

INDUSTRIAL RELATIONS CHRONICLE

OCTOBER 1977

Details of Sir Arnold Nordmeyer's report on his inquiry into how the Accident Compensation Act was working in the freezing industry were made public. Among Sir Arnold's findings, after visits to 26 freezing works, were that: ♦ Freezing workers were abusing the scheme; the cost of first-week compensation in the industry was more than five times above the national average and in some Works people regarded the Accident Compensation Act as a generous contribution to a holiday; many workers on compensation were employed elsewhere, or were painting their houses, overhauling cars, playing active sport or even deer-stalking; ♦ Some doctors were known as "compensation doctors" and ask their patients: "How many days off do you want?"; there were complaints of doctors certifying men unfit when, with first aid treatment, they were capable of continuing their normal jobs, and of doctors who decided at the first visit that a long period of compensation was justified without requiring the patient to report back regularly for examination. Commenting on the Nordmeyer report Mr Kenneth Sandford, chairman of the Accident Compensation Commission, said he believed the warning of the possible destruction of the accident compensation scheme through abuses in the freezing industry was overstated.

A two-day seminar on the freezing industry, sponsored by the Government, was held in Parliament Buildings. After the seminar the Minister of Labour said that there were now prospects for a better understanding by both workers and management in the freezing industry. The secretary of the New Zealand Freezing Workers' Union, Mr Frank McNulty, considered the employer's now had a better understanding of freezing workers. The chairman of the seminar, Sir Arnold Nordmeyer, said it had been worthwhile in that it brought people with conflicting interests together. More than 200 delegates from all sections of the industry attended the seminar. The seminar was closed to the press and public.

A dispute between the ANZ bank and its

staff over the bank's decision to increase the interest rate on loans to staff members resulted in the closure of a number of the bank's branches and the suspension of a number of bank employees by ANZ management. The bank's New Zealand manager said that he was willing to discuss the bank's lending policy with staff but that the Bank Officers' Union should not be involved.

198 members of the Golden Bay Cement Workers Union were sent ballot papers asking them if they wanted voluntary or compulsory union membership, this being the first ballot of union members on the compulsory unionism issue under the Government's promised programme. The registrar of industrial unions agreed to a union demand that it be allowed to appoint scrutineers but said that this was not a precedent that would necessarily be followed in other union ballots.

A domestic dispute within the New Zealand Timber Workers Union brought the pulp and paper industry in the Bay of Plenty to a standstill. A breakaway faction of the South Auckland branch of the union, the combined council of delegates, called for the resignation of the national secretary of the union, Mr R. C. Hamilton, and his assistant, Mr W. B. Gray. The combined council had compiled a long list of accusations against the two officials, alleging actions detrimental to the interests of union members over the period from 1963. A strike, said Mr Willie Wilson, the chairman of the combined council, was "the only way to get rid of Hamilton and Gray." Anti-strike factions within the union insisted that the internal wrangle was part of a communist plot to disrupt the New Zealand economy. Mr Hamilton and Mr Gray denied the allegations of the strikers against their leadership and said that they were preparing to take legal action against the combined council for libel and defamation. (See also **Hori v New Zealand Forest Service**, in this issue's Industrial Law Cases).

The Federation of Labour expressed total opposition to the Security Intelligence Service Amendment Bill, claiming it continued

a dangerous trend in New Zealand towards unrestrained executive power. "We believe," said Sir Thomas Skinner, President of the FOL, "that statements by a number of people — including a Government backbencher — that all the apparatus of a police state is being assembled are well-founded."

The Prime Minister, Mr Muldoon, speaking to the Auckland Provincial Employers Association, said that the time may come when the Socialist Unity Party will be banned because of its undue influence in industrial unrest. The greatest number of strike threats in support of pay claims, he said, came from unions led by S.U.P. Members.

The Minister of Labour, Mr Gordon, announced his decision not to seek re-election in 1978.

The Government threatened to reintroduce wage controls over the entire union movement unless certain unions accepted restraint in their wage claims. The Minister of Labour said that the actions of one or two unions were "seriously undermining the whole concept of socially responsible free wage bargaining." He sent a telegram to the Auckland Storemen and Packers' Union, concerning its strike action in Auckland and Tauranga, telling the union to restore normal services and pursue the disputes settlement procedures or face imminent unilateral action by the Government. The Government was reported to be considering passing regulations to freeze the wages of union members, thereby allowing the Government to set its own wage rise for members for a one year period.

NOVEMBER 1977

The Industrial Law Reform Bill was introduced into Parliament. The Bill sets up a new Arbitration Court which takes over the functions of both the Industrial Commission and the Industrial Court. The Arbitration Court will settle disputes between employers and workers if negotiation and conciliation fail. The Court will consist of at least three judges plus members nominated by the Federation of Labour and the Employers' Federation. Since, however, the Bill provides that a normal sitting of the Arbitration Court will consist of one judge and one set of nominated members, it will be possible to have two courts sitting simultaneously. The judges of the new Arbitration

Court will replace the heads of the Aircrew Industrial Tribunal, the Agricultural Workers Tribunal and the Waterfront Industry Tribunal. In introducing the Industrial Law Reform Bill, the Minister of Labour, Mr Gordon, said that the new structure did not mean any lessening of the emphasis on negotiation and conciliation which must remain the principle means of settling disputes between employers and workers. As a last resort, however, the parties had the option of arbitration and it was the Government's aim to provide an arbitration machinery in which the parties would have the fullest confidence.

In conjunction with the Industrial Law Reform Bill, the Minister of Labour also introduced the General Wage Order Bill, revoking part of the Wage Adjustment Regulations, 1974 and abolishing the Wage Hearing Tribunal which was established under those regulations. The General Wage Order Bill establishes that the new Arbitration Court will hear applications for general wage orders and, from time to time, review rates and remuneration in awards and collective agreements. Mr Gordon, in introducing the Bill, said that it was part of the Government plan to accomplish a restructuring of wage settlement tribunals and a relaxation of Government controls over wage bargaining.

The Auckland Local Authorities Officers' Union urged the Government to delete certain provisions of the new Higher Salaries Commission Bill which, said the union secretary, completely negated the rights of union members to arbitration and conciliation procedures. Provisions in the draft, he said, could be used to control the wages of union members and would destroy the sanctity of the collective agreements that had already been made.

With the publication of a book on employee involvement, the Employers' Federation took a step towards encouraging some forms of worker participation. The Federation favoured employee involvement but opposed suggestions that it be forced on companies or employees either by legislation, union pressure or head offices. The Federation also announced plans to appoint a technical adviser to visit individual companies and help them to establish employee involvement schemes.

An injunction sought by Pacific Contin-

ental Bakery Ltd against the Bakers' Union, the Northern Drivers' Union and three union officials, alleging that the bakers' union strike was illegal and that the drivers' union had interfered in contracts between Pacific Continental Bakery and its suppliers, was dismissed and costs awarded to the defendants. Mr Justice Mahon said that the case arose when the Master Bakers' Association declined to keep a bargain it had made with the bakers' union restricting weekend baking.

The furniture employers and the furniture workers' union signed a new award that included an 'economic recession clause,' a clause allowing the working week to be cut and wages paid on the basis of hours worked. While the furniture workers' union saw such a clause as a necessary evil in the current economic situation of the industry and preferable to unemployment of its members, other unions saw it as a retrograde step undermining the principle of payment for a 40-hour week.

In Parliament, the Opposition launched a strong attack on the Government's State Services Conditions of Employment Bill. The Opposition described the legislation as provocative and said that the penalty clauses in the Bill should be dropped in the interests of good industrial relations. The Government said that the Bill would put State servants on virtually the same footing as workers in the private sector, and that the penalty provisions, which provide for fines for State servants in essential industries who do not give 14 days' notice of strike action, would only be used in exceptional circumstances.

Figures published by the International Labour Organisation indicated that in 1976 New Zealand had the sixth worst strike record in the world with 940 days lost per 1000 workers.

JANUARY 1978

The Minister of Labour, in response to criticism that the Government was delaying ballots on compulsory unionism, said that plans were under way to step up the ballot programme but that with hundreds of ballots to be taken it might take several years before every union had been balloted. He said that the Government had also been looking at ratification of some International Labour Organisation Conventions on freedom of association, in particular convention 87, but no final decision had been made.

FEBRUARY 1978

A nationwide one-day stoppage by the Post Primary Teachers' Association, the first by secondary teachers in 100 years, was held on 23 February. The stoppage arose through dissatisfaction with the Government's latest salary offer to teachers and the refusal of the PPTA to take the case to the Government Service Tribunal for determination. Following the stoppage, supported by about 90 per cent of teachers, the Government withdrew all offers of salary increases.

The Government, said the Prime Minister was not going to retreat from its election promise to make trade union membership a matter for the individual to decide. "The great majority of New Zealanders," he said, "resent being forced to join a union, particularly when they see no apparent advantage from membership, but merely the arrogant outbursts that are so much a part of the stock-in-trade of certain union officials."

MARCH 1978

On 7 March freezing workers started a national 24-hour stoppage of work in protest at the breakdown of wage talks. The unions were seeking a 7.5% wage increase backdated to December 1977, with the 1976 7% cost-of-living order to be incorporated into the basic award rate, and an extra 48 cents an hour for workers not covered by incentive and productivity agreements. Talks broke down when the unions rejected the Freezing Companies Association offer to incorporate the cost-of-living order into the award at the rate of 7½ cents an hour, and to add a straight wage increase of 4.8%. The employers refused to backdate any agreement and rejected the 48 cents an hour payment. The Government had passed regulations prohibiting freezing companies from passing on increased costs of more than 7.5% to farmers. Mr Peter Blomfield, executive director of the Freezing Companies Association, said that it would be impossible for the employers to meet the union's claim unless the Government's regulations were amended.

On 13 March it was reported, after talks in the Prime Minister's office, that a threatened shutdown of all New Zealand's 39 freezing works had been averted and that the parties were looking for a compromise which could give the Meat Workers' Union indirectly a higher increase than was con-

templated in the Freezing Companies Association offer. Later in the week further talks were held between the freezing workers and the Prime Minister, Mr Muldoon. Mr Blomfield sent a telegram to the Prime Minister and the Minister of Labour saying that the freezing industry was alarmed that the Government, without formal consultation with freezing company employers, was making wage offers on its behalf while the industry award was in the Conciliation Council, and that, if the Government decided to increase freezing works employees' wages, it must accept full responsibility for the increases proposed and determine the appropriate formulae to reimburse companies. In response Mr Muldoon issued a statement critical of the freezing companies' 'unhelpful and unacceptable' attitude, stating that he proposed to recommend to cabinet that the wages in the freezing industry be again fixed by regulation. Mr Muldoon made it clear that he would seek only the Union's approval before passing the regulations.

On 20 March it was reported that a settlement of the freezing industry dispute had been agreed in principle. The Government would subsidize the employers to a sum of about \$3 million, the union would drop some of its claims, also involving roughly \$3 million, and the employers would have to absorb a similar amount over and above their original wage offer. Conciliation talks would resume to draw up a short-term award expiring at the end of July without any backdating. Both the unions and the employers would then start nego-

tiations on the next award so that wage rates were settled before the commencement of the new killing season. The Freezing Companies Association told Mr Muldoon that it accepted the Government regulations as being imposed upon them. A strong reaction was reported throughout farming regions at the use of taxpayers' funds to subsidize the wage settlement.

The president of the Employers Federation, Mr J. K. Dobson, warned that more industrial disharmony would result from the Government's regulating to solve the freezing industry dispute. 'The cabinet,' he said, 'will encourage other unions to deliberately deadlock negotiations — to draw out those negotiations in the hope that the Government will step in and bail them out.' Mr Dobson saw the Government's action as overriding the basic legislative procedures of industrial relations that the Government itself had set up.

On 22 March the Federation of Labour lodged an application for a 14% general wage order. The application will be heard by the new Arbitration Court. The Combined State Service Organisations will be supporting the FOL application. The Prime Minister described the application as "quite unrealistic" and "totally unreasonable."

As at 17 March, the numbers of people registered as unemployed or on special work reached a postwar record of 31,271, being 19,880 registered unemployed, 9595 on special work and 1796 employed under the farm employment scheme.

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