buses accessible to wheelchairs. According to Federation chief executive Steve Marshall, the flow-on effects could cost millions of dollars and affect bus companies adversely.

January 1995

Despite the seasonal increase in unemployment, the number of registered unemployed reached the lowest point since December 1990. The total of 181,091 registered unemployed in December constituted a 14.7 percent fall over the last year, a reduction by 31,208 unemployed. More student jobs were available compared to last summer: up from 22,600 to 24,500 with more than 21,000 being filled by mid-January.

Ceramco Corporation attributed lower than expected profits in its apparel division to a lack of skilled sewing machinists. The company had been unable to increase staff numbers as demand for its products increased. It has changed its staffing policy from seasonally adjusting staff numbers to maintaining constant numbers throughout the year.

The 20 percent plus unemployment rate amongst Maori and Pacific Islanders is often explained through shortcomings in educational achievements, lack of advanced technical skills and geographical location. But Employers Federation chief executive, and member of the Employment Taskforce, Mr Steve Marshall raised the issue of discrimination as another factor in a speech to Massey University students. He urged the development of new understandings as New Zealand became more of a multi-cultural society.

Neither the Employers Federation nor the CTU expect any immediate general pay pressure from the rise in interest rates, according to the *Dominion*. Nevertheless, the Federation's Steve Marshall regarded enterprise or sector specific pay pressures as a possibility, and the CTU's Peter Harris thought pressure could mount if inflation increased. A number of surveys showed that managers were comfortably outpacing inflation, with average pay rises of four to six percent. The 1994 survey by recruitment company Lampen indicated that other staff groups may be catching up: salary increases averaged four to 5.5 percent for support staff. A survey of weekly earnings in the three main centres by the Institute of Economic Research showed that Wellington had the highest average weekly earnings with \$635, compared to Auckland's \$593 and Christchurch's \$533. It found, however, that Wellington had the lowest per capita spending of the three main centres.

Several industrial disputes caught the attention of the media. The use of American workers by Air New Zealand during a 24-hour strike on New Year's Day had the union asking the Immigration Service for details of their entry. Whether the Immigration Service should allow the use of American workers was further debated as the Aviation Technicians' Association announced a 48-hour strike in mid-January. No final decision was reached by the Minister of Immigration, Mr Maxwell, before the strike was called off and negotiations restarted. Tradespeople at AFFCO's meat processing plants voted in favour of an 8-day strike following a breakdown in pay negotiations. The workers have not had a pay rise for five years and they claimed pay increases of between 2.4 and 2.6 percent. The strike could halt nearly 70 percent of the North Island's meat processing capacity. After strikes in October and November, Aoraki Polytechnic tutors started back at work. However, the Polytechnic's refusal to grant them a collective employment contract was still contested by the tutors.

The Professional Firefighters Union planned to start collecting signatures in February for a citizens-initiated referendum on the restructuring of the Fire Service. The petition asked

the question: Should the number of firefighters employed in the Fire Service be reduced? The question's final wording still had to be cleared by Parliament's Clerk of the House and then the union had the job of collecting 240,000 signatures to force a referendum.

The unrest in the health sector continued in January. The Resident Doctors Association called for a statutory limit on working hours as reports of some junior doctors working more than 80 hours a week surfaced. The Medical Council's guidelines stipulate that junior house surgeons should work less than 60 hours per week. The Parliamentary Under-Secretary for Health and Crown Health Enterprises, Mr Bill English, favoured monitoring the working time and said, according to the *New Zealand Herald*, "In principle, it is not the sort of issue a government would want to legislate on." Following the decision by Waitamata Health to award the contract on food, cleaning and orderly services to Australian-owned Spotless Catering, the Nurses Organisation warned that nurses would not be prepared to take on any shortfall in services provided. In another announcement, the Nurses Organisation and the Nurses Society alleged that graduate nurses were working and being paid as hospital aids while frequently doing the work of registered nurses. This was subsequently disputed by the Private Hospitals Association.

There were indications that union membership may be growing after four years of decline. An organiser with the Service Workers Union in the Waikato area, Mr Shane Vugler, said that membership was growing in the region. The union plans to take on another organiser in the Waikato and the Engineers Union has already employed another organiser in the area. Membership growth was occurring in medium and large sized workplaces, but not in smaller workplaces, according to union sources.

The Employment Tribunal awarded a Pakistani leather machinist \$19,500 for working in "sweatshop" conditions without pay for 42 weeks. The worker was recruited in Pakistan where his prospective employer promised permanent residency and work in New Zealand. The Human Rights Commission found that the Yellow Bus Company in Auckland breached the Human Rights Act when it disciplined one of its drivers for handing out pamphlets in his spare time. The company records showed that the driver was given "verbal counselling" for "inferring that company employees have low wages, bad conditions and lack of union rights". The driver also advocated strikes, pickets and protests. The decision was hailed as a crucial victory by unions since the Commission endorsed trade union activity as a form of political opinion and thus within the Human Rights Act.

February 1995

The December employment figures from the Household Labour Force Survey released in February showed a 75,000 increase in employed people in 1994, the biggest annual increase since the survey started in 1986. This meant a further reduction in the unemployment rate, down to 7.5 percent. The proportion of long-term unemployed of total unemployment decline to 45.5 percent, down from 53.3 percent in December 1993.

Telecom moved closer to its goal of a reduced workforce (7,200 employees by 1997) when the company announced first redundancy notices to 50 Auckland telephone and cable fault repairers and then the redundancy of nearly a third of Telecom's cable and line maintenance

staff in Northland.

Prior to the World Summit on Social Development in Copenhagen, the ILO released a report entitled *World Employment 1995*. Following the ILO mission to New Zealand in 1994, the report indicated that the ILO will continue to keep a close eye on New Zealand labour market changes. The report states, "It will also be interesting to follow closely future developments in New Zealand where industrial relations have undergone more dramatic reforms than in any other OECD country, through the 1991 Employment Contracts Act."

The upward trend in pay negotiations continued. Fletcher Construction settled a 12-month collective contract with its 200 Wellington builders which included an immediate 4.5 percent pay increase and a minimum pay rise of two percent next year. A key factor behind the settlement was growing retention problems in the industry, according to a spokesperson for Fletcher Construction.

A pay offer from the Justice Department to prison staff split the two unions representing prison officers. The offer stipulated either a 2.5 percent pay rise or a \$1,000 increase built into the hourly rate. The Penal Officers Association recommended the offer to its members since it was the first cash offer being built into the base salary. The PSA recommended rejection, however, as it was far from the original claim of five percent and it excluded PSA members working as assistant periodic detention workers. The PSA members rejected the pay deal and voted in favour of industrial action.

Kindergarten teachers voted to accept a two percent pay offer. The contract offer fell short of the original claim of four percent and it did not include a working party to consider pay parity with primary teachers. The short-term contract will expire on 15 November 1995 but it will avert a two-day strike action announced together with primary teachers.

The government increased its pay offer to primary teachers from \$25 million to nearly \$90 million to avoid strike action. The State Services Commission's negotiator, Mr Alf Kirk, made it clear that the new pay offer would entail additional conditions: for example, a special 10 percent salary rise for principals and deputy principals as a "reward" if they accepted individual employment contracts. However, the primary teachers' union, the NZEI, decided to go ahead with the two-day strike in March since their pay parity claim was not addressed and the new extra conditions were unacceptable. The union's position prompted some "tough talk" from the government: according to media reports State Services Minister, Paul East, and Education Minister Lockwood Smith said in a joint statement that the government would not return to negotiations if teachers were threatening to strike.

The dispute over manning levels and extended work hours between New Zealand Rail and the ferry officers was settled. The Merchant Service Guild had sought a compliance order to limit hours in a hearing application to the Employment Court, and this prompted the company to revise its 24-hour sailing regime. A new agreement between the two sides entails 12-hour duty and employment of extra ferry officers.

The Fire Service announced the cutting of 170 jobs as part of stage one of its restructuring. The Fire Service also presented its new collective contract proposal to staff. It was unclear

how many job losses the contract's proposed restructuring and new 56-hour week would lead to. The union alleged job losses of up to 795 while the Service's Human Resource Manager, Mr Vic Hewson, said that 558 would be the maximum number of jobs lost.

Timberworkers blocked a logging road near Buller to prevent the processing of rimu logs by a sawmiller located outside the Buller region. It was alleged that logging by "outsiders" breached an accord reached with the government in 1986. The issue is due to be heard by the High Court on 27 May.

The PSA started its "Share the Recovery" campaign to boost pay of public servants. The campaign supports pay claims ranging from three to 6.5 percent at a number of government departments. This includes Statistics New Zealand where over 75 percent of the staff voted in favour of industrial action after an adjournment of pay negotiations. Initially, a work-to-rule approach was to be implemented.

A report from the Labour Department found that court judges are still imposing small fines for workplace accidents. Of the 261 prosecutions since April 1993, 163 involved fines of less than \$4,000. The highest imposed fine was \$21,000 and the lowest \$95. In some accidents where workers had lost a finger or fingers and part of a leg, awards of \$500 and less were imposed.

An award of more than \$109,000 was made to a marketing manager for unjustified dismissal in a case against Carter Holt Harvey. The manager had just been appointed when he was dismissed in an "ill-conceived, hurried and inappropriate manner", according to the adjudicator, Mr Ian Davidson. An additional humiliation was the publication, three weeks after the dismissal, of a newspaper notice of his appointment. In another case, the Employment Court granted a chief executive in the advertising industry over \$642,000 plus costs for wrongful dismissal. The advertising company had already paid the executive \$373,000 as part of the traditional way of paying off executive staff no longer needed. The decision sparked a debate in the industry as to whether the total package of \$1 million would set a precedent for other executive dismissals. Finally, the Service Workers Union was considering taking a test case on casual workers to the Employment Court in order to get precise employment guidelines. The union pointed to the exploitation and income insecurity of casuals. Some casuals worked extended hours while others work only two hours a week. Besides the inability to predict earnings, the payment of holiday pay is a grey area.

Union resources are stretched by the higher workloads and increased costs under the Employment Contracts Act, according to the *Dominion*. The Act's emphasis on site-by-site agreements rather than multi-employer contracts made negotiations an endless and time-consuming affair. A more legalistic approach to negotiations and disputes had put upward pressure on legal expenses. However, Food and Chemical Workers Acting General Secretary, Neville Donaldson, said that the Act had also led to a change in the general attitude to unions, resulting in an increase in membership.