

CHRONICLE

July 1992

The CTU convened a special conference on 26 July to introduce a new industrial policy, without compulsory unionism and arbitration. It advocated support for free collective bargaining, including the right to bargain for multi-employer contracts, and tripartite economic and social policy-making at the national level. Employers were to be induced by incentives to support industrial wage deals. Delegates supported the policy overwhelmingly, but an amendment to restore compulsory arbitration where workers could not reach agreement with their employers, was defeated by the narrow margin of 7,000 votes in a card vote of 310,000 members. Two other amendments were endorsed, to recognise the Treaty of Waitangi in any tripartite proceedings and entrenching the right to strike in protest at government actions.

The Manufacturing and Construction Workers' Union, which is not affiliated to the CTU, called a meeting for 26 August for exploratory discussions on forming a new national trade union grouping.

ANZ Bank announced that 228 full-time jobs would be shed in the top of the North Island and a further 236 would be made part-time as part of a major structural change.

Twenty-six workers at Harraways Flour Mill in Green Island, Dunedin, voted to strike on 13 July, in protest against their employment contract. They initiated a seven days-a-week, 24-hour picket at the mill.

At South Pacific Meats in Morrinsville locked-out meat workers began a picket on 20 July over a contract they described as unacceptable. Some workers, according to union officials, would lose more than \$7,000 a year under the proposed contract. The Freezing Workers' Union was prepared to go back only on their previous conditions.

The Northern Distribution Union decided to merge with the Wellington-based Distribution and General Workers' Union. The new union will have 25,000 members, 15,000 of them retail workers, but also including storemen, drivers, engine-drivers and actors.

The Nurses' Union abandoned its fight against Presbyterian and Methodist private hospitals after receiving written assurances. The union will leave it to individual nurses to decide whether to sign the employment contract.

The Nurses' Association countered a proposal for a three percent pay cut by the Auckland Area Health Board with a claim for a 30 percent pay increase in basic rates in return for the abolition of penal rates. Otago nurses, on 16 July, agreed to a 10 percent increase in return for penal rates, and Southland nurses settled for a 14 percent pay rise, but the Auckland Board offered only a 7.5 percent rise. Waikato nurses reduced their claim from 20 percent to 13 percent, but talks remained locked when the board offered only 10 percent.

Some 850 workers walked out at the NZFP Kinleith Paper Mill (now owned by Carter Holt) at Tokoroa on 17 July, joined by another 60 workers at the company's Te Papapa Recycling Mill in Auckland. Mill workers in Whakatane and Matakura, the remaining NZFP plants, gave notice of industrial action. They wanted a single collective contract instead of four separate contracts and complained about "continued redundancies and unfair working

conditions". The chairman of the Kinleith site committee said the strikers were in for "a long, dirty dispute".

Cabinet committee papers released by the PSA showed that the government advised department chief executives to lock out employees who did not agree to cuts in working conditions. "High risk" departments were directed to give progress reports during negotiations and all departments were told to secure greater flexibility and, as a minimum, hire third-tier managers on individual contracts. They were not to hire new staff on the old redundancy provisions. Radio New Zealand employees rejected the latest employment contract offered, which abolished penal rates, reduced annual and sick leave and cut redundancy entitlements by more than half, in return for some rises in basic rates.

New Zealand Rail announced the closure of the Otahuhu workshops on 24 June, with the loss of 97 jobs. The sudden closure, said the CURE branch secretary Terry Nobbs, was "a kick in the face"; on 2 July he showered the debating chamber of Parliament with protest pamphlets as the Finance Minister started reading the budget.

About 30 seafarers picketed the container vessel *Direct Kea*, in Auckland on 29 July. They were protesting against a foreign crew being used to sail the vessel from Brisbane, in breach of a trade union agreement restricting the trans-Tasman trade to ships manned by New Zealanders or Australians.

Some 300 unionists marched through Glen Innes on 26 July to protest against the Employment Contracts Act, with particular emphasis on the Pak 'n Save supermarket. They had picketed the store for 12 weeks, but the owner was determined to stand his ground and not to give in to what he called "the unwashed at the gate".

About 3,300 prison officers, probation officers and periodic detention staff planned stopwork meetings in August, after negotiations with the Justice Department broke down. The department had improved its original offer, but it still involved pay cuts of 10 to 15 percent, instead of 20 to 30 percent.

Five hundred and eighty-five Housing New Zealand staff were told they could be made redundant, but their redundancy payments will escape the proposed 28 percent redundancy tax, which will become effective from 30 November.

The government stunned teachers on 7 July by announcing that from next year salaries for management positions would be paid to school boards. Teacher unions regarded this move as a thinly disguised form of bulk funding of schools and as a breach of good faith, having been introduced without prior consultation. The announcement affected about a quarter of NZEI members and a third of PPTA members. Secondary teachers urged the government to reconsider but, after failing to get a favourable response from the Prime Minister, they took a ballot to decide whether to boycott the government's new curriculum and national certificate proposals for senior pupils. They voted 94 percent in favour of a boycott and they also decided to conduct a week of rolling strikes, starting on 27 July, following the government's failure to back down on its management salaries initiative. In Auckland striking teachers distributed leaflets and attended a lunch-hour meeting in Aotea Square, followed by a march through Queen Street. The Minister of State Services called the strike mindless and destructive and hoped the PPTA would go back to the bargaining table.

NZEI members meanwhile conducted a "return to sender" campaign, sending suitably gift-wrapped parcels to the Minister of Education. The NZEI however, reached a settlement with the government on 24 July on two two-year national collective agreements, one for management staff, the other for basic-scale teachers. The agreements provided for no pay rises in the next two years.

Ninety percent of kindergarten teachers voted to strike on 3 August if their contract

was not settled by the end of the month. On 31 July, however, their union, the Combined Early Childhood Union, called off the strike after receiving assurances from the employers. College of Education teachers were asked to vote on rolling stoppages in August in a ballot conducted by the Association of Staff in Tertiary Education. The government was asking for individual contracts, while ASTE wanted a national collective contract.

August 1992

Labour Department figures on collective contracts covering 110,000 workers showed that more than 95,000, or 84 percent, had unions as their bargaining agents. Nearly 90 percent of the workers were working under enterprise or occupational contracts, only some 10,000 were covered by industry contracts. About half the workers covered had received no change in wages. Official employment surveys showed a big reduction in penal payments for overtime and weekend work since the Employment Contracts Act came into force, and an expansion of part-time and service work, while full-time jobs continued to decline.

Minister of Labour Birch told the Auckland Manufacturers' Association that the success of the Employment Contracts Act was dependent on maintaining a widespread perception of fairness, but that he was seeing too many unfair employment contracts. CTU Secretary Angela Foulkes replied that the Minister had himself limited the Employment Court's ability to defend workers from unfair practices by employers, when he voted against the amendment to change the words "harsh and oppressive" to "unreasonable".

Representatives of 17 unions attended a meeting in Wellington on 26 August to investigate the formation of a new grouping outside the CTU. They appointed an interim committee to draw up proposals for the new organisation.

After four weeks on the picket line, workers at Harraways Flour Mill won their claims. All workers were to be re-employed at virtually their previous terms of employment.

The Merchant Service Guild and the Association of Marine, Aviation and Power Engineers gave notice of a strike by Cook Strait Ferry officers and engineers over their contract negotiations. The stoppage was averted at the last minute, on 12 August, when NZ Rail confirmed its intention that any new employees would be offered the terms of the contract agreed to by the unions, which included a two percent pay rise.

Negotiations between the Auckland Area Health Board and the Nurses' Association broke down on 3 August, when the board said it could not meet the nurses' claim, lowered from 30 to 20 percent. The board aimed to chop three percent of its pay bill and had offered a 7.5 percent pay rise in return for the loss of penal rates, but the association claimed that even with a 20 percent increase some nurses would still lose money. On 9 August more than 1,300 nurses, in a packed Town Hall, voted in favour of a 48-hour protest strike followed by a full week's stoppage in the following week. Strike ballot papers were to be sent out to the 5,500 nurses in the Auckland region, but were delayed when the board agreed to resume negotiations.

Threats of strike action were still hanging over other health boards. Southland and Otago nurses had settled their negotiations and in Northland nurses accepted a new contract, including a basic pay rise of seven percent. Canterbury nurses, however, overwhelmingly rejected a board offer and decided to vote on strike action late in September. Wellington nurses also conducted a strike ballot, in the Waikato negotiations broke down, and in Taranaki nurses voted to hold successive 48-hour strikes in September.

The Minister of Health took strong exception to union advertisements in overseas

journals warning doctors to be wary of applying for jobs in New Zealand. Health boards that wished to attract the best available skill knew they had to compete with others to do so, he said. The Association of Salaried Medical Specialists, which had placed the advertisements, replied that managers were not giving accurate advice and were proposing inferior employment conditions to unsuspecting applicants. The union therefore advised applicants to seek advice from the association before accepting any position.

At the Gisborne hospital, resident doctors gave notice of a week-long strike to start on 31 August, after a breakdown of their employment negotiations. According to the Resident Doctors' Association, the Tairāwhiti Area Health Board wanted to put its doctors on individual contracts and had frustrated union attempts to negotiate a collective agreement.

The Major Accommodation Hotels' Award, signed last year and which covers 5,000 workers in 50 big hotels, collapsed. While some hotels negotiated contracts based on the old industry document, the country's largest chains, Quality Hotels and Southern Pacific Hotel Corporation, proposed new contracts without union involvement which gave a two percent pay rise in exchange for certain concessions. The Service Workers' Union held stopwork meetings which approved "appropriate" action, unless the employers changed their stance.

Whakatane and Mātaura Carter Holt workers walked out on 4 August to join what became the biggest stoppage since the Employment Contracts Act, comprising 850 workers at Kinleith Pulp and Paper Mill, 60 at Te Papapa, 240 at the Whakatane Board Mill and 170 at the Mātaura Paper Mill Plant. The CTU launched a national appeal for financial aid to the strikers, but CTU President Douglas also attempted, unsuccessfully, to negotiate a settlement with Carter Holt executives. At Te Papapa the strikers maintained a 24-hour picket in view of company attempts to introduce strike-breakers.

A Ministry of Education report, *An Overview of Equal Opportunities in the Teaching Service*, found that women teachers were paid less than men, were less likely to hold senior positions and were more likely to teach part-time or fill relieving posts. They also tended to teach younger children. Māori, Polynesian and Asian teachers were fewer in number than would be expected on a population basis.

Two Waikato high schools, Cambridge and Melville, withdrew their support for bulk funding in response to strong teacher opposition. "The current political and industrial climate makes it inappropriate for us to continue", explained the principal of Cambridge High School, but the Minister of Education blamed "unbelievable intimidation" by the PPTA for the reversal. Speaking to the PPTA annual conference, the Association's President, Martin Cooney, described government policy as "a crazy conjuring trick" aimed at dressing up a cost-cutting exercise to look like a school improvement programme.

Primary teachers ratified their collective contracts, but kindergarten teachers, who held a nationwide strike on 18 August, voted unanimously to continue industrial action in support of their negotiations.

September 1992

Labour Minister Birch told a Wellington employers' meeting on 1 September that the Employment Contracts Act had so far brought in only "relatively basic reforms", like enterprise bargaining and changes in penal rates, but that he wanted to see more radical changes, like tying wages to performance, redesigning jobs and simpler pay scales. "We now have to develop the second phase of employment contracts", he said, "to capitalise on

economic growth".

The Statistics Department released figures showing a rise of ordinary time payments of 0.6 percent (0.9 percent in the private, 0.2 percent in the state sector) in the year since the Employment Contracts Act, lagging behind a one percent inflation rate in the same period. Birch commented that the figures did not reflect the true nature of the changes because they failed to take account of the wages of part-time and temporary employees, or of overtime and penal payments, fringe benefits or profit-sharing.

Labour's industrial relations spokeswoman Helen Clark blamed the legislation for an increase of cases before the Employment Tribunal in Auckland, including a 75 percent increase in personal grievance cases. The Act, she said, was a huge source of bitterness between employers and employees and she advised the minister to deal with the present "chaos" before talking about "a second phase" of the Employment Contracts Act.

When Air New Zealand catering staff voted against accepting a collective agreement proposed with the help of CTU President Douglas, the company issued an ultimatum, requiring acceptance by 18 September or face the possible closing down of the entire catering operation. The terms of the agreement were not open to negotiation, said a memorandum signed by Douglas and the airline's managing director. Catering staff would have to make concessions, said Douglas, so as to preserve as many full-time jobs as possible. "We don't trust the company and we don't trust the unions. People here are sick with worry", an anonymous catering worker told the *New Zealand Herald*. Ninety workers opted for voluntary redundancy rather than accept the package, but the majority of the company's 500 catering workers agreed to stay on with reduced earnings.

Griffin's biscuit factory in Wanganui is to close by the end of March next year, the company announced, with the loss of 100 jobs.

The Employment Court imposed substantial fines on the large fishing company Talleys for their "arrogant, condescending and patronising attitude towards the workforce and their contempt for the employees' rights, their feelings and their wishes". Because the company could not be "trusted to comply by themselves" and their "propensity for impeding the court's determinations", the judge ordered company representatives to appear before him on 6 November to show they had made progress. Talleys announced that they would appeal against the compliance order.

The Morrinsville Meat Plant of the South Pacific Meat Corporation, which had been strike-bound since 20 July, would not reopen, the owner announced on 2 September. The meat exporter Alliance Group announced the signature, jointly with the Meat Workers' Union, of a two-year collective agreement covering its eight South Island plants.

The Auckland Area Health Board raised its pay offer to 10 percent, as well as two levels of shift allowances. The Nurses' Association's regional chairman defended the deal as the best that could be achieved, in view of the board's funding difficulties. It was "cost neutral", he claimed, though he acknowledged that nurses on rotating shifts stood to lose between \$2,000 and \$3,000 a year by it. A ballot of nurses rejected the deal, influenced perhaps by the action of Taranaki nurses, who held a strike on 16 and 17 September.

The Taranaki Health Board flew in 36 agency nurses from Wellington to assist during the strike, but the strike-breakers were met by noisy receptions at the airport and at their motel. Taranaki nurses also held protest marches in New Plymouth, Stratford and Hawera. A second 48-hour strike was planned, but was cancelled when the two sides reached a last-minute agreement. In Canterbury, Nelson-Marlborough and Wellington some 5,500 nurses and hospital workers held a one-day strike on 29 September, in Canterbury after the Employment Court had rejected a board application for an interim injunction. In Southland,

where nurses had settled their wage dispute, junior doctors called a 48-hour strike because their board insisted on replacing their collective agreement with individual contracts.

"Solid and consistent" discussions with management narrowed the gap between Carter Holt and NZFP strikers. One after the other, mills at Matura, Whakatane and Te Papapa resumed work and finally Kinleith, on 29 September, voted to return. The workers accepted separate documents for each of the four mills, though the gap of expiry dates was reduced from two years to nine months. On the other issues in dispute, voluntary redundancy, union-worker rights and genuine wage negotiations, the company gave some ground. The hardship suffered during the 11-week dispute was worth it, strikers said; they considered the strike a victory.

Police removed some 70 watersiders and seamen from Auckland's Jellicoe Wharf on 25 September, after trespass warnings were given by Ports of Auckland management. The men were trying to block a new company, Aotearoa Stevedoring, from unloading the *Socofl Wind*, a general cargo ship, because it employed members of a rival union, members of Te Roopu o Nga Kaimahi o Aotearoa. The watersiders accused the company of undercutting pay rates, but the managing director declared, "I'm not interested in their pay rates, quite frankly. We are here to run a business effectively and pay a dividend to our shareholders". The wharf union denied that its members were responsible for attempts to sabotage Aotearoa equipment.

More than 600 employers and workers took part in a four-day Workplace New Zealand conference in Rotorua on September 27 to 30. The conference had the backing of the CTU but was opposed by a picket of leftwing unionists and the Communist Party.

October 1992

The Labour Opposition pressed for changes in the Employment Contracts Act, saying that some employers were forcing workers to accept unfair contracts. On 13 October however the Acting Minister of Labour told Parliament that the government did not consider that any amendments to the Act were necessary.

On 21 October Parliament passed the Redundancy Payments (Taxation and Benefits) Bill, which imposes 28c in the dollar tax on redundancy payments from 30 November. It also abolishes employers' liability for fringe benefits tax on redundancy payments and reduces the 26-week stand-down period before people made redundant can claim unemployment benefits to a maximum 10-week stand-down. The Labour MP for Christchurch Central, Lianne Dalziel, accused the government of carrying out the wishes of the Business Roundtable and Employers' Federation.

A State Services Commission Report *Progress in the Public Service* showed that 90.7 percent of all public service managers were men and that 35 percent of men in the service earned more than \$40,000 a year, compared with only 11 percent of women.

The Northern Chemical Workers' Union voted to disaffiliate from the CTU because, said the union's secretary, unlike the old Federation of Labour the CTU had failed to lead resistance against government policies which were "crucifying" workers. Only one of the union's 1,000 members opposed the vote. The Association of University Staff on the other hand decided to join the CTU, after a ballot in which 60 percent of members participated. The voting was 1,963 for and 546 against.

Some 60 freezing workers at the South Pacific Meat Corporation plant in Morrinsville returned to work on 20 October. The works had been idle for 14 weeks, after a lockout on

20 July, but the dispute was settled when the company was sold to an undisclosed foreign buyer.

Wellington nurses began the third of five planned 24-hour strikes on 7 October, but voted to return to work in the afternoon, when the board agreed to roll over their present conditions for three months, while a joint working party prepared an acceptable package with reduced penal rates in return for an increase in basic pay rates. In other boards, agreement was reached on similar lines. Waikato nurses voted overwhelmingly in support of three-day strike action from 4 November, but on 21 October they announced a proposed settlement, which will be put to nurses over the next three weeks. In Auckland the Nurses' Association was consulting with members on a new proposal to be put to the Area Health Board. The verdict on the board's previous offer was that too few were gaining and too many were losing from the deal.

The Auckland Area Health Board reached agreement with the PSA for a document covering 2,000 psychiatric nurses, physiotherapists, and technicians, which members will be asked to approve at a round of meetings. Hospital domestic workers however - orderlies, caterers, security and cleaning staff - were still considering strike action. In the northern half of the North Island the Service Workers' Union gave notice of three-day strikes early in November. In Southland, junior doctors, having held a series of unsuccessful short-time strikes in October, decided to stop work for the whole month of November over their demand for a collective agreement. Southland senior doctors issued a statement in support of their junior colleagues.

The Northern Distribution Union launched a "Buy Union" campaign on Labour Day by issuing a card naming retail outlets covered by union-negotiated collective contracts. It was not asking for a boycott of non-union stores said a spokesman, but was asking the public to give listed stores preference, wherever possible. The Chief Executive of the Merchants' Association said the campaign was a waste of time.

About 50 people demonstrated in Picton when the ferry *Straitsman* arrived. An interim injunction preventing picketing had been lifted in the Wellington Employment Court, but the manager of Strait Shipping said his company would apply to have the interim injunction restored and would apply for a date to get a permanent injunction. Six protestors guilty of trespassing on the *Straitsman's* gangway on 18 April were fined \$300 in the Wellington District Court.

The PPTA resumed wage negotiations on 6 October. Kindergarten teachers settled a collective contract on 16 October, which kept intact pay rates and holidays.

"Spontaneous disruption" on the Auckland waterfront was avoided when the Aotearoa Stevedoring Company, with its 15 Maori share-holders, failed to get the contract for working the Reef Shipping Company's *Socofl Wind*, when the ship returned on 20 October. "If it had not been for pressures brought to bear beyond their control, we would have been prepared to use them again", said a Reef spokesman. He refused to elaborate, but Aotearoa's Managing Director claimed that the closure of the entire Auckland waterfront by industrial action had been threatened.