

CHRONICLE

JULY 1985

The FOL and CSU asked for an interim general order to compensate for price rises since last December and tabled their request formally at the fourth meeting of the tripartite wage conference on 5 July. The release of the June quarter consumer price index on 9 July, which showed a rise in the cost of living of 5.1 percent – the highest quarterly increase since 1947 – lent new urgency to the unions' request, but Mr Lange said that a general order was not on his agenda. The Government, according to the Minister of Labour, wanted to see variable settlements award by award rather than across the board, flat rate, settlements. Workers in high growth industries were to have the opportunity to negotiate wage increases significantly above the average. The unions nevertheless repeated their request for a general order on 15 July.

The 18 July session of the tripartite conference discussed the problems of low-paid workers and agreed on the need to lift the minimum wage from its current level of \$100 a week. No agreement, however, could be reached on the amount: the employers proposed \$145, while the unions asked for \$208, which would restore the 1973 level of 25 percent above the married unemployment benefit, but would also exceed the minimum rates of 121 negotiated awards. The final decision was left to the Government, which indicated that a significant adjustment would be made.

When the Government on 22 July finally rejected the request for a general order, the unions promised a tough bargaining round to recover past increases in the cost of living. Unions, said Mr Knox, would have to "battle it out". The employers were divided in their approach. The top companies' Round Table had supported a general wage order but only as a substitute for the forthcoming wage round, while the Employers Federation complained that a wage round required preliminary changes to industrial laws. "You cannot negotiate flexibly in 1985 with the inflexible legislation of 91 years ago," said employers' president Sir William Leuchars, a reference apparently to the Industrial Conciliation and Arbitration Act of 1894, which has been amended on numerous occasions since then and is no longer in force. Federated Farmers for their part asked for utmost restraint in the wage round and for a rigidly enforced guideline.

A wage guideline was the main item on the agenda of the 26 July tripartite meeting but here too no agreement could be reached. In its briefing paper the Government predicted a 10 percent wage round, with an allowance of 2 percent for wage drift, while the Employers Federation suggested that increases of 5.5 percent would be in the best interests of New Zealand's export competitiveness. The FOL did not put forward any specific figure, and Mr K Douglas denounced the proposed free wage round as dishonest. On 30 July he told the Post Office Union conference that "the price of free bargaining will be to smash the national award structure, and to remove any visible protection for the great majority of workers through the award structure, in return for the attraction that some key sections of workers are going to be able to extract better pay increases than the great majority of others."

Several unions meanwhile announced their intentions to lodge applications for substantial pay increases: nurses (22 to 42 percent), kindergarten teachers (13 to 27 percent), electrical workers (24 percent plus 6-monthly automatic rises), and police (about 20 percent). The first claim of the wage round, by the NZ Shipping Officers Union, was to be negotiated on 10 and 11 September, but several claims from last year's round were still awaiting a decision from the Arbitration Court. The court had a backlog of 379 cases awaiting hearing on 31 March, which meant delays of up to 10 months. By early July the court had registered only 245 of 299 awards submitted to it, and the Auckland Employers Association repeated its call, first made 18 months earlier, for the establishment of a per-

manent Arbitration Court in Auckland.

Air New Zealand, which made a record profit in the past year, announced that it would pay \$500 plus a week's wages to all its 7 000 staff who were on the payroll on 31 March, in recognition of their exceptional effort over the past 3 years. Union representatives welcomed the announcement. Air New Zealand and the Airline Stewards and Hostesses Union reached an interim agreement on the staffing of the new Boeing 767 aircraft, subject to ratification by the union membership, while negotiations on the merging of the international and domestic awards continued.

Sixty one workers at Irvines Bakery in Auckland went on strike on 18 June over a demand for a 3 percent increase on top of an earlier 8 percent rise which, they claimed, was needed to regain parity with other Auckland bakers. Their employer, General Foods Corporation, lodged an application for an interim injunction under the Commerce Act, which was heard on 18 July. The judge, Mr Justice Sinclair, accused the workers of using "industrial muscle" instead of lawful means and queried the legality of above award payments. Concerted action over demands for increases in minimum pay rates, he declared, was in breach of the law; he granted the injunction on 26 July and instructed the strikers to return to work and to withdraw, abandon or cease their claim for a 3 percent increase. The ruling had serious implications for the legality of second-tier bargaining; the Minister of Labour commented that it raised the question of the validity of wage increases already won in the last wage round and was likely to affect the coming wage round. The Employers Federation argued that the unions' concern was groundless because of the judge's decision was against a third-tier claim, but an Auckland company, Nationwide Food Services, called off negotiations with the Hotel Workers Union on a house agreement for waterfront cafeteria staff because of the judge's ruling. The cafeteria workers declared an indefinite strike, while Irvines bakery workers defied the injunction and a recommendation from the FOL and the Auckland Trades Council and remained on strike until an appeal against the judgement had been heard.

Wellington school cleaners employed by Crothalls struck for 24 hours on 26 July in support of cleaners at Tangaroa College in Auckland, whose contract had been taken over by a subsidiary of the company. The dispute was settled on 31 July, when the school board cancelled the private contract and re-employed its cleaners.

The Resident Medical Officers Association deferred direct action after a lengthy meeting on 5 July with the Ministers of Health and Labour and the Associate Minister of Finance. On 26 July they reached agreement with the Government on a deal which provided for a restriction of their working hours to a maximum of 72 a week and 16 per shift, legislative changes to remove the junior doctors from the umbrella of the Higher Salaries Commission and to allow them to negotiate salaries under the State Services Conditions of Employment Act, and the recruitment of at least 150 extra house surgeons.

A group of about 100 carpenters at the Glenbrook steel mill extensions continued their strike because the contractor refused to suspend a labourer accused of assaulting one of their delegates. They voted on 9 July to resume work, after the Government had appointed Mr T Thompson, a former vicepresident of the FOL, to investigate the dispute.

Some 600 Huntly miners and engine drivers went on strike on 11 July because they had not been paid a production allowance while mining was halted by a mechanical failure. They resumed work on 23 July.

About 1 800 nurses marched through central Christchurch on 5 July in support of their pay claims. They lit candles in the Square and released 134 balloons, 1 for each nursing vacancy in the Canterbury Hospital Board area. Several thousand Auckland nurses took part in a silent torch procession up Queen Street on 26 July, behind a banner reading "Nurses Are Worth More". The Nurses Association commissioned a confidential ballot to see whether its members were prepared to take industrial action in support of their claims. Medical and non-medical hospital staff held a combined midday meeting in Auckland on 24 July and pledged to get rid of the present Auckland Hospital Board and to step up their campaign for improved public health services.

The Director-General of the Post Office reached agreement with the Post Office Union in mid-July on the settlement of the technicians' dispute through a short-term

backdated Technology Implementations Allowance of up to \$1 148 a year for some 6 000 engineers, technicians and related staff. The Government, which learned of the deal from a radio news bulletin, intervened on 25 July and cancelled the arrangement, which had already been promulgated to the staff, on the grounds that it breached the 12-month rule under which pay settlements have to remain in force unaltered for at least a year, that it should have been referred to the State Services Co-ordinating Committee as an inter service matter because of its likely flow on effects, and that it was contrary to the Government's economic policy. Speaking to the Post Office Union annual conference on 29 July, Mr Rodger explained that state pay rates were not based on profitability (the Post Office had made substantial profits in recent years) but on external comparability. He conceded that state rates had fallen behind the private sector, but promised a catch up in the 1985-86 annual adjustment, as well as a review of specific occupational groups which had suffered staff losses through their pay rates falling behind the private sector rates. Angry conference delegates authorised the executive committee to impose bans on the introduction of new technology and take other appropriate action, and called for a campaign of stop-work meetings.

Public servants held stopwork meetings in many departments to discuss serious staff shortages and consequent extra workloads, and to decide on protest action. Social Welfare Department staff in Auckland and Northland restricted public opening hours to 10 a.m. to 3 p.m. from 18 July, and similar action was taken later by social welfare staff in other centres. The Government offered state employees an interim 8 percent pay rise from 10 November, as an advance on the annual adjustment due to be determined next February, but the CSU asked for the increase to be brought forward.

A Distribution Workers Federation was formed on 5 July, combining the Drivers Federation, the Shop/ Employees Association, and the Northern and Hawkes Bay and Canterbury and Westland storeworkers' unions. Dunedin shop employees at Colormarket NZ Ltd conducted a picket and a 3 day strike from 23 to 25 July over a redundancy dispute.

A protracted dispute at the Chelsea refinery depleted the country's sugar supplies. The 150 sugar workers went on strike on 25 June, when the NZ Sugar Company refused to pay them the same increase it had conceded to its tradesmen and trades assistants. "We're not a militant union and took no action until pushed into a intolerable position," said the sugar workers' secretary. The workers returned on 14 July, after an agreement had been negotiated by the Auckland Trades Council.

Waterfront work at Port Chalmers was held up on 8 July over a demarcation dispute concerning the manning of a composite gang. The dispute was settled when watersiders resumed work on 14 July, after discussions with the Otago Harbour Board.

AUGUST 1985

Figures released by the Statistics Department showed that in the year to 30 June real nominal wage rates, adjusted for inflation, had dropped by 8.4 percent. The Minister of Labour pointed out, however, that this drop had been cushioned by the Government's Family Care package for wage earners at the bottom end of the range. Employers had enjoyed a boom year but, said their president, "We should not be looking at last year's never to be repeated company profits but at this year's economic downturn", and he warned against "irresponsible" settlements in the coming wage round.

With the tripartite wage conference due to end formally on 18 August, the Government met separately with employer and union representatives in an effort to settle outstanding differences, but no agreement could be reached on either a guideline or a figure for the minimum wage. Mr Rodger said the wage conference had achieved its purpose by giving the bargaining parties a briefing on the state of the economy, and he expressed his confidence that as the wage round proceeded, it would "get an orderliness about it that would hopefully be acceptable to the community."

The budget, which announced the introduction of a Goods and Services Tax and sub-

stantial income tax cuts from October 1986, was dismissed by union leaders as irrelevant to this year's wage round. Middle income earners needed something now, said the chairman of the CSU, but the Under Secretary for Finance told business leaders that "the budget will not take a lot of sting out of union demands." On 26 August the Government announced an increase in the minimum adult wage from \$100 to \$170. This affected only 5 awards, whose bottom rates were below the new statutory minimum, and the FOL recommended that unions claim a minimum rate of \$208 in the coming wage round.

Stopwork meetings of the Airline Stewards and Hostesses Union on 8 August ratified the interim agreement on the manning of the new Boeing 767 aircraft, but only for 3 months. A simmering dispute over rostering flared up again, and the union gave 2 months' notice of withdrawing from the rostering agreement reached after last year's pre Christmas strike, unless the dispute was solved by then.

The striking Irvines bakers resumed work on 5 August, when hearings began in Wellington on a appeal against the interim injunctions. The Appeal Court decided on 16 August that the question of a right to strike in second tier wage claims was properly for the Arbitration Court to decide. It lifted the injunctions against the workers, but retained the injunction against the Bakers Union. The case then came before the Arbitration Court for an urgent hearing, which started on 21 August. The court reserved its decision.

The Bank Officers Union became the first non affiliated union to announce its intention to join the proposed NZ Council of Trade Unions. The union also submitted a claim to the employers for a package designed to stem the tide of staff resignations. It comprised a \$1 000 bonus for all staff who had worked in the industry for the last 12 months, an advance of 10 percent on the salary settlement due in February, a moratorium on the introduction of new services, and early negotiations on a salary grading system and on improved training.

The Clerical Workers Association announced that it would seek a 45 percent pay rise to bring the wages of basic grade clerks up to \$350 a week, which was the average wage of New Zealand males. Ninety percent of the union's members were women, said their secretary, and the union wanted equal pay for women workers. The union also announced that health and safety in the office would be major issues in the coming award talks, and that it intended to give priority to a sexual harassment clause. A recent survey by the union had shown that a third of harassed workers either resigned or were dismissed as a direct result of sexual harassment.

Two hundred Auckland junior hospital doctors voted on 22 August to strike from 9 September, not excluding emergency services, unless their demands for improved overtime payments were met. Doctors in other centres voted their support, though Wellington doctors decided to maintain essential services. The Government, which had already introduced legislation to implement the agreement reached earlier to bring the doctors within the scope of the State Services Conditions of Employment Act, accused the doctors of dishonouring that agreement and threatened not to proceed with the bill. According to the Minister of Health, the doctors' overtime claims would almost double their incomes, from \$27 000 to \$53 000 in the case of a first-year house surgeon, which would bring his or her level within the salary range of a specialist with at least 8 years' standing. The doctors, however, claimed that the new overtime rates were wanted as a disincentive to prevent excessive working hours.

The Engineers Union announced that it intended to seek a 21.5 percent increase in the metal trades award. Meanwhile industrial disputes closed down Auckland's 2 steel mills at Glenbrook (NZ Steel) and Otahuhu (Pacific Steel). Glenbrook maintenance fitters resumed work on 19 August after 3 weeks on strike, but production workers who had been suspended during the strike, stayed out over a claim for payment of lost wages and did not return until 26 August. At Pacific Steel the company locked out 500 engineers after 5 weeks of strike action, and demanded that delegates sign an undertaking to observe the disputes procedures in their voluntary agreement. The lockout continued until 4 September, when the delegates signed the document subject to an Arbitration Court ruling on its legality. The court later ruled that the employer was justified in requiring the

delegates to sign.

The Northern Fire Brigades Union called off planned industrial action after reaching agreement with the Fire Service Commission on procedures arising out of the Auckland ICI chemical fire. The parties also decided to begin negotiations on a lump sum retirement scheme, and they agreed to ask the Minister of Internal Affairs to set up a Fire Service Industrial Tribunal.

Griffins biscuit workers in Lower Hutt, who are members of the United Food and Chemical Workers Union, won a \$25 a week increase after a 2 day strike late in July. Four hundred fish workers at Sealord Products in Nelson, who belong to the same union, then went on strike on 5 August in support of the same increase. They maintained a round the clock picket of the factory, but after 3 weeks on strike they settled for a \$12 increase.

The Government appointed the general secretary of the Meat Workers Union, Mr A J Kennedy, to the Meat Producers Board for a term of 3 years.

The Auckland Hotel Workers Union called a stopwork meeting of industrial cafeteria staff on 16 August to discuss the strike at Nationwide Food Services and to plan a campaign for house agreements with other companies. The meeting, attended by some 700 workers, decided to lodge claims with individual employers for a rise in the basic rate from \$4.87 an hour to \$6. Cafeteria staff imposed bans or walked out where the claims were rejected until, by the end of August, staff in some 25 cafeterias were involved in industrial action.

The Minister of Labour released Dr Finlay's report on Marsden Point industrial relations on 31 July. On the question of the controversial Disputes Act, Dr Finlay noted that union witnesses had used terms like "slave labour" and had compared the site to "a Hitler concentration camp", while the company pointed to the fact that the last 5 months had been free of industrial disruption, acceptable levels of productivity had been achieved, and the project was on schedule. The company claimed that union officials were not representative of their 3 000 members and, to test support or opposition to the Disputes Act, Dr Finlay proposed a secret ballot of the workforce on whether the act should be continued or repealed. He also suggested a ballot on whether the 2 dismissed delegates retained the confidence of the workforce, and he pointed out that the 2 delegates and 6 other dismissed workers had the right to challenge the whole circumstances of their dismissals through the personal grievance procedure.

The National Party's labour spokesman welcomed the report and so did the general manager of the MRC consortium, though he expressed doubts about the ballot proposal. Mr Knox expressed disappointment that the report did not call for the repeal of the Disputes Act or for the reinstatement of the dismissed workers. The FOL National Council offered its support to Marsden Point workers if they wished to take protest action against the Finlay report, and Mr Knox met representatives of Marsden Point unions in Auckland on 5 August, but the meeting adjourned without setting a date for a further meeting. Work on the site was due to finish in another 9 months, and the Government made no move to conduct a secret ballot of the workforce. The 2 dismissed delegates, however, filed an application with the Arbitration Court for a personal grievance hearing, as suggested by Dr Finlay.

The labourer accused of assaulting a carpenters' delegate at Glenbrook was convicted in the Pukekohe district court on 6 August and remanded to 26 August, when he was sentenced to a term of periodic detention. In the interval Mr T Thompson, who had been asked by the Minister of Labour to report on the incident, recommended that the man, who had been stood down on full pay, be given his job back. Mr Thompson also recommended measures to improve the education of union officials in the principles, practices and policies of unionism. The minister wrote to the parties asking them to implement the report's findings, but the labourer had meanwhile been dismissed for different reasons, during a visit to the site on 12 August, and 100 other labourers had gone on strike in protest. The company was not willing to take the man back but suggested that the Labourers Union lodge a personal grievance complaint. At the end of August the striking labourers resumed work and the union agreed to submit the dispute

to mediation.

Eight hundred nurses marched through Wellington on 23 August to protest against poor working conditions and pay.

The Tasman Pulp and Paper Company offered its workers at Kawerau a profit sharing scheme with substantial payouts, in return for an undertaking to co-operate in the introduction of measures to increase efficiency and reduce operating costs, and to refrain from striking. Nearly all plant unions accepted the deal but the largest union, the Northern Federation of Pulp and Paper Workers, rejected it and asked instead for a straight technology payment. On 22 August the paper workers staged a 24-hour stopwork in protest against lack of progress in their wage talks.

Thirteen Auckland Gas Company gasfitters, who had been on strike for 5 weeks, returned to work on 12 August after having gained a house agreement which gave them increases of between 38 and 45 percent, backdated to February. The men had not had a pay rise since 1981, and the agreement restored their parity with engineers and other tradesmen.

The Post Office Union held a series of stopwork meetings throughout New Zealand between 12 and 20 August, to plan action in protest against the Government's cancellation of the technicians' allowance. In Auckland 7 000 of the union's 10 000 local members attended. On 22 August the union imposed a wide range of bans, mostly related to technology or the introduction of new services.

Public servants in many parts of the country continued their industrial action in protest over the salaries and staffing crisis. In Wellington typists marched from the Town Hall to the office of the State Services Commission on 1 August, after voting to impose bans on overtime and ministerial correspondence. On 8 August the Government introduced a State Services Conditions of Employment Amendment (no. 2) Bill, which repealed penal provisions against strikes introduced by the previous government, and widened the criteria for pay fixing. The top tier group of business organisations voiced fears that the state sector could become the trigger for a wage explosion in the private sector but, according to the annual report of the State Services Commission, turnover of permanent staff in the public service had risen during the year from 8.9 to 12.6 percent, total staff had declined, and the service was unable to compete with the private sector in payments offered to specialists.

More than 4 000 Auckland public servants attended a stopwork meeting in the Town Hall on 15 August and then marched down Queen Street at lunchtime. Public service electricity workers in the main centres began a campaign of rolling stoppages to press claims for cut price power, and radio and television journalists imposed bans on 19 August over a pay claim. The journalists called off their action after 2 days, but resumed it on 30 August when negotiations on a skills payment broke down. The Prime Minister warned state employees that going "to the barricades" in support of wage demands would delay their 1985-86 pay increase. He rejected CSU requests to bring forward his 8 percent interim pay offer to 10 October, and warned that the offer would be withdrawn if it was not accepted soon. The CSU decided to consult with its member unions before responding.

The Distribution Workers Federation lodged a claim for a 15 percent increase in the supermarket award, together with a minimum wage of \$208 for workers aged 18 and above. The Northern and Canterbury storeworkers' unions threatened road transport companies with industrial action if they did not transfer their storemen from the general stores award to the freight forwarders' award. This would give the workers concerned increases of between 25 and 40 percent. An employers' spokesman claimed that the move was causing industrial chaos, but by the end of the month 12 companies in Auckland and 2 in Christchurch had signed up.

The conference of the Post-Primary Teachers Association at the end of August voted overwhelmingly, 110 to 8, in favour of joining the proposed NZ Council of Trade Unions. Southland secondary school teachers decided to withdraw their services for 1 hour a week next term in protest against the Government's refusal to grant a special allowance to attract teachers to Southland.

Auckland Regional Authority bus drivers lodged a claim for a productivity allowance, based on the fact that fewer drivers were carrying greater numbers of passengers, and for an increase in the special payment to drivers of 20 "bendy" (articulated) buses. When the Authority rejected these claims, the drivers held stopwork meetings and instituted work to rules and overtime bans. The Authority suspended drivers who refused to drive the "bendy" buses, and it warned that it would suspend all drivers indefinitely if a proposed 1 day strike was held on 30 August. It carried out this threat when the strike took place. The union advised its members to register for the unemployment benefit.

Auckland waterfront employers announced their intention to advertise vacancies, in the first major recruiting drive on the waterfront in 8 years. According to the president of the Auckland Waterfront Workers Union however, the advertisements were simply to satisfy the requirements of the Human Rights Commission, and the 60 vacancies had already been allocated to sons of watersiders. It was also suggested that the proposed advertisements were in response to pressure from women seeking equal opportunity to work on the waterfront, but the union president stressed that the work was unsuitable for women and that his union would oppose any attempt to select female applicants. According to the chief advocate for the waterfront employers, nothing had yet been decided and all applicants would share equal opportunities. The only female waterfront workers so far are 3 women tally clerks hired in Wellington earlier this year.

SEPTEMBER 1985

Speaking to delegates at the Labour Party annual conference in Christchurch on 1 September, Mr Lange appealed to the trade union movement to exercise restraint in the coming wage round which, he said, would be true bargaining. Union delegates nevertheless helped to defeat a remit calling for a return to free wage bargaining, while supporting a demand for the repeal of repressive industrial legislation, such as the Marsden Point Disputes Act. The Minister of Finance told the Manukau Rotary Club on 4 September that the Government had no intention of intervening in the wage round and no wish to control its outcome, as governments had done in the past. The parties to the round, he said, would have to take responsibility for the outcomes.

The 1985 wage round was set to open on Tuesday 10 September with negotiations on the shipping officers' award, but on Monday the Higher Salaries Commission dropped a bombshell by releasing its review which gave increases of 30 percent and more to cabinet ministers, members of parliament, senior public servants, academic staff, senior local government officers, and other top officials, all backdated to 1 April 1985. Statistics released at about the same time showed that in the year to June ordinary wages had fallen 7.4 percent behind the consumer price index. "We're told to survive on \$119 a week," said the secretary of the Auckland Tramways Union, "while the Prime Minister pays more than that in tax." The Commission's award, which has justified on the grounds of similar large increases in top executive salaries in the private sector, "shows the blatant dishonesty of business in preaching the need for restraint and belt tightening for workers, when these same people have handed themselves massive salary increases," said Mr K Douglas. The Prime Minister condemned the Commission's report as "stupid, provocative, insensitive and potentially disastrous" because of its timing, but he reaffirmed the Government's determination not to intervene in the wage round.

The FOL National Council resolved on 10 September to ask workers to take "appropriate action" in support of the drivers and engineers, who were to negotiate key awards, if these unions failed to achieve breakthroughs in significant increases to the low paid and in adequate protection against inflation. The FOL also asked unions to endorse support for the principle of flexible settlements on top of national awards rather than in place of them, and called on the Government to tax wealth, company and profits and unearned incomes, while cutting taxes for workers. It condemned the hypocrisy of business leaders who had been "filling up their wheelbarrows" and demanded an industrial war crimes tribunal to expose them.

Mr S Marshall, of the Employers Federation, while condemning the FOL approach as "idiotic and illogical", now spoke of wage settlements of 11 percent, which was double the figure previously put forward by the employers. Cabinet ministers issued frantic warnings against high settlements and sought a secret meeting, behind the back of the Employers Federation, with the powerful Business Roundtable, comprising chief executives of top corporations. The Roundtable chairman issued a warning, in a private capacity, that settlements above 11 percent would cause damage to the economy and would worsen unemployment, but he received a surprising reply from the president of the Hutt Valley Chamber of Commerce, who argued that wage increases of between 10 and 15 percent were needed to ensure the survival of small to medium size businesses and that "it was fatuous for pundits in luxurious offices with limousines at the door to claim that wage increases would fuel inflation."

The 1 000-strong Shipping Officers Union meanwhile successfully negotiated a settlement which provided an average wage increase of about 12.5 percent over a 13 month term. Negotiations on 3 major awards opened on 16 September: drivers in Christchurch, engineers in Wellington, and meat workers in Auckland. The drivers had filed an effective wage claim approaching 30 percent, the meat workers also asked for 30 percent, while the engineers had raised their claim for the key metal trades award from 21.5 to 29.3 percent.

The Government now for the first time threatened to intervene in the wage round through issuing regulations under the Economic Stabilisation Act, 1 of the "unnecessarily repressive laws" which the Labour Party had promised to repeal. Intervention was not needed, however, because negotiations on all 3 awards broke down. The meat workers' talks were the first to adjourn, after the employers refused to raise their initial offer of a flat \$20 a week (equivalent to an increase of only 3 percent) and even that only in return for concessions by the union. The drivers' and engineers' negotiations resumed on 23 September. The drivers were close to settlement, according to press reports, with the union lowering its claim to about 19 percent and the employers raising their original offer from 8 to 10.5 percent, plus increases in allowances which brought the package to above 12 percent. The talks were adjourned on 24 September for 10 days, to 7 October. The engineers' negotiations, however, were abandoned altogether on 24 September, by which time the union had lowered its claim to 17 percent and the employers had raised their original offer of 10 percent by adding another 3 percent to be paid out in May. The engineering employers, said their advocate, were prepared to let the metal trades award lapse. Both the engineers and drivers decided to go back to their members with a series of stopwork meetings to discuss industrial action.

This left the electrical contractors' award, negotiations on which opened on 23 September, as the major trendsetting award in the wage round. The Electrical Workers Union, which claimed a 24 percent increase plus a \$20 a week industry allowance plus indexation, was in a good bargaining position because the skills of its members were in short supply. It also resented the fact that it had been forced by a government ultimatum to settle for 6.5 percent in 1984, while other unions which settled later gained increases of 11 percent and more. At the opening of the negotiations Mr Neary denounced the Government for trying to intimidate the parties, and accused cabinet ministers of gross interference.

The Government, which was concerned that these talks might result in a large increase, did indeed exert great pressure on the employers, with the Minister of Labour telephoning to find out their proposed counter offer and warning against soft settlements, while the Prime Minister confirmed that regulations had been drafted to block unacceptable wage rises. The Employers Federation, which was also not happy with the progress of the talks, approached the Government on 27 September in the company of Federated Farmers, and requested a temporary halt to the wage round, together with what they called a "cooling off period" and what the Government described as a "wage freeze". The Government rejected this request. That same night, with the telephone disconnected, the electrical workers reached agreement with their employers on a 15.5 percent rise in pay and allowances, while claims for additional allowances were referred to the Arbitration Court for a decision.

The Government vented its spleen on the employers, whom the Prime Minister attacked as an "incoherent, ineffective gaggle". He claimed that Government pressure had prevented an even larger settlement at 17 percent, but the Employers Federation replied that without Government interference the final settlement would have been lower. Both the Government and the employers agreed that the electrical workers' increase should not be regarded as a precedent for other unions, but so did the FOL, from a different angle. "I see no reason why unions shouldn't go higher than 15.5 percent," said Mr Knox, and the driver's union advocate announced that "we anticipate a settlement above 15.5 percent".

The Auckland Trades Council and the Combined Health Employees Committee expressed their support for the junior doctors in their stand for improved overtime payments. The doctors themselves sponsored large press advertisements to explain their proposed industrial action, but they called off the strike on 7 September, after further talks in Wellington. Both sides agreed to refer the dispute to the Higher Salaries Commission for a binding decision.

Poultry processing workers in Auckland and Christchurch went on strike on 3 September over a claim for a \$30 a week increase. They returned to work in the following week, but negotiations continued and the workers won an industry allowance of \$20 a week, backdated to 9 September.

Staff at the Chateau Tongariro Hotel called a 24 hour strike on 14 September over demands for improved accommodation and an isolation allowance. The Tourist Hotel Corporation agreed to upgrade their living quarters and made other concessions, but it refused to negotiate on a special allowance. The hotel workers decided to present a claim for more pay and extra holidays in isolated locations at the forthcoming award talks.

The Insurance Workers Union decided to leave the FOL after a postal ballot of its members. Two thousand out of 5 000 members voted, and the majority for disaffiliation was 58 percent. In the Printing Trades Union, which also balloted its members on the question, 64 percent of the union's members voted, with a 53 percent majority favouring continued affiliation.

A personal grievance hearing in Whangarei on 25 September failed to resolve complaints of alleged wrongful dismissal at the Marsden Point refinery extensions last year. The MRC consortium refused to allow the conciliator to rule on the cases, and the Engineers Union decided to refer them to the Arbitration Court for a decision.

Thirteen tug masters and mates at the port of Auckland went on strike on 19 September over a rostering dispute. The Harbour Board obtained a court injunction, but the men refused to resume work until 26 September, when the Board and the Merchant Service Guild agreed to refer the dispute to the Arbitration Court.

Hospital nurses became restless when 5 weeks went by without a response to their pay demands from the Health Services Committee. The Nurses Association claimed that it had been promised a reply by 20 September, but the Committee intimated that its counter offer could be as late as November. A combined meeting of Auckland branches on 24 September, attended by about 500 nurses, voted unanimously to give 14 days' notice of industrial action unless there were "meaningful negotiations" by 7 October. They also decided to picket the Minister of Health who was due to open a conference of principal nurses in Auckland on 25 September. The conference passed a resolution supporting the nurses' salary claims. Dr Bassett's explanations to about 100 placard-waving picketers were dismissed as "a fob-off", but on 26 September the Minister announced that negotiations on the nurses' pay claim could begin on 10 October, 2 weeks earlier than planned. In the light of this offer, Auckland nurses decided to call off the proposed action.

Kawerau paper workers continued a campaign of rolling stoppages at the Tasman mill in support of a technology allowance. On 19 September the company threatened to lock out all 600 members of the union unless they resumed normal work and the union accepted the profit sharing and efficiency agreement which had been signed by 10 of the

12 site unions (all except the paper workers and the boilermakers). The secretary of the paper workers' union described the company's scheme as a bribe and refused to give any undertakings. The lockout took effect from 20 September, but the company continued to provide maintenance work for the 1 400 members of the other site unions.

The CSU on 2 September accepted "reluctantly" a Government pay and conditions package which provided for an 8 percent interim wage increase from 10 November. The Government also undertook to review margins for skill and responsibility in the context of senior rates set by the Higher Salaries Commission, to review starting rates and progression in junior grades, to adjust state pay rates in the light of private sector settlements in the current wage round, and to conduct a special review of technicians and other groups whose present conditions of employment were out of touch with market realities. There was also an understanding that current industrial action in the state service would cease and would, as the PSA put it, "be transferred into wage claims for specific occupations". Social Welfare staff, typists, electrical workers, radio and television journalists, and other officers all resumed normal work, usually after ballots by the people concerned. Post Office workers, who had broadened their bans on the installation of new technology, lifted them after a warning by the Minister of Labour that the Government would exclude post office staff from the 8 percent increase unless all bans were cancelled.

Negotiations on the Auckland bus drivers' dispute ended in stalemate. The ARA proposed to put the issue before the Arbitration Court but the union rejected the offer. The buses remained off the road until 7 September when the Minister of Labour ordered a compulsory conference. These talks failed again, but the industrial mediator Ms Janet Scott awarded the drivers a \$13 a week efficiency and productivity allowance. The union, which had claimed an allowance of \$1.37 an hour, expressed its disappointment but accepted the ruling. The drivers' claim for wages lost during the dispute was referred to the Arbitration Court.

Waterside workers throughout New Zealand held a 48 hour stoppage on 23 and 24 September, to coincide with a 2 day workshop, sponsored by the Ministry of Transport, which was to consider ways of reducing costs in the waterfront industry. The Waterside Workers Federation, which boycotted the workshop, protested against "union bashing" items on the agenda, and against attempts by the Association of Waterfront Employers to revise the watersiders' general principal order and to change port operations. The Parliamentary Undersecretary for Transport, who had chaired the workshop, told a meeting in Whangarei on 25 September that the Government intended to bring change to the waterfront industry, whether waterfront employees took part in discussions or not.

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Government spokesmen continued their efforts to "talk down" high wage settlements in the wage round. "Growth in income of 8 percent to 12 percent is all that can be accommodated," said the Prime Minister, while the Minister of Finance issued a strong plea for moderation. The Engineers Union nevertheless initiated a vigorous campaign of stoppages to force employers back to the negotiating table with an improved offer. Negotiations on the drivers' award resumed but when they collapsed that union too launched a campaign of industrial action. The wage round seemed to be failing, with widespread industrial unrest and with only 2 awards finalised after a month of negotiations, but the dam burst in the second week of October, first with the settlement of 2 minor awards, for northern laundry workers and drycleaners, at 14 percent, but with a restructuring of jobs which gave an actual movement of between 15.7 and 16.7 percent. It was higher than the economy could afford, commented the Acting Minister of Finance, but soon afterwards the much more important dairy workers' award was settled at a basic 14.8 percent increase, but with reclassifications which gave most workers increases of 18 percent and to a small number up to 30 percent.

"I don't think it will be a trendsetter," said Mr Prebble of the dairy workers' award,

while Mr Rowe, of the Employers Federation, claimed that the settlements for dairy workers and electrical contractors were not comparable with other industries because they did not involve second tier bargaining. On 16 October 3 more important awards were settled : commercial printers at 15.5 percent, and northern storeworkers at a flat \$33 a week rise to all employees, equivalent to an average increase of 15.72 percent. Employers who paid above award rates were to increase these by 15.5 percent, but the union gave no undertaking to abstain from second tier bargaining; indeed, it announced its intention to seek further improvements during the currency of the award.

The third settlement concerned supermarket employees and provided for a 15 percent increase for adults and 18.5 percent for juniors, with a minimum weekly wage of \$208 in line with FOL policy. Mr Prebble warned that there would almost certainly be a shedding of jobs in supermarkets because of this high settlement, and he told the "privileged" textile industry that the Government might take action against it if it agreed to "silly" wage settlements. To show that he meant business, Mr Prebble announced that future government electrical contracts would not include escalation clauses tied to movements in award rates and that the Government would review regulations under the Electrical Regulations Act and would stop some subsidies to electrical apprentices. A joint deputation from the Electrical Contractors Association and from the Electrical Workers Union met the Acting Prime Minister on 21 October to protest against these sanctions.

The Engineers Union called off its industrial campaign, which had led to action at over 800 shops, when it became clear that the employers were again willing to negotiate. The union had asked for a 17 percent increase, but in renewed talks on 18 October it accepted an increase of 15.5 percent for tradesmen and 16.4 percent for process workers. This seemed to seal in 15 plus percent as the unofficial guideline for the wage round, all the more so when the drivers' award was settled on 22 October with a flat increase of \$33 a week, equivalent to about 15.9 percent at core level, but with higher increases to junior workers. Unlike the metal trades award, the drivers' award put no restrictions on second tier bargaining. The Northern Drivers Union had agreed with their employers in August on an above award payment of \$20 a week, and they expected this to be added to the new award. When ready mix concrete companies refused the payment, their drivers went on strike and brought commercial building in Auckland to a standstill.

The wage round was going well for the unions, said Mr K Douglas. Mr Rodger blamed high settlements on the impact of the Higher Salaries Commission report on the eve of the wage round, while employers' spokesmen accused the Government of not giving them enough support. The union breakthrough highlighted the lack of solidarity among employers and the inability of their local and national organisations to organise concerted resistance.

The Engineers Union settled the Air New Zealand engineers' award at 15.5 percent and the freight forwarders' award was settled on 23 October at 16 percent, but a number of award negotiations were still unresolved by the end of the month. Most important among them were the meat workers' and clerical workers' awards. The meat workers' talks collapsed on 17 October when the employers did not raise their original offer of a flat \$20 a week increase on condition that the unions agreed to shiftwork and to new technology changes. Meat industry unions, including freezing workers, food workers and the PSA, attended a meeting convened by the FOL on 21 October and decided to set up a working party to consider immediate and longterm problems facing the industry and to put forward a common policy.

The clerical workers' talks broke down when the union rejected an 11.5 percent offer. Clerical workers began to take nationwide industrial action from 21 October. In Auckland 1 200 clerical workers marched through Queen Street on 29 October, following a 3 hour stopwork meeting. Negotiations for the biscuit and confectionery workers' award collapsed when the union rejected a 15 percent offer. Firemen threatened to hold stoppages when their pay talks collapsed. They called off the threat to allow negotiations to resume, but no agreement could be reached in 10 days of talks. Wage talks for domestic workers in private hospitals broke down on 10 October, when the employers rejected a claim for

parity with public hospitals and put forward demands for the abolition of weekend penal rates which would involve a pay cut for the workers affected. The staff held stopwork meetings and called a 24 hour national strike, but on 29 October both sides agreed to refer the dispute to a mediator.

Negotiations on the New Zealand journalists' award were adjourned to 9 November. The employers had offered a 16.4 percent increase and had agreed to the inclusion of a sexual harassment clause. Coal miners held stopwork meetings and called a national strike from 17 to 21 October, when talks on the opencast award broke down. The union claimed a 15.5 percent increase, while the employers offered around 12 percent. Kindergarten teachers held nationwide stopwork meetings on 23 October and discussed strike action if their claims for parity with primary school teachers were not met by the Education Services Committee.

Air New Zealand cabin crew threatened industrial action in a dispute over new crewing patterns introduced by the company, but at a meeting with the Minister of Labour on 15 October the union and the company agreed to allow Mr W Grills to arbitrate. Stopwork meetings of domestic and international crews on 15 and 16 October approved the proposal. Mr Grills ruled against the union's contention that this was a health and safety issue, but in further talks on 22 October convened by the FOL the company offered to make changes to the roster which were accepted by the staff.

The decision of the 4 trading banks to pay a special annual location allowance of \$1 200 in Auckland and Wellington to prevent staff losses, led to a 24 hour strike on 15 October by staff in other centres who demanded the same bonus. The agitation continued with further stoppages, but lengthy negotiations over the weekend brought a new employers' offer which the union promised to put before its members. The package consisted of a 10 percent interim increase to all staff pending award negotiations next February, a reduced Wellington and Auckland annual allowance of \$520, and a one off payment of \$125 to staff elsewhere. According to the employers, no staff member would receive less than before, but bank staff rejected the deal at their stopwork meetings, and Auckland and Wellington employees now voted to strike because their promised allowance had been cut. A national bank strike started after Labour Weekend, on 29 October, in support of demands for the reinstatement of the \$1 200 allowance in Wellington and Auckland and a permanent \$1 000 a year allowance in other centres. The Bankers Association claimed that 37 percent of the banks remained open on the first day of the strike, and 43 percent on the third day, but many branches offered restricted services only. A government mediator, Mr M Teen, stepped into the dispute on 30 October, but bank employees voted by a 3 to 1 majority (6 678 to 2 215) to continue the strike.

The Clerical Workers Association became the first union to conduct a membership ballot under the new legislation. About quarter of the membership voted at 112 meetings throughout the country, with 80 percent of those who attended favouring the retention of the compulsory membership clause.

Junior doctors gained salary increases of around 15 percent by a decision of the Higher Salaries Commission, but the Commission also raised their overtime rates substantially, which brought their actual pay increases to around 60 percent. The Commission also raised the salaries of hospital specialists by 36 percent.

The United Food and Chemical Workers Union, whose 14 month award is not due to be renegotiated until early next year, conducted a campaign for an above-award payment of \$20 a week, which had been first won by Tegel chicken employees in Auckland and Christchurch. According to the union's Auckland secretary, 14 local firms employing some 1 000 workers had agreed to the payment by 18 October. Twelve hundred meat union members at the Horotiu works ceased work in a dispute over manning and pay.

The Wellington Hotel Workers Union hailed as a milestone a decision by Mr Grills ordering the Wellington Hospital Board to reinstate a senior delegate whose dismissal in April had caused rolling stoppages which seriously disrupted cleaning, cooking and orderly services. The ruling, according to the union, will put all union delegates throughout the country in a much stronger position than they ever have been before. The Auck-

land Hotel Workers Union neared the end of its campaign for higher wages for industrial cafeteria staff. By 18 October, it claimed to have gained increases of between 18 and 30 percent for the staff of all but 2 of some 40 city cafeterias.

The Arbitration Court began hearings in Auckland on 21 October in the case of 2 union delegates and 4 other workers who claimed to have been unfairly dismissed at the Marsden Point refinery extensions site. The court also considered the Auckland tugmasters' dispute and ruled that the existing roster should be retained as a basis for negotiating a replacement roster. The dispute flared up again on 21 October when tug crews went on strike and were suspended, but the masters and mates returned to work on 31 October after some "very positive" negotiations on a new roster.

The Minister of Health announced on 11 October that nurses would get an interim pay increase larger than the interim adjustment payable to all state employees from 10 November. This would be followed by a final settlement after private sector claims relevant to the nurses' claims had been disposed of. The amount of the interim payment was to be decided at a compulsory conference chaired by an independent arbitrator. Nurses voted to accept this government offer and the compulsory conference awarded them a 13.5 percent increase, 5.5 percent above what other state employees will receive.

The lockout continued at the Tasman paper mill at Kawerau. The boilermakers on the site went on strike when the company used non union labour to man the mill's main gate, and the Plumbers Union repudiated the profit sharing and efficiency agreement which its local officials had signed earlier. When FOL efforts to solve the dispute failed, Mr Knox asked watersiders to support the paper workers by refusing to handle shipments of imported newsprint. The Watersiders Federation accordingly put a ban on the Greek freighter *Epimelia* which arrived in Auckland with a cargo of Canadian newsprint, and did not lift it until 22 October. By this time negotiations were proceeding at Kawerau on the term of reference of a compulsory conference to be chaired by Mr Grills. The 6 weeks' lockout ended on 31 October, when the paper workers resumed work.

The PSA welcomed the announcement by the Acting Prime Minister that a State Services Amendment Bill would be introduced to remove legal obstacles to the employment of permanent part-time staff.

Herbert Roth