

Chronicle

July 1995

The annual survey of unions by the Industrial Relations Centre of Victoria University showed that union membership continues to fall. The unions lost a further eight percent (33,000 people) of their members in the 1994 year, bringing their cumulative losses to 38 percent since the introduction of the Employment Contracts Act. From a membership of 603,118 members in May 1991, numbers dropped to 428,160 in December 1992, and there were 375,906 members in December 1994. Union density fell by 44 percent over the same period. Despite the total labour force increasing to 1.6 million people (from about 1.45 million in 1991) the unions had been unable to recruit sufficiently in the areas where the new jobs are being created.

Although the number of long term unemployed continued to drop the number of registered unemployed increased slightly in June, according to figures from the New Zealand Employment Service. The rise in registered unemployed was attributed to seasonal changes and winter closures of freezing works. There was a total of 156,185 people on the register, an increase of 3,446 compared with the previous month. Of these, 69,926 people were registered as long term unemployed - without a job for 26 weeks or longer. This reflects, however, a drop of 3.2 percent or 2,329 people, compared with the previous month. Taken over a year, registered unemployment fell by 28,577 or 15.5 percent.

The rising value of the New Zealand dollar against the Australian dollar was blamed for the mounting number of staff dismissals and company closures in particular industries during June and July. The national secretary of the Engineers Union, Rex Jones, accused the government of standing by and allowing the strong dollar to squeeze the life out of manufacturing, according to the *NZ Herald*. Colin Martin, the President of the Manufacturers Federation, reported that a recent survey of members had indicated that higher interest rates and the stronger dollar had made members put decisions about new investments and staff-hiring plans on hold.

A number of employment disputes came to a head in July. Firefighters and their employers clashed over staffing cuts but still met in a series of talks in an effort to resolve employment contract negotiations. As part of negotiations at Armourguard, security van drivers went on strike and were then locked out. Secondary school teachers continued in their disagreement with the government over bulk funding. Other prominent disputes included an altercation between Presbyterian Support Services and their northern region staff over the renegotiation of a collective employment contract, and the Seafarers Union decided to launch a public campaign against a move by New Zealand Rail to contract out catering services on the Cook Strait ferries.

Having met the requirements of the Citizens Initiated Referenda Act in April, professional firefighters in Auckland and Wellington continued to pressure the Fire Service Commission into reassessing the service's restructuring agenda by offering to work for no pay to

compensate for staff cuts which came into effect in the first week of the month. The cuts in on-duty positions, argued Derek Best, Professional Firefighters Union secretary, would affect the staffing of specialist fire vehicles needed for high-rise buildings, hospitals, resthomes and other properties, enhancing the potential for bigger fires. The Fire Service Commission rejected this and the offer to operate appliances free of charge, labelling it a "point scoring exercise in an effort to curry favour with the public and implement alternative management structures".

An Internal Affairs Department document released under the Official Information Act, showed that the government first considered withdrawing its eight percent share of fire service funding eight months before the restructuring was announced. Despite the rhetoric generated from this finding, the parties met in an effort to settle their long-running employment contracts dispute, with the Professional Firefighters Union reducing its initial 20 percent claim to six percent. Other key points to resolve included halting the restructuring of the service and reinstating staff already made redundant.

An Employment Court decision by Chief Justice Goddard to censure the Fire Service Commission for making direct approaches to employees during negotiations received much attention, giving rise to heated discussion of the role of the Employment Court in disputes of this nature. On the day contract negotiations took place, the Fire Service Commission had sent out information packs to employees which included information regarding future employment terms and conditions. Chief Judge Goddard ruled that once an employees' representative has been appointed, an employer must negotiate employment issues through that representative.

Armourguard security van crews in Auckland began a series of strikes in July. Armourguard's Wellington employees had already accepted the company's offer of a 2.5 percent wage rise and a further one percent rise in six months. However, Auckland employees, represented by the National Distribution Union, stopped work over what union organiser Barry Donaldson called "the low hourly rates received by drivers". While crews started on \$10.19 an hour, rising to \$11.28 after five years, many truck drivers earned between \$10.50 and \$12.50 without the extra risks facing security workers. The union presented a 13 percent increase claim and rejected the 2.5 percent offer. The subsequent strike restricted cash delivery to and from many Auckland banks for two and a half days. Armourguard countered the strike action by locking van crews out just as they were returning to work. It was also indicated that the drivers should not return unless they were willing to sign a new employment contract.

The Post Primary Teachers Association (PPTA) and the government clashed once again over educational reforms - this time disagreeing over the issue of bulk funding. Bulk funding - relaunched by Minister of Education, Lockwood Smith, as 'direct resourcing' - was vehemently rejected by teaching unions. Despite the government's promise of up to \$30 million extra for schools implementing bulk funding, the PPTA pledged that it remained totally opposed to the idea and promised to use any means necessary, including strikes, to stop schools switching to bulk funding. A series of industrial action approaches were laid out by the PPTA in expectation of school boards attempting to implement bulk funding. Staff would, however, first lobby boards of trustees not to switch to bulk funding. Roger Tobin, PPTA president, argued that bulk funding had subsequently led to cuts in the

health system and in tertiary and early childhood education, and that "experience shows that the government is happy to part with extra cash when it enables it to make cuts later on".

A three year old pay row at the Auckland Yellow Bus Company resurfaced when a petition to the Employment Court was presented by 257 present and past employees. The Court accepted the petition as an application for relief from alleged harsh and oppressive employment contracts, but no hearing date was set. The petition seeks to have the company's existing collective employment contract and its preceding one set aside for allegedly being procured by harsh and oppressive behaviour.

At a stopwork meeting Wellington City Council PSA members decided to take industrial action in response to a council plan to apply a 3.6 percent pay rise to only selected staff. The PSA claimed originally a six percent salary increase but in a bid to achieve a settlement, the union amended its claim to 3.6 percent. Management had agreed that staff were entitled to a 3.6 percent increase but only wanted the increase to apply to well-performing staff. The PSA rejected this, pointing out that no salary increases had been achieved for five years, and all staff were entitled to the proposed increase. No dates were set for industrial action.

Figures released by Statistics New Zealand revealed that work stoppages in the year to March had resulted in the loss of \$6.9 million in wages and salaries - almost double the amount lost in the previous year. Fifty-nine stoppages caused a loss of 53,654 working days. In the 1994 year, 30,557 days and \$3.6 million were lost, the report indicates.

A survey by Victoria University's Industrial Relations Centre indicated that wages have increased, with some workers receiving an average pay rise of five percent for the year to April. The survey of 2,650 collective employment contracts, covering more than 365,000 employees and 10,900 employers, found that 93 percent of employees got a pay rise of up to three percent. Increases of four percent or more were received by 18 percent of employees. The highest weighted raw wage increases were found in the metals manufacturing sector, with increases averaging five percent. Other parts of the manufacturing sector were given wage increases of three percent. Workers in the insurance sector received an average of more than four percent, while increases averaged 3.5 percent in the health sector.

With June quarter inflation data showing the consumers' price index inflation at one percent, for an annual rate of 4.6 percent, the Trade Union Federation subsequently increased its four percent wage review target to 4.6 percent in the current wage round.

A casual driver for the rubbish collection company Wastecare, who did a job in exchange for a dozen beer, sparked a strike by the company's full-time drivers. According to the *NZ Herald*, the 14 drivers, all members of the Distribution Union, walked off the job for a day in protest. All felt strongly that correct procedures should be followed when the company required casual labour and that cash should always be paid.

August 1995

Statistics New Zealand's Household Labour Force Survey (June quarter) recorded a continued steady decrease in the unemployment rate to 6.3 percent. This was the lowest level in seven years and the third lowest among the advanced economies of the world (behind Japan on 3.1 percent and the United States on 5.5 percent). The last time unemployment was lower was in December 1988, when it was 6.1 percent. Across the country, the number of unemployed fell by 5,000 in the June quarter to 109,000. The Auckland unemployment rate - 5.7 percent - was the lowest in the North Island. The Tasman-Nelson-Marlborough-West Coast area had the country's lowest unemployment rate at 4.1 percent. However, the burden of unemployment continued to be unevenly shared. Unemployment for Maori fell from 19 percent last quarter to 16.1 percent this quarter while the unemployment rate for Pacific Islanders rose from 15.6 percent to 17 percent. Employment rose by 0.7 percent during the June quarter to reach a total of 1,621,000, up by 76,000 jobs or 4.9 percent over the previous year. 68,000 of the new jobs were full time jobs, taking the full-time workforce to 1,277,000 - the highest number since 1987.

However, the August employment news was not all good. As a result of a technology upgrade and plans to move Wellington operations, GP Print, the former Government Printing Office, made 35 people redundant. Some timber mills in Otago and Southland cut production and bush gangs began to lay off staff as the industry reflected rising log prices and falling timber returns. The Inland Revenue department, as a result of a review begun in July 1993, undertook a series of restructuring measures that included a reduction of staff by 195 throughout the country. New Zealand Police indicated that budgetary restraints and new technology had meant that up to 500 jobs around New Zealand would be lost over the next four years. Glaxo New Zealand also announced - after more than 100 years in the country - that it would close its Palmerston North plant, with a loss of 120 jobs.

Primary school teachers voted to ratify an employment contract settlement which will introduce pay parity between them and their secondary school colleagues. This prompted pay rises of 14.6 percent for basic-scale teachers, 19.1 percent for assistant and deputy principals, and 28.7 percent for principals. Nonetheless, teachers and their unions continued to clash with the government over issues of wage negotiations, bulk funding, privatisation of education and the imposition of a competitive market-driven education system. The Post Primary Teachers Association (PPTA) suspended its support for the concept of a seamless education system with a single qualifications framework until the government met a series of staffing and funding conditions. Teachers at Weymouth Centre School (South Auckland) went on strike following a succession of incidents of student violence.

Secondary school teachers indicated their intention to strike if they did not receive a 21 percent pay rise and 1,000 extra teachers. According to Roger Tobin, president of the PPTA, secondary school teachers had only had a two percent pay rise in the last five years and he suggested that if the government ignored teachers' demands, national and rolling stoppages would begin when their collective employment contract expired in November. The PPTA had earlier withdrawn a 15 percent pay claim arguing that the increase of 21 percent more accurately reflected teachers' experience, the stress and heavy workloads of the job, and was more in line with what other state servants - such as the police - earned.

Lockwood Smith, Minister of Education, said that the pay claim was "unrealistic and well above recent pay rises" and that if secondary school teachers did not join the working party on a unified pay system, the government would take a tough line in the negotiations. The government did agree, however, to pay teachers a "relocation grant" of up to \$3,000 in moving expenses, if they moved to schools with teacher shortages.

A report on recruitment and retention of early childhood and primary teachers by the Educational Institute predicted that a shortfall of more than 1,000 primary school teachers is likely for 1996. Reasons for the shortfall included pay, delays in settling the primary teachers contract, high training costs and higher entry standards at some colleges. While the government had earlier announced that an extra 800 teaching positions would be established in 1996 (see March Chronicle), the report found that additional teachers would now have to be recruited to cater for the increasing number of primary school age children and for the rise in teachers retiring.

Mercury Energy (Auckland) upset both unionists and civil libertarians when they resolved that staff would have to undergo drug and alcohol tests to keep their jobs in areas regarded as "safety critical". Employees whose performance is thought to be impaired by either of these substances would be required to provide urine or breath samples. Refusal to do so would be considered an acknowledgment of impairment. The company's "fit-for-work" policy was challenged by the unions who regarded it as a breach of the Human Rights Act and the privacy laws. It will also be contested in the Employment Court. Mercury Energy had intended to phase in the policy from late August, with managers being empowered to refer staff to the company's health and safety coordinator for testing if they are concerned about behaviour or work performance. According to the *NZ Herald*, the testing policy does not indicate what drug or alcohol level would be considered acceptable. Doubts about the accuracy of the tests were also raised by Mercury Energy's in-house newspaper. This dispute coincided with a ruling by the Human Rights Commissioner, Ross Brereton, that businesses asking for photographs of applicants for job vacancies are in breach of the Human Rights Act.

Industrial action was promised at Carter Holt Harvey's Kinleith plant after employees resoundingly rejected the company's three percent pay offer (as opposed to the five percent requested by employees). With the company's collective agreement having expired there was a call for strike action in support of the claim, but the combined site unions' negotiating team promised to attempt to resume talks with the company first. Carter Holt Harvey was restrained by Judge Colgan of the Employment Court from dealing directly with its workers, after it was revealed that the company had approached workers. The unions were granted an interim injunction preventing the company or its supervisors from communicating with employees over collective employment contract negotiations. The company appealed the court's decision and was seeking an early joint hearing with the Fire Service, which had appealed a similar court ruling.

The firefighters dispute progressed further with the Fire Service indicating its willingness to reduce its demands for firefighters to work longer hours. The service had originally proposed a 56 hour week and announced plans to stop paying on-duty firefighters for sleeping at the station.

Employer groups claimed that the Employment Court ruling by Chief Judge Goddard gagged employers from making any comment to staff or the media about contract negotiation (see July Chronicle). However, Judge Goddard defended his decisions, arguing that commentators had twisted and misinterpreted his judgement on what employers can and cannot say during contract negotiation. Judge Goddard came, nonetheless, under intense fire from the *Dominion*, which pointed out that employers had taken Employment Court rulings to the Appeal Court and had succeeded in their appeal in a number of cases. Roger Kerr, executive director of the Business Roundtable, also questioned Employment Court decisions, saying that the decisions on redundancy and dismissal disadvantaged both workers and the unemployed. The month ended with further controversy as the Employment Court ruled that holiday pay could not be incorporated into the hourly rate of casual and temporary employees.

Other prominent industrial disputes included a 24-hour strike for a four percent pay rise at Carter Holt Harvey involving more than 700 employees at 10 company sites. South Auckland commuters were left stranded after a wildcat strike over non-consultation (for time conditions) by the Yellow Bus Company's Wiri depot management. Ansett New Zealand staff too held a 24 hour strike over employment conditions. New Zealand Rail, following a strike by 2,000 Rail and Maritime Transport Union members in March (see March 1995 Chronicle), announced that 4,300 non-management staff would share in \$3 million bonus payments as part of the company's profit-based incentive plan. However, those who participated in the strike would only receive a bonus of 2.2 percent compared with the 2.4 percent for others. Finally, the Council of Trade Unions began a campaign to protest against France's decision to resume nuclear tests at Mururoa by asking retailers, distributors and other business and trade organisations to boycott French products. The decision was criticised by the Merchants Association.

The National Distribution Union released figures which intimated that youth pay rates have been falling constantly over the past five years. Reviewing pay scales offered to youth workers at the country's biggest supermarket chains and other retail stores, the union found that while a young supermarket worker would previously have earned approximately \$7.62 an hour on a Saturday, plus allowances, today the same worker earns about \$4.00. The union issued descriptions of those companies whose pay rates for youth retail workers (under 17 years of age) ranged between \$4 and \$5.50 per hour. The union figures show the average ordinary wage rate for adult workers to be \$15.44.

Merger talks between the Engineers Union and the Communication and Energy Workers Union (CEWU) intensified during August. Falling membership and financial woes since the implementation of the Employment Contract Act have continued to hamper the CEWU, prompting its leadership to look towards a merger as the best method of survival and subsequent success. The CEWU has 20,000 members, a fall of 3,500 over the past two years, while the Engineers Union has approximately 37,000 members. The Engineers Union recently merged with the mineworkers and the Kinleith pulp and paper mill workers. It is also in the process of negotiating a merger with the Printing, Packaging and Media Union.

The collective employment contracts database at the Labour Department showed an upward trend in wage settlements, according to volume 14 of *Contract*. The database, covering 365,470 employees in 1,752 contracts, estimated that annualised base wage rates averaged 1.1% in the second quarter of 1992 and 2.7% in the second quarter of 1995. If weighed for employee coverage, annualised movements ranged from 0.8% in the second quarter of 1993 to 4.4% in the second quarter of 1995.

September 1995

The Lampen Group's annual salary survey, covering 500 businesses, indicated that skills shortages have influenced pay decisions. The survey found that 63 percent of Wellington businesses and 55 percent of Auckland businesses were effected by skills shortages. On average, pay increased by 5.3 percent in Auckland and by 4.3 percent in Wellington. According to the *Dominion*, the survey found that "Many employers felt it was not their responsibility to train staff and they were disappointed with the level and type of training educational institutions were providing."

Figures from Statistics New Zealand showed that industrial disputes increased in the year to May 1995. Around 51,000 working days were lost in the year to May 1995, up 36 percent compared to the year to May 1994.

Negotiations continued in the public sector for secondary school teachers and firefighters while private sector negotiations led to strikes at Carter Holt Harvey and Power NZ. The secondary school teachers' union, PPTA, continued to advocate its 21 percent pay claim while delaying a response to whether the union would take part in a working group discussing a unified pay system for primary and secondary school teachers.

The announcement of an extra large pay rise to non-union principals by the State Services Commission (SSC) prompted the primary teachers union to take the SSC and the Education Ministry to the Employment Court for breaching a recent collective employment contract settlement. In a September 8 circular from the SSC, non-union principals were awarded an eight percent pay increase compared with the 5.5 percent pay increase stipulated in the collective settlement.

The Professional Firefighters Union rejected a new offer from the Fire Service Commission which reduced the original demand for a 56-hour roster to a 48-hour roster. However, the union reduced its earlier 10-point plan to a claim for a \$4,000 one-off payment and a six percent pay rise. The firefighters' collective employment contract expired 18 months ago.

Carter Holt Harvey had two pay disputes - one in its national packaging division and one in its Auckland roofing factory. The packaging dispute, involving around 700 workers, was settled by a two-year collective employment contract which contained an immediate 2.6 percent pay rise and a \$200 one-off payment and, in 12 months time, a further two percent pay rise and a \$300 one-off payment. The dispute at the Auckland roofing factory continued as employees rejected a 2.5 percent pay offer.

Around 140 Auckland line workers employed by Power New Zealand went on strike for four days. The company offered a two percent pay rise while workers sought a 2.7 percent pay increase and improved redundancy terms.

The Employment Court lifted an interim injunction banning supervisors from talking directly to Kinleith mill workers who had authorised unions to act for them. The decision by Judge Colgan adjusted an earlier decision by Chief Judge Goddard against the Fire Service (see July Chronicle). Judge Colgan found that the Fire Service case involved a particular factual situation and that the legislation did not prohibit communications and information as such. According to the *NZ Herald*, the company's lawyer argued that "The intention of the legislation was to prevent only destructive, unfair or misleading communications." Judge Colgan also found that the discussions were not aimed at undermining the bargaining authority of the unions.

Air New Zealand's domestic flight attendants accepted a two-year collective employment contract. The settlement came after several 24-hour strikes. The contract included a two percent pay rise and a one-off payment of five percent of the last 14 months income. It also allowed sharing of jobs, improved rest periods and a reduction in hours worked before overtime becomes payable.

Employer attacks on the Employment Court continued with Alan Jones, a retired industrial relations manager, claiming in the *Independent* that "Chief Judge Tom Goddard's habit of attacking counsel and employers in his decisions has led to serious disquiet in the legal profession." Mr Jones also mentioned several cases where the Appeal Court had overturned Employment Court rulings. The attack was subsequently rebuked in the *Independent* by Neville Taylor, a solicitor practising in employment law: "Come clean, Mr Jones. You don't want the Employment Court because you have always objected to such a specialist institution. You failed to get your way when the Employment Contracts Act was drafted. Your objections arise from your political and economic ideology."

An Employment Court ruling on statutory holidays followed the interpretation of the Labour Department. Thus, when Christmas and New Year fall on weekends their associated public holidays should be observed on the following Mondays or Tuesdays. The legal counsel for an Auckland motel had argued that because of the seven-day-a-week nature of the hotel industry other provisions should be allowed. According to the *NZ Herald*, "Many hotels have employment contracts stating that because of the service nature of their business, their 11 statutory holidays shall be observed on the days which they actually fall."

The review of the Holidays Act led to clashes within the national executive of the Council of Trade Unions over the appropriate strategy, according to Chris Trotter in the *Independent*. Some union leaders were concerned over the discussions which could 'water down' some existing employee rights. Key issues involved the abolishment of the worker's right not to work on public holidays and allowing employers to insist their employees work public holidays if they pay suitable penal rates.

At the conference of the Council of Trade Unions (CTU) it was decided to discuss a merger with the Trade Union Federation (TUF) to establish a national trade union grouping. The CTU was also under pressure from some of its larger affiliates to promote an electoral

agreement between Labour and the Alliance. However, Ken Douglas, the CTU president, rejected this as a feasible option in the lead-up to the next general election.

A strong rise in occupational overuse syndrome (OOS) was recorded in the year to June 1995. This continued last year's upward trend and may be influenced by the high profile prosecution of an OOS injury at FAI Metropolitan Life Insurance (see December 1994 Chronicle). Of the 21 percent increase in moderate and serious work related injuries, around three-quarters were attributed to new OOS claims. This will put pressure on employers' accident compensation premiums which are expected to be increased later in the year.

Industry training increased strongly over the last year. The Education and Training Support Agency (ETSA) announced that 6,096 new industry training agreements, including apprenticeships and primary industry cadetships, had been signed since July 1994. This included strong growth in the engineering industry and in the food and beverage industries. The new Food and Beverage Industry Training Organisation (ITO) covered 11 sectors, 7,500 workplaces and 45,000 production employees.

In its submission to the Government's review of the accident compensation system, the NZ Employers Federation (NZEF) advocated privatising the system. The Federation wanted competing private insurance companies to provide insurance cover, according to the *Dominion*. As a prelude to full privatisation, NZEF proposed that the Accident Rehabilitation and Compensation Insurance Corporation should be turned into a state-owned enterprise. However, Prime Minister Jim Bolger and former ACC Minister Bruce Cliffe have previously ruled out privatisation and Ross Wilson, vice-president of the Council of Trade Unions, said that the accident compensation system was part of a 'social contract' to escape private insurance companies' profiteering. The effects of returning to the right to sue were also raised by Mr Wilson.

The attention of the media was caught by a current collective employment contract at the AT&T communication company. The company's commitment to respect individual worker rights have led to the contract stipulating different holidays for various religious groups. The contract also allows for special leave to care for sick pets by using an annual sick leave entitlement of eight days.

October 1995

The Government announced a \$252 million increase in employment spending as a follow-up of last year's Employment Taskforce recommendations (see December 1994 Chronicle). The employment package is part of the multi-party accord on unemployment. The package included changes to abatement rates, subsidised work schemes for long-term unemployed, specific programmes for Maori and Pacific Island unemployment, more funding for childcare centres with 5,000 new places to be established, and a reduction in the 26-week stand-down period to 13 weeks for people voluntarily leaving jobs or being dismissed.

From July 1996, the changes to the benefit abatement rates will allow beneficiaries to earn \$80 a week - up from \$50 - before abatement rates apply. Between \$80 and \$180, two abatement rates will apply - either 30 percent or 70 percent - dependent on whether people are considered available for full-time work. The return to fully subsidised work schemes constituted a cautious u-turn in public policy and it will first be trialed for 100 long-term unemployed - out of work for at least four years - to the tune of \$1.1 million.

While most commentators viewed the package as a step in the right direction, there were criticisms of the abatement regime and the rationale for keeping the 26-week stand-down period to April 1997. The *NZ Herald* pointed out that the Government had "opted for a less generous benefit abatement regime than was recommended by the Employment Task Force." "The Task Force had suggested that a 50 percent rate should be applied on income between \$80 and \$150." It was also made clear by Finance Minister Bill Birch earlier in the month that the cost of the employment package would be dwarfed by the cost of the promised tax cuts.

The NZEF and the Manufacturers Federation have agreed in principle to form a new lobby group, according to the *Independent*. However, the structure and the responsibilities of a new organisation have yet to be finalised and members of the two federations have to be consulted. This could be a very powerful organisation as the NZ Employers Federation has around 10,000 and the Manufacturers Federations has 2,200 company members.

A national survey of redundancy commissioned by law firm Russell McVeagh indicated that employees on collective employment contracts obtained on average better outcomes than employees on individual employment contracts. The survey, covering 400 employers and 9,200 redundancies, found that the predominant formula was six weeks for the first year of service and two weeks for each subsequent year (i.e. "six plus two") for employees on collective employment contracts compared with "four plus two" for employees on individual employment contracts. The survey showed that around two-thirds of employers offered some form of outplacement counselling.

The Business Roundtable stepped up its campaign to have the Minimum Wage Act abolished, according to the *National Business Review*. The Business Roundtable's submission to the annual review of the statutory minimum wage advocated either abolishing the minimum wage totally or reducing it to that of the single unemployment benefit. Following its traditional free market approach, the Business Roundtable thought that the minimum wage could deny some people job and training opportunities.

The Minister of Health, Jenny Shipley, called in Parliament for the abolishment of penal rates for nurses in order to improve the use of hospitals in the weekends. According to the *NZ Herald*, she said that "at the moment we tip folk out of public hospitals on Thursdays and we try to avoid admitting them until Monday." Later in the month, an Auckland private hospital announced that Sunday double-time penal rates would be extended to part-time nurses. The two-year collective employment contract also included a pay rise of four percent plus another three percent in 1996. Auckland hospitals have had difficulty in attracting qualified staff to work at nights and weekends without paying full penal rates, according to the Nurses Organisation.

The primary teachers' union was awarded an injunction to stop the State Services Commission offering extra large pay rises to non-union principals (see September Chronicle). The offer may breach several key principles, such as the Commission's statutory 'good employer' obligation and the undue influence provision of the Employment Contracts Act. A hearing was scheduled before the Court's full bench in February 1996.

The secondary teachers' union, PPTA, declined to be involved in a working group on pay parity (see September Chronicle). Faced with continuous clashes with the government over issues such as bulk funding and the union's recent claim for a 21 percent pay rise and more teachers, the PPTA decided against participating in the discussions. PPTA's president Roger Tobin said to the *Dominion*: "We don't believe that we can enter constructively into any process like this till those issues are resolved." Besides supporting the primary teachers, it was also unclear what the secondary teachers would gain from participating in the working group.

Carter Holt Harvey settled two pay disputes - one involving pulp and paper workers at the Kinleith mill and another involving workers at an Auckland roofing factory. The Kinleith settlement stipulated an immediate three percent base rates increase and another two percent rise in 1996 and it included the restoration of union rights clauses and the right to four stopwork meetings a year. The two-and-a-half-year contract for the Auckland roofing workers included a 2.5 percent pay rise and, in 12 months time, another two percent increase.

Gillette New Zealand signed an innovative collective employment contract covering its Auckland cosmetic factory workers. Workers gained a six percent pay increase under the 12-month contract but its improvements to parental leave, bereavement leave and redundancy compensation really set it apart from most other collective employment contracts. Workers are entitled to two weeks wages if more than three months parental leave is taken. If attending an overseas funeral an extra entitlement of five days is available and finally, tax liabilities on redundancy compensation will be paid by the company.

The High Court ruled against the Immigration Service in favour of Talleys Fisheries and its demand for stricter controls on granting visas to foreign fishing crews. In the future, employers must demonstrate their attempt to hire New Zealanders and the Immigration Service should check the qualifications required and the employment conditions offered.

After a short strike, Whangarei marine engineers agreed to a trade-off with a four percent pay rise compensating for a reduction of penal rates. The strike was over a similar deal, but subsequently the employer promised improved work practices and work conditions.

An employer's suggestion of introducing a new remuneration system - with more weight given to a skills based pay system - sparked a strike amongst chemical factory workers in Auckland. The employer also offered a 3.75 percent pay increase. However, the workers feared losing their traditional entitlements including double-time penal rates and redundancy compensation - despite an employer assurance that nobody would lose financially under the new remuneration system.

Cleaners at four Waikato hospitals won a two-stage wage deal after threatening to go on strike. As part of a 22-month collective employment contract with P & O Health Services they will gain a 2.6 percent pay increase in November 1995 and another 2.4 percent in July 1996. While cleaners employed by P & O Health Services achieved pay parity with cleaners employed directly by Health Waikato they had to accept a cut in overall hours employed.

Auckland City Council offered its salaried staff a 3.5 percent pay increase but only if the employees signed individual employment contracts. The Public Service Association (PSA), representing around half of all salaried employees, condemned the attempt to undermine the collective coverage. Individual employment contracts had been handed directly to all non-union staff and to the PSA as the bargaining representative for union members.

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