

CHRONICLE

July 1994

Primary school teachers entered their negotiations with the State Services Commission (SSC) looking for an extra \$4,500 a year for teachers at the top of the pay scale and pay parity with secondary teachers. In response to the SSC rejecting their demands, more than 19,000 teachers staged a one-day strike and threatened further strike action.

By the end of the month the New Zealand Education Institute cancelled further strikes and offered the SSC a new proposal which included a joint working party to work out pay details, and an agreement to discuss teacher performance and accountability. After a week's negotiation the Commission agreed to examine a unified pay scale for primary and secondary basic scale teachers, with a view to amending it if the actual cost of the proposal exceeds \$70 million over three years. In addition the parties agreed to look at a system that rewarded teachers on the basis of performance and to consider the issues of teacher accountability and performance with regard to incorporating such agreements into employment contracts. Both parties also agreed that a working party would be set up to examine the inter-relationship between a unified teachers pay scale and performance-based pay.

Meanwhile, secondary school teachers started negotiating with the SSC over pay and conditions. The teachers have asked for a two percent pay rise and a \$1,000 bonus in recognition of their efforts implementing the curriculum and qualification reforms, and for more control over their increasing workload.

School cleaners and caretakers held stop-work meetings after their contract negotiations stalled. The Service Workers Union (SWU) negotiating on behalf of the workers, was seeking a 3.1 percent pay rise to compensate for productivity increases over the past four years. The SWU stated that the cleaners and caretakers had not had a pay increase during that time, and was disappointed at the SSC's offer of a one-off payment of \$600.

Waiariki Polytechnic's chief executive announced that 68 of its 366 employees were to be made redundant. Further north, Auckland University general staff worked-to-rule. The unions representing the more than 850 general staff stated that their members have not had a pay rise in over four years and were now seeking a 6.5 percent pay increase. Unions warned that if the university's counter offer of a 2.5 percent pay increase and a "rollover" of their old contract was not amended, the dispute could escalate to rolling strikes.

Several Crown Health Enterprises (CHEs) announced that they intended to contract out more of their services to independent companies. The South Auckland CHE has contracted out food, cleaning and orderly services to United Healthserv (formerly Crothalls). Lakeland Health has also contracted out their laundry, catering, cleaning and attendant services at Rotorua Hospital dissolving 50 full-time jobs.

Nurses at South Auckland's Middlemore Hospital and Health Waikato negotiated new employment contracts. The new three year contract for Middlemore nurses was described by the hospital's chief executive as "quite a liberating contract". The new contract allows unlimited sick leave, two percent pay increase in each of the three years, and optional extras in the first two years. The pay increases in the second and third years would be indexed to a base inflation rate of 1.5 percent. On top of their two percent, nurses would receive any difference between 1.5 percent and the rate of inflation. In Waikato, the contract contained pay rises of three percent in the first year and two percent in the second year. Other key elements of the contract are comparable with other CHE contracts. That is, the contract outlines enhanced consultation procedures, with direct input on staffing levels, skill development and rostering, as well as an education and orientation programme for new nursing graduates employed by Health Waikato. On-call allowances and sick leave provisions have also improved, and the nurses are now permitted to speak out over matters relating to professional expertise and experience.

The second reading of clause 197 of the Maritime Transport Bill giving foreign vessels the right to carry domestic cargo was narrowly passed by Parliament on 13 July. The Bill promoted by the Minister of Transport, Mr Williamson, is hailed by its supporters as stimulating commerce between the North and South Islands. The three opposition parties, trade unions, and the Shipping Federation fought to defeat clause 197. Labour vowed to repeal the legislation if it gets into power because "it will destroy New Zealand's shipping industry and up to 1,000 jobs as well as allowing "dangerous rustbucket" foreign vessels to secure coastal trade."

After it was announced that a competitive ferry service was to be launched in September, New Zealand Rail revealed that it plans to run a new 24 hour service. The Seafarers Union, Marine Power and the Aviation Engineers Association and ferry masters and officers ratified their collective contracts which includes the provision of a 24 hour sailing service. The collective contract also outlined 190 redundancies as part of New Zealand Rail's restructuring, 50 less than originally planned. However, the voluntary redundancies offered by New Zealand Rail were taken up by more masters and engineers than they envisaged. The Merchant Service Guild and the Marine Engineers Association representing the captains and engineers reported that many of the crew who wanted redundancy believed that it would be impossible to work under the new rosters. Meanwhile, four ferry officers who were among the first 100 workers to be made redundant by New Zealand Rail lost the first part of their legal bid to be reinstated.

Treasury staff, who are all on individual contracts, signed employment contracts that feature performance criteria and individual bonus payments. Treasury spokesperson, Mr Nikitin Sailee, said that the bonus payments were part of "a pretty robust performance assessment system in which people can go backwards for not performing."

The Court of Appeal rejected an action brought by three postal workers affected by the restructuring of the Auckland Mail Centre. The three workers, who had sought voluntary severance but instead were redeployed, were appealing against an earlier Employment Court judgement. However, the judge noted that as the majority of workers appeared to have accepted New Zealand Post's changes, it would be too difficult to undo the process.

More than 2,000 Foodtown supermarket workers were seeking a wage rise of eight percent in response to a management effort to install individual employment contracts. According to the National Distribution Union's industrial officer, Mr Peter Conway, Foodtown staff were paid on average 10 percent less than those working for Progressive Enterprises' competitor Woolworths, and less than those working for the company's other supermarket, 3 Guys. He also stated that the Foodtown workers had not received a pay rise since 1992, when their wages went up by .05 percent. Members of the Labour Party, the New Zealand Council of Trade Unions (NZCTU) and the National Distribution Union (NDU) all voiced their concern over the way in which Progressive Enterprises Ltd was trying to persuade workers to sign individual employment contracts based on performance pay, without the consent or involvement of their bargaining agent, the NDU.

The bus services in Wellington and Auckland were involved in industrial disputes. Wellington Stagecoach workers voted for an indefinite work-to-rule in response to their employer's pay offer. The company had offered drivers a \$300 one-off cash payment and a 1.5 percent pay rise this year followed by a 1.75 percent increase next year. However, the union stated that the offer was unacceptable as the workers had not had a pay increase for two years.

Auckland bus drivers were seeking an eight percent wage increase and the reinstatement of various conditions lost in their bitter pay dispute of 1992. However, the Yellow Bus Company stated that if it agreed to the Tramways Union's pay request it would destroy the company. While the Tramways Union represents 560 of the company's 700 bus drivers and cleaners, many of the remaining 140 staff have been recruited by the Engineers Union over the last two years. The Tramways Union warned both the company and Engineers Union that they would withdraw from any talks if the Engineers Union were part of the negotiations and continued to recruit members.

At the same time, the Engineers Union continued to be denounced by other unions for poaching their members. Accusations came from unions involved in the power supply industry, timber mills, breweries, future factories and the Watties cannery in Hastings. One of the major recruitment battles concerned 400 labourers and 270 food processing workers in Taranaki. The Engineers Union acknowledged that it had carried out the recruitment which prompted a visit by the secretary of the NZCTU, Ms Angela Foulkes, to address an angry meeting of the unions involved. The Engineers Union defended its position by saying that workers had simply been told of the benefits of joining a more "professional" union and were not pushed into anything. Ms Foulkes stated that the NZCTU could do very little as contestability between unions for members was a fact of life under the Employment Contracts Act 1991.

The Engineers Union began talks with the Printers Union regarding amalgamation. The Printers Union, which will probably soon merge with the Journalists and Graphic Processors Union, has insisted on having its own autonomous division as a condition of the merger. The plan at this stage is for a printing and media division of an enlarged union representing a wide sweep of manufacturing and communication workers, from coal miners to journalists. If the planned amalgamation takes place this would increase the Engineers Union membership from 32,000 to 42,000 members.

Journalists and printers employed by Independent Newspapers Ltd were involved in industrial action in early July. The strikes came in response to a "take-it-or-leave-it" offer of 1.5 to two percent by the employers. The unions representing the workers had asked for a five percent wage increase.

The Employment Court ruled against the Presbyterian Support Services' (PSS) use of a partial lock-out as a contract bargaining method. The Court also ruled that the organisation's actions were illegal when it stopped penal payments to some staff who had refused to sign a new employment contract. A settlement costing more than \$200,000 was later reached between 600 workers in the lower North Island and the PSS. The Nurses Organisation has lodged further applications with the Employment Tribunal to obtain wage arrears from the PSS.

Clerical staff at the Auckland Automobile Association went on strike after they had rejected their employer's pay offer and were unable to get an agreement from the employers for more staff to relieve their workload. The Auckland district manager, Mr Warwick Jones, stated that "these young ladies with their shift work can earn quite a reasonable income [up to \$32,000 per annum] and we feel our offer is adequate".

VIP Transport Service, the division of Internal Affairs which employs ministerial drivers, put forward a proposal which would have seen their employees on individual contracts that contained new pay and conditions. The PSA estimated that the workers were being asked to accept pay cuts of \$9,000 to \$15,000 annually. However, the Department's chief executive, Mr Perry Cameron, intervened and agreed to commence talks on a collective agreement.

The Employment Tribunal ruled that Pan Pacific Airlines Ltd had unjustifiably dismissed Mr Anthony Penfold and ordered the airline to pay him \$16,000. The Tribunal also awarded Mr Penfold a rare penalty of \$179 for a breach of the Employment Contracts Act by his ex-employers. The dispute arose after Mr Penfold was offered a lower than normal commission by his employer and when he made inquiries was ordered off the premises.

Trust Bank New Zealand Ltd announced that it expected to shed 400 staff over the next 18 months, but the job losses would be managed through natural attrition, retraining and redeployment, with redundancies kept to a minimum.

Employment figures released on 14 July by the Employment Service showed that the number of registered unemployed in June rose from eight percent to nine percent (an increase of 1,793), taking the total number of unemployed to 184,762. The Minister of Employment, Mr Wyatt Creech, said the rise was due to the end of seasonal work and that there had been similar rises each year since 1980. Meanwhile, the prime ministerial task force on unemployment held consultative meetings throughout New Zealand concluding that "New Zealand must spread the ownership of the unemployment problem if it is to find solutions". Meanwhile, a report by the Ministry of Education stated that one in four school leavers wanting to enter the workforce could not find a job.

The announcement that the International Labour Organisation (ILO) had appointed an industrial relations legal expert to head a mission to New Zealand in September to examine

the Employment Contracts Act caused an outcry by the National Party, New Zealand Employers Federation (NZEf) and the Business Roundtable. The ILO delegation, headed by Mr Alan Gladstone, a United States-educated labour law consultant, intended to follow up an earlier ILO report which criticised the Act.

August 1994

The closure of Weddel's six North Island meatworks with the loss of more than 2,300 jobs dominated events in August. The directors of Weddel, New Zealand's fourth largest meat processor, announced that they were putting the company in the hands of the receiver after the parent company in the international Vesteys Meat Conglomerate refused to bail out the struggling New Zealand operation. The receiver, Mr Alan Isaac, stated that the company, which had plants in Whangarei, Cambridge, Gisborne, Hastings and Fielding, owed creditors more than \$220 million at the end of July. He believed that the company had been operating at a low level of equity in which it had to contend with lower sheep and lamb numbers, and excess capacity in the industry meant keen competition for stock. In addition, prices had fallen for sheepmeat in Europe and for beef in the United States, and declining meat exports generally had been exacerbated by a higher New Zealand dollar.

Unions representing the Weddel workers held discussions with the receiver to ensure that their superannuation contribution was intact and that wages, holiday pay and other entitlements were secured before creditors were paid. Unions also asked the government to review its policy of a 10 week stand down period before redundant workers could claim an unemployment benefit. However, the government stated that it would not reverse the policy.

The receiver for another failed meat processing company, Fortex, announced that two South Island plants were to be reopened next season, but with fewer jobs. The Seafield plant was sold to a company jointly owned by Phoenix Meat Company and Five Star Beef Holdings Ltd. It is expected that this plant will employ 600 workers. The other plant, Silverstream, was bought by the Skeggs Group. Also, many redundant Fortex workers benefited when the government reversed its policy of treating mortgage insurance payments as income and deducting it from unemployment benefits after redundant workers announced that they intended to take the Income Support Services to court. The government disclosed that it would reverse its decision hours before the Labour Party, with the support of the Alliance Party, planned to introduce a bill to overturn the policy.

The industrial dispute involving more than 2,000 Foodtown workers was settled with the acceptance of a new collective employment contract. However, the contract did not apply to more than 100 warehouse staff who were to meet with employers at a later date. The NDU spokesperson, Mr Peter Conway, said that the members had accepted a 17 month contract that protected redundancy pay and gave them a pay rise of two percent. The contract would also apply to non-unionised workers giving a total coverage of about 4,500 Foodtown staff.

Staff at Woolworths, Big Fresh and Price Chopper supermarkets settled a collective contract which covers 8,000 workers. The staff received a one percent pay increase which came on top of a pay rise last January. The contract's key elements were a commitment to look at

a skills-based pay system, improved bereavement leave, and better arrangements for pay on Anzac Day and Waitangi Day.

A former 3 Guys supermarket manager failed to persuade the Employment Tribunal that his dismissal was unjustified. He had suggested that a secret surveillance camera be installed in order to catch employees stealing the company's goods. However, unaware that the camera had already been installed, he was caught stealing goods worth \$1.80 and as a result was himself dismissed.

The Employment Tribunal ruled that state-funded Auckland kindergartens can stay open for at least two and a half extra days a term and teachers could be asked to manage larger classes. A Tribunal adjudicator, Mr Ralph Gardiner, stated that as kindergarten teachers were paid annual salaries and there was nothing in their contract which identified the length of term, the Tribunal had to accept the Auckland Kindergarten Association's case. The kindergarten teachers' existing contract expired near the end of the month. They had not received a pay rise for more than four years and were asking for pay parity with primary school counterparts.

The Post-Primary Teachers Association (PPTA) gave notice to the government that secondary school teachers were expecting a two percent pay rise and a one-off \$1,000 bonus, as well as having an input into education policy when their contract expires at the end of November. The Union stated that the secondary school teachers had not had a pay increase for four years and may strike if the SSC did not accept the union's pay claim.

Housing New Zealand staff went on strike after their pay negotiations broke down. Their claims included a new redundancy agreement, recognition for work during the past two years, agreement on a performance pay system and changing salary payments from monthly to fortnightly. The Public Service Association (PSA), acting on behalf of the staff, also planned to take legal action against government housing authorities in relation to the changeover from Housing Corporation to Housing New Zealand in 1992. The PSA maintained that several hundred staff had not been given the opportunity to choose redundancy and instead were "dragooned into going into Housing New Zealand." Later that month Housing New Zealand announced that it was to make 10 staff redundant as part of the organisation's continuing restructuring.

There was increasing dissatisfaction with "lump-sum" one-off payments among public servants after New Zealand Post staff rejected their employers' plan to freeze wage rates in return for a one-off cash payment of \$1,000 to each permanent full-time worker. The NZCTU and the PSA stated that one-off payments were no substitute for percentage wage increases. They also disagreed with the comment by the State Services Commission that public service chief executives should receive a pay increase of 50 to 60 percent, comparable with chief executives in the private sector. The unions argued that at least 34 public service executives are paid six-figure salaries while other public servants were on a bare minimum wage and had not had a pay rise in four years.

The Employment Court ruled that the Audit Office made unlawful superannuation deductions from hundreds of senior public servants' salaries. The court stated that the Audit Office had breached the Wages Protection Act when making the deductions since 1990.

The Employment Court also rejected an appeal by New Zealand Post and awarded a dismissed worker a further \$2,000. Judge Colgan accused New Zealand Post of "sustained, ill-advised and quite unlawful conduct" in a clear breach of its obligations as an employer. The dismissed worker, Mrs Matthes, had earlier been awarded \$52,000 by the Employment Tribunal after she was sacked when she was unable to sign a commitment to the organisation's new objectives as she was awaiting a ruling on the lawfulness of its actions in instituting them.

The Defence Force leased the naval dockyard at Devonport, Auckland to one of New Zealand's largest engineering companies, Babcock Ltd, for an undisclosed price for 10 years. However, after a week of taking over the dockyard, the new management announced that they were to cut 150 jobs and asked for voluntary redundancies. As a result the Navy paid out more than \$1 million in redundancy payments.

The Employment Court awarded \$30,000 costs against New Zealand Rail after it attempted to issue lockout notices against crews during the ferry dispute in May 1994. Chief Judge Tom Goddard awarded the Seafarers Union \$20,000 and the Merchant Service Guild \$10,000. He stated that the lockout notices were defective, mainly because they had failed to specify where the lockouts were to take place and they had also failed to give the required 14 days notice.

Contract talks between the Fire Service and the Professional Firefighters Union over staffing levels and a claim for a four percent pay rise continued. The service estimated that it can save up to \$30 million if it cuts staff numbers by nearly 500, including 330 firefighters. However, the union argued that there was a shortage of 100 staff and as a result staff were working "excessive overtime" and their wages had been frozen for four years.

The Employment Tribunal ordered Whitcoulls Ltd to pay \$44,809 to Mr Robert McNaughton after finding that Whitcoulls dismissed the former data processing manager unjustifiably. The Tribunal adjudicator, Mr Brian Stephenson, said that Mr McNaughton had been treated by top level executives "as if he were a disposable object whose trust and sense of self-worth were demolished by the manner in which he was treated."

The Department of Labour began a technical review of the Holidays Act which is 50 years old. The Department's industrial relations general manager, Mr Ralph Stockdill, emphasised that there was no intention to dilute existing entitlements. Instead it is hoped that the review will make it more "user-friendly".

The Government also announced that there was to be another overhaul of the accident compensation scheme after a review was strongly critical of the present rules. It is possible that the Government will use a multi-party task force to implement its recommendations.

Salary and wage rates rose an average one percent in the year to June 1994 according to Statistics New Zealand. Its figures also showed that losses in wages and salaries from work stoppages were much lower during the year to April than in the previous 12 months. During the year up to April, \$4.2 million was lost compared with \$20.3 million the previous year. Stoppages involved 16,468 employees compared with 36,250 a year earlier. In April an

estimated 15,084 working days were lost from stoppages, with a loss of \$1,937,300 in wages and salaries.

Air New Zealand had to refund 900 job applicants \$25 each. Under the Wages Protection Act employers seeking or receiving money for employing people is unlawful. Telecom stated that it had also disconnected two job-information hotlines for charging job seekers.

September 1994

Two representatives of the ILO arrived in New Zealand to continue their investigation of the Employment Contracts Act. Unions presented evidence to the ILO representatives of breaches of the legislation by employers and argued that the ECA violated ILO conventions. A dispute between Romanos Pizza Company and its workers was used by the unions as an example of how employers are violating ILO conventions. In this instance the workers were told they had to relinquish their right to strike if they wished to be rehired.

The unions also told the ILO representatives that collective contracts were being undermined. They cited the Lower Hutt Mobil Oil Seaview Terminal employers, who had refused to negotiate a collective contract, and the Ports of Auckland, who would not allow new employees to join a collective agreement, as indicative of the present industrial scene in NZ. A recent study carried out by researchers from the Victoria University's Industrial Relations Centre reinforced the unions' claims, as well as providing additional material for the ILO delegation. The researchers believe that more than three-quarters of employees are now working under individual employment contracts. They estimate that collective contracts would cover no more than 370,000 of a workforce of 1,545,100. In addition, a National Business Review survey found that over half of those polled still disapproved of the ECA; however, few felt that it had affected them personally. The Citizens Advice Bureaux stated they are receiving more inquiries about employment contracts and work conditions than in previous years. They noted that there was a 33 percent increase compared with the previous year.

According to the PPTA president, Mr Roger Tobin, about 300 secondary teachers would soon be made redundant because of falling rolls and administrative changes. Two weeks earlier the government made 28 full-time reserve teachers redundant without consulting the Schools Consultative Group's subcommittee on staffing. However, the Ministry of Education stated that the union was "scaremongering" as schools would not be told their final staffing allocation in October. The union also stated that they wanted the government to settle their salary claim before the November 30 expiry date of their contract. The government had at that point made no contact with the union to negotiate. However, they did agree to continue the primary teachers' expired collective contract for a further four months to give the joint government-union working party time to investigate performance pay and pay parity with the secondary teachers.

Kindergarten teachers held stopwork meetings to consider holding a national strike involving 1,600 teachers on 13 October. They were protesting about the lack of funding, increased workload, pressure to keep rolls to a maximum, no recent wage increase, and deteriorating conditions. The kindergarten teachers' collective contract expired on 19 August

and the union stated that they had tried to settle a new contract without taking industrial action.

The Principals Federation was condemned by some of its members for promoting individual contracts. The "special contract" offer included a five percent pay rise and two percent reward for performance. The Federation reported that of 2,300 members, about 80 had signed individual contracts.

Wellington College of Education announced that it intends to shed 20 percent of its staff next year to cope with the government funding cuts. The College hopes to save \$1.2 million a year in salaries when it makes 30 full-time jobs redundant. Waiariki Polytechnic also announced plans to make 48 staff redundant.

While 150 Canterbury hospital laboratory workers went on strike twice during the month, laboratory workers at Rotorua and Taupo called off industrial action and accepted a new contract with Lakeland Health. They will receive 3.5 percent this year and two percent for the following two years. The Lakeland Health workers believed that their employers planned to bring in laboratory workers from Australia as strikebreakers.

The Whangarei coroner recommended that hospitals review junior house surgeons' working conditions and hours of work, after the death of a junior doctor. He stated that hospitals should abide by the Medical Council guidelines of 12-hour days, 60-hour weeks for the wellbeing of the doctors and patients. He noted that junior doctors were often required to work excessively long hours, beyond 72 hours per week.

A dismissed Mangaroa Prison officer is to take his case to the Employment Tribunal. The prison officer, Mr Tui Robinson, was dismissed after he had allowed a prisoner to visit his de facto wife and child during a transfer to Paremoremo prison in Auckland. He stated that the custody manager had permitted him to make the decision concerning the prisoner's visit. Social Welfare investigators, on the other hand, decided not to take any action against a staff member accused of assaulting a youth at the Northern Residential Centre at Weymouth. In addition, Wanganui Prison officers went on strike after the prison decided not to replace an officer who had called in sick. Officers said that the Justice Department's minimum staffing levels would have been breached if they had gone on duty and their safety would have been jeopardised.

Postal workers settled a collective contract in which they would receive a lump-sum payment of \$675 and a one percent pay rise from August 1995. However, the PSA believes that Housing NZ intends to offer individual contracts to workers involved in a long-running dispute over a collective contract.

Telecom announced that 380 employees would be made redundant and over 1,000 workers would be offered redeployment, as the latest steps in Telecom's restructuring process in which over 15,500 workers have lost their jobs since 1987.

Redundant Weddel meat workers lost their bid to obtain more flexibility on regulations governing unemployment benefit eligibility. Emergency food agencies noted that ex-Weddel workers unable to register for the unemployment benefit were "already lining up for

emergency food parcels." The Weddel workers also asked the Minister of Employment, Mr Creech, to reduce the qualifying time for retraining.

The Labour Department's Employment Service reported that, although the number of registered unemployed fell in August to 179,327, the impact of the Weddel closures would affect September's unemployment figures. In addition, the Department noted that the number of people who have been registered unemployed for more than five years has increased more than 3,000 percent since 1990. Statistics NZ figures for May 1994 showed that the average weekly earnings were up 2.5 percent on the year before with inflation running at 1.1 percent. There was an overall labour cost increase of 1.6 percent, made up of wage and salary rises (0.9 percentage points), increases in the Accident Rehabilitation and Compensation levy on employers (0.2), and other non-wage labour costs (0.5). Statistics NZ figures also indicated that there has been a rapid growth in part-time work, which now makes up 28 percent of filled jobs.

Workers at Nuplex Industries Ltd launched a six-day strike in opposition to the company's pay offer. The 50 workers involved wanted a pay rise of 6 percent and a redundancy agreement. However, the employer had offered pay rises of between 1.7 percent and 3.1 percent, as well as putting forward a pay system based on performance assessments.

It was reported this month that during the year ending May 1994, there was an increase in the number of stoppages from 16 to 69; however, they involved fewer workers. About \$4.4 million in wages and salaries was estimated to have been lost, compared with \$19.8 million in the 1993 year and \$3.8 million the previous year. Disputes in the community, social and personal services sectors were responsible for 32 of the year's 69 stoppages. There were 23 in manufacturing, four in transport, storage and communications, and three in finance, insurance and real estate, and three in wholesale, retail trade, and the restaurant and hotel industry. A further four stoppages occurred in other industries.

The unions made a submission to the Commerce Ministry not to lower the tariff rate in the textile, clothing and footwear industries. The unions representing workers in these industries are concerned that more jobs will be lost if the tariff is lowered. Those industries have seen a 40 percent reduction in jobs since 1987.

The Alliance Party's submission to the Employment Taskforce outlines a series of measures to achieve full employment in 10 years time. The submission promotes an integrated approach to work and training with immediate plans to use public works in order to absorb a number of unemployed people. The Employers Federation, on the other hand, asked the Employment Taskforce to replace the dole with a "smaller jobsearch allowance" for unemployed people aged 20 and over. The Federation stated that people on benefits such as the dole should meet responsibilities such as actively seeking work or should be directed to training schemes, work experience, or subsidised work. The Federation also seeks to change the powers of the Employment Court and Employment Tribunal. For example, to remove the right to award compensation in redundancy cases and to limit compensation awards on the grounds of procedural irregularity in carrying out an otherwise justifiable dismissal.

A petition containing more than 12,000 signatures calling for employees to have the right to paid parental leave was delivered to parliament. Those involved in the campaign claimed there are over 100 countries which have made parental leave legal, and stressed that New Zealand was a signatory to the ILO convention on parental leave. The Women's Affairs Minister, Jenny Shipley, said the government had no plans to introduce the leave as payment and "it was a matter for negotiation between staff and bosses".

It was revealed that the New Zealand Air Force paid a woman cleaner \$15,000 after she was sexually harassed by an air force officer at Wellington's Shelly Bay base. The Minister of Defence stated that the terms of the settlement were confidential between the parties. In another case of sexual harassment, the Employment Tribunal in Rotorua awarded a woman \$17,000 after her boss raped her.

The Employment Court awarded Ms Teeny Lowe \$72,600 in damages for wrongful dismissal by the Tararua District Council. The court upheld Ms Lowe's argument that she had been dismissed, not because of her comments made at a meeting, but because she had earlier refused to take up another offered position.

A study by The Institute of Management which looked at the compliance rate of the Health and Safety in Employment Act (1992) found that although the 300 chief executives are aware of their responsibilities under the new Act, few have implemented its provisions. Based on its research findings, the Institute estimates that one in four employers fail to comply with the health and safety legislation. Meanwhile, the Accident Rehabilitation and Compensation Insurance Corporation (ACC) announced that during the past year more than 129,000 employers had received discounts on their ACC premiums totalling about \$31 million as reward for good accident records.

As a result of considerable bad press, it was announced that a committee of government department officials will work on solutions to accident compensation problems. The committee will investigate the present rules and will possibly call for significant changes. The committee is expected to make recommendations to the Cabinet early next year before releasing a discussion document for public consultation.

October 1994

Early October saw a string of prominent Employment Tribunal and Employment Court rulings. In *Brighouse Ltd v Bildérbeck and Others* the Court of Appeal upheld earlier decisions by the Employment Tribunal and Employment Court that employers, when dismissing employees whose positions are redundant, must "act fairly and with sensitivity". The Court had to determine whether the Employment Tribunal and the Employment Court were legally incorrect in deciding that Brighouse Ltd had unjustifiably dismissed four of its employees following the sale of its business. The Employment Tribunal had earlier awarded the employees compensation payments of between \$8,500 and \$10,400. The Court of Appeal judgement warns employers that, in the context of redundancy, an employer cannot rely upon its contractual rights and obligations as outlined in the employment contract, but must be able to justify the exercise of those contractual rights against a standard of fair and reasonable treatment.

The Employment Tribunal ordered Telecom to pay \$10,000 to a former employee, Mr Des McEnaney, for "humiliation, loss of dignity and injury to feelings" after he was made redundant. Nelson businessman, Mr Richard Potton, was ordered by the Employment Tribunal to pay more than \$63,000 to his former housekeeper and gardener, Mr and Mrs Voigt, for unjustified dismissal. A dismissed Pizza Hut employee, Mr Michael Iafeta, was awarded \$25,000 for "hurt and humiliation" by the Employment Tribunal. Mr Iafeta was dismissed after he had informed the company's head office managers that he had been instructed by his employer to take surplus stock home and falsify the wage records.

The Employment Court ruled that employees volunteering for public holiday work for which they are not rostered, have no entitlement to paid days off in exchange. The ruling follows a claim against the Society for the Intellectually Handicapped by two part-time staff who worked on public holidays which would not otherwise have been their normal working day. Judge D.S. Castle ruled that the Holidays Act stipulates that workers are entitled to public holidays with pay where these fall on what would otherwise be working days for those workers. He stated that this provision refers to a "normal pattern of arranged or rostered days with a strong element of certainty".

A District Court judge accepted that a worker not wanting to leave the premises for fear of losing his job was a valid defence against a trespass charge. Mr Patrick O'Dea, an electrician at the Glenbrook steel mill, was arrested after he was dismissed and then refused to leave the premises until his union representative arrived. Although he was reinstated after negotiations between his employer and his union, the police had decided to press trespass charges.

The Wellington Employment Court ruled that the freedom of speech guaranteed by the Bill of Rights Act does not give employers the right to by-pass employee-appointed bargaining agents. The court issued a permanent injunction to stop Capital Coast Health Ltd approaching its employees individually in defiance of their union's authority. The dispute arose when Capital Coast Health attempted to renegotiate a collective contract covering its 88 laboratory technicians. However, the technicians appointed the New Zealand Medical Laboratory Workers Union to represent them during the negotiations.

The management of the Auckland Yellow Bus company disclosed that 60 percent of the bus drivers had signed its new employment contract, and therefore were not part of the on-going pay dispute involving the Tramways Union. The employers contract offered a 2.7 percent wage rise and a one-off payment of \$400 before Christmas. However, the union was asking for a 6.81 percent rise to offset wage cuts experienced in 1992.

Air New Zealand's 1,200 maintenance engineers accepted an offer made by the management which included a three percent pay rise and a pay rise of two percent the following year. However, a dozen salaried engineers employed by Ansett New Zealand were due to strike over a new pay structure to replace existing individual employment contracts.

The industrial relations spokesperson for the Labour Party, Mr Steve Maharey, attacked Air New Zealand for employing Polish engineers for less than a quarter of the pay (\$3.77 per hour) of New Zealanders. The Labour Party also asked why the 23 Polish engineers and

administrative staff were working in New Zealand without a specific permit to do so. The Immigration Service confirmed that the Poles had entered New Zealand on visitors' permits issued for study, and that the service was satisfied the Poles were following a training programme as described by Air New Zealand. The secretary of the Marine, Aviation and Power Engineers Association, Mr John Bainbridge, denied that Polish engineers were being "trained" in the normal sense of the word, as they were in fact fully licensed engineers who arrived with their tool boxes.

Crew members from a fleet of Ukrainian boats working under joint-venture contracts with two Lyttelton companies complained to the Seafarers Union of earning only \$5 per day. The Minister of Labour, Mr Kidd, stated that New Zealand employment laws could be applicable to foreign seafarers working in this country's waters. The Department of Labour Inspectors are investigating the seafarers' claims which could result in an arrears claim in the Employment Court.

An Employment Court decision awarded \$16,000 compensation to three police officers who had been misled about their starting salaries. Approximately 150 former police recruits, who were similarly misled, will be compensated by the Police Department. The Police Department also announced that it is to shed 500 staff to offset the purchase of a \$90 million computer system. It is hoped that the computer system will reduce the amount of paper work, making the force more efficient. It is thought that job losses will be in middle-management.

Fire Service managers released a proposal that would on one hand increase the firefighters' shifts and reduce 340 jobs, while on the other hand supplement the early retirement package. The Fire Service managers stated that the proposal together with on-going restructuring, would allow savings of \$28 million. However, the Professional Firefighters Union opposed the proposal.

Housing Corporation disclosed that there were to be 100 redundancies from its four regional offices as part of centralising mortgage operations into one Manukau City office. Staff from the four offices would be able to apply for the 60 positions at Manukau. Also, Carter Holt Harvey's Waitene Timber Products in Napier will close early next year with the loss of 60 jobs.

Former Weddel Tomoana workers intend to take legal action to obtain redundancy payments totalling nearly \$2 million. Similar action is also being considered by workers at the other five Weddel plants in Gisborne, Cambridge, Fielding and Whangarei. The Agriculture and Fisheries Ministry estimated that it was owed nearly \$5 million by the failed Weddel company for unpaid meat inspection service fees and redundancy payments for 90 inspectors. The Ministry, however, believed that it was unlikely to be repaid.

The first report by the prime ministerial task force on employment recommends that the school-leaving age be raised to 17 and all those under the age of 20 have access to education, training or work. It advocates a multipronged approach, starting with more and better resources for early childhood spending, allowing more low-income groups to have access to childcare services.

The government has no intention of introducing compulsory industrial training levies despite evidence that many employers support the idea. A survey published by the Employers Federation showed that 42 percent of employers are in favour of a compulsory levy to fund industry training organisations (ITO). This compares with 37 percent who thought that ITO's should be funded by those who use them. It was, however, generally agreed that organisations should be excluded if they are not willing to contribute to the ITO's.

The NZ Educational Institute and the State Services Commission hired a consultant from Deloitte Touche Tohmatsu to help in the stalled primary teachers' pay negotiations. The consultant is also writing a report on the "feasibility and desirability of recognising and rewarding teacher performance and accountability."

Kindergarten teachers went on strike over a number of issues such as increased teaching loads, lack of parity with other members of the teaching profession and low wages. They are asking for a four percent pay increase and a six percent pay increase for head teachers. The Associate Minister of Education, Mr Luxton, stated that he would support the teachers' claims if they agreed to longer opening hours, the use of less-qualified staff and "alternative" fee structures. Both proposals were turned down by the employees.

Senior doctors employed by Southern Health in Invercagill have negotiated a unique clause into their employment contract which guarantees the right to adjudication or arbitration. It is believed to be the first time in the health sector a collective contract had provided for the right to adjudication if contract negotiations stall.

Senior doctors and medical specialists have had pay increases averaging 10 percent. The spokesperson for the Association of Salaried Medical Specialists, Mr Ian Powell, stated that the Employment Contracts Act had in this instance allowed workers in highly skilled, and high demand areas to achieve increases. Also, figures obtained under the Official Information Act, revealed that crown health directors were paid over \$2.3 million for part-time service between November 1992 and July 1993. This year, on average, chairpersons are paid \$767.50-\$930 per day for part-time services. At the same time, the Minister for Crown Health Enterprises, Mr East, acknowledged that 12 of New Zealand's 23 crown health enterprises were in financial trouble.

Hospital closures and redundancies are continuing as part of the government's health reforms. Coromandel Hospital will close by the end of the year when the contract for its services is awarded to another health facility in the town, Phoenix House. The 26 hospital staff who are to lose their jobs will either be re-employed at other Health Waikato facilities or receive redundancy. Mercury Bay Hospital in Whitianga will close in February 1995, with the loss of at least 27 jobs. Also Dunedin's child cancer unit staff were told that the unit may close and the services be transferred to Christchurch. Staff at the Dunedin unit are concerned that closure will put even greater pressure on the families of the patients. There are to be more redundancies at Auckland Hospital in which over 55 orderlies and up to 80 cleaners will lose their jobs. The redundancies are a result of Auckland Healthcare contracting out "non-core" services to private contractors. Most of North Shore Hospital's 50 laboratory staff will lose their jobs as the hospital management have contracted out the laboratory work to a private company, Medlab Ltd.

The Nurses Organisation spokesperson, Mr Nigel Kee, revealed that nurses are reporting at least one incident a week of abuse by patients or visitors as part of an escalating trend of violence. Mr Kee stated that crown health enterprises have cut back on security because of a lack of finance, however, this may contravene the Health and Safety in Employment Act in which it is the responsibility of the employer to provide a safe and healthy working environment.

The Accident Rehabilitation and Compensation Insurance Corporation has appointed a complaints investigator, Mr Maurice Gianotti, after a review panel criticised the ACC's regulations. Mr Gianotti has already dealt with 60 cases and stated that some of the regulations were too inflexible.

The Labour Party's economic policy which was outlined in October, is based on a tripartite board of business, union and Government to implement policies for industry development and training, job creation and strategic economic planning. The Rt Hon. Helen Clark stated that one of the primary aims of the economic policy was full employment.

Felicity Lamm
University of Auckland



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