

# CHRONICLE

## MARCH 1990

The Human Rights Commission released a report on 12 March into abuses in the employment of migrant workers, which had first been brought to its attention by the Northern Hotel Workers Union. The Commission warned against the creation of a pool of cheap foreign labour in New Zealand and asked the Government to launch an inquiry. The Prime Minister replied that the problem was too pressing to wait for an inquiry report and that the Government was about to review its whole immigration policy.

The CTU sponsored protest rallies on 15 March against expected cuts in import tariffs. The Manufacturers Federation supported the protests and urged members to give their workers time off. "This is one occasion where employers and employees have to stand together" said their director-general, but Steve Marshall of the Employers Federation warned employers against encouraging their staff to attend, which, he said, was "against the interests of all involved".

Thousands of workers took part in the rallies which were held in Manukau and outside Parliament. The tariff cuts, nevertheless, formed part of a Government economic statement released on 20 March. Also included were plans to amend the Labour Relations Act to allow employers with more than 50 workers to ballot their staff in support of a separate workplace agreement, changes in the definition of redundancy to prevent workers claiming compensation when businesses were sold without affecting terms and conditions of employment, and access to arbitration where either employers or workers had failed to bargain in good faith.

The Employers Federation and the Business Roundtable claimed that the proposed bargaining changes were "not enough", because the limitation to firms of 50 plus staff "eliminated the vast majority of New Zealand businesses" and that the reintroduction of compulsory arbitration was "turning the clock back". Helen Clark replied that almost 40 percent of all workers were employed in firms with 50 or more staff, while Rick Barker of the Service Workers Federation pointed to the failure to settle the tearoom and restaurant workers' award where employers, he claimed, had not bargained but had simply handed ultimatums to their workers.

The Government also forecast moves to promote more competition in coastal and trans-Tasman shipping by opening this trade to overseas vessels. Meanwhile a joint union-employer working party in the maritime industry was discussing reductions in manning scales and was expected to approve about 200 redundancies among seafarers.

Ordinary -time wage and salary levels of full-time employees increased by 3.8 percent in the calendar year 1989. The purchasing power of wages and salaries rose by 1.1 percent in the December 1989 quarter following a decline of 2.7 percent in the September quarter.

Air New Zealand stewards and hostesses won a 3-year-old backpay claim when industrial mediator John Bufton ruled in a dispute of rights hearing that they were entitled to unpaid penalty payments for long-haul flights. Total cost of the pay error was estimated to be up to \$8 million and Air New Zealand considered appealing to the Labour Court. In an unrelated dispute, Air New Zealand ground staff gave notice of a 48-hour strike from 30 March to 1 April, but the union later cancelled the notice after discussions with company management.

When the pilots' and cabin crew unions both rejected Air New Zealand's offers for the operation of the new Boeing superjets, the company wrote directly to its employees enclosing a voting form which staff were to return by 6 April if they rejected the offer. They were asked to supply their names and numbers, while those not replying were to be counted as supporting the company's stance. The unions denounced these letters as intimidatory and as a ploy to trick staff into accepting an unsatisfactory offer. An industrial relations lawyer said the letters had no weight at all in industrial law and appeared to be a publicity stunt to try to achieve the support of staff while undermining the unions.

The chief executive of the Bank of New Zealand warned on 9 March that up to 5000 jobs in the banking industry might be lost in the near future. The BNZ, he said, had already shed around 1500 staff in the past 18 months but was no longer prepared to wait for normal attrition to reduce numbers.

When award talks for childcare workers broke down, the union decided to hold stopwork meetings after Easter to discuss the deadlock. The union had asked for a pay rise of \$1 per hour, pointing to huge increases in childcare funding from Government sources.

Clothing workers struck in Christchurch and Kaiapoi in protest against a breakdown in their award talks.

Owner drivers working for New Zealand Couriers in Auckland, Wellington and Christchurch took part in a go-slow on 15 March to protest against new contracts offered by the company which would reduce their income by about 10 percent. The company also proposed to replace the existing 3-year contracts with annual and later, monthly contracts. As self employed contractors, the drivers were not covered by an award; they were already working 12 to 13 hours a day to make a living, said a spokesman for the Owner Drivers Association, and shorter contracts would make it difficult for them to obtain finance to replace their vehicles.

The Professional Firefighters Union imposed a ban from 5 March on all duties except emergency calls. The action was in protest against a new 33 percent tax on employer contributions to the fire service superannuation fund, which would substantially reduce the pensions firefighters could expect on retirement. The union also announced a total 4-hour strike - the first ever national strike by firefighters - on 7 March, to be followed by increasingly severe stoppages at weekly intervals. It distributed a leaflet advising the public on how to cope with fires and included a coupon addressed to the Prime Minister objecting to the Government's renegeing on its agreement on firefighters' superannuation.

The Fire Service Commission claimed that it could not raise the amount of its superannuation subsidy without legislative amendment to the trust deed but, after an urgent meeting on 5 March, cabinet ministers announced that the Commission was free to increase its subsidy as long as the estimated gap of \$5.8 million came from its existing budget. The union then cancelled the strike notices and began talks with the Commission on where to make savings without, it stressed, implementing staff cuts. These discussions failed to reach agreement and on 30 March the union gave notice of a 24 hour national strike on 19 April.

After a ballot carried by a majority of 4467 votes to 649, South Island meat workers started an indefinite strike on 19 March at nine Alliance-owned freezing works: Sockburn, Kaiapoi, Lorneville, Ocean Beach, Makarewa, Matura, Pukeuri, Smithfield and Stoke. At a tenth Alliance-owned plant, Burnside, a redundancy agreement had been signed on 16 March and the union cancelled the strike notice there. The Southland based Alliance Freezing Co had taken over Waitaki International's South Island works, the union expected closures and lay-offs, and the dispute was over delays in negotiating a redundancy agreement. Alliance, which accused the union of holding the meat industry to ransom, denied that any redundancies were anticipated in the current season, but the union wanted a cast-iron agreement, citing previous examples of broken promises. At the end of March the company published an open letter in South Island newspapers confirming

its commitment to negotiate a satisfactory agreement and inviting the union to meet it in Christchurch on 2 April.

After 18 months of negotiations informal agreement was reached on 10 March on a reduced licensed hotels award, excluding employees of Hancock & Co and staff in major accommodation hotels. The agreement provided for a 7.63 percent pay rise, but effectively this amounted to 4.5 percent after discounting last year's informal 3 percent rise.

About 130 Commercial Union Assurance staff in 5 cities stopped work for 24 hours on 30 March, after the company announced plans to lay off 90 workers because of declining business. In negotiations with FinSec, the new Financial Sector Union combining banking and insurance workers, the company agreed to pay laid off staff 5 weeks' pay in lieu of notice, 8 weeks for the first year of service, and 2 weeks for each subsequent year up to a maximum of 20 years.

*Auckland Star* staff were told on 15 March that more than a third of them - 129 journalists, printers, clerical workers and others - would find redundancy notices in envelopes they were to collect at the reception desk at 3 pm. The *Star* had been losing money and its owners INL were replacing the editor and general manager. The whole staff walked out without waiting until the afternoon, and they were joined by staff on other INL newspapers, the *Dominion* and *Evening Post* in Wellington, the *Christchurch Press*, *Southland Times*, *Manawatu Evening Standard* and the *New Plymouth Daily News*. The only INL daily where staff failed to take action was the *Timaru Herald*, but in Invercargill management were able to produce a reduced *Southland Times*.

INL offered laid-off staff redundancy pay of 8 weeks for the first year of service and 2 weeks for each subsequent year, plus 4 weeks' pay in lieu of notice and payment of unused sick leave and holidays. The staff asked for a better deal but when INL threatened to close the *Auckland Star* altogether, they resumed work on 17 March pending further negotiations. On 21 March they accepted with "the very greatest reluctance" an improved offer which provided for "8 + 2" redundancy pay, but additional cash payments of up to \$1700 depending on length of service and improved long-service entitlements.

One hundred and forty four production workers employed by Shell-BP-Todd Oil Services at the Maui and Kapuni gas fields in Taranaki stopped work on 28 February. The consortium had agreed to pay a 7.2 percent increase based on the 1989 consumer price index to construction workers on the Maui stage 2 project at Oaonui, but had offered a 4.5 percent rise to permanent production workers. The latter, represented by 6 unions, struck in protest. They picketed the Oaonui site until the consortium agreed not to pressure construction staff to do work outside their normal duties. Pickets also prevented a tanker loading synthetic petrol at the Port of Taranaki on 13 March, but this blockade was lifted 4 days later under threat of legal action. Supervisors were able to keep natural gas supplies flowing, but LPG supplies had to be cut because of a ban on road and rail deliveries from Kapuni. The strike came to an end when settlement was reached on 20 March. Details were not divulged, except that 90 Labourers Union members won a pay rise above 5.5 percent.

North Shore City staff, who had struck in January over their award talks, accepted a 6.5 pay rise over 18 months, equivalent to 4.5 percent over 12 months. Traditional service bonuses and gratuities were replaced by a performance-related pay system. Auckland City staff, who struck late last year, settled their award with a 6.1 percent pay rise over 17 months. Seventy seven posts were excluded from union coverage, and the question of a performance-related pay structure was referred to a joint working party. Some 400 Waitakere City staff held a 3-hour stopwork meeting on 27 March and called a strike from 29 March to 2 April because the Council's pay proposals involved salary cuts for many positions.

Private hospital nurses, who had stopped work in February, voted in favour of a further 48-hour strike, but they were able to reach agreement with their employers on 20 March on the key issues of the employment of charge nurses. They also gained a 5

percent pay rise for nurse aids and Karitane nurses, and a 4 percent rise for all other nurses.

Prison officers had given notice of a work-to-rule on 12 March in protest against Government imposed cuts in their superannuation entitlements. They proposed to halt the admission of prisoners and transfers to and from courts, but the Government obtained an interim injunction on 10 March on the grounds that the strike notice was defective. The Labour Court later upheld the right of the PSA to take industrial action in 4 North Island prisons, but the Justice Department took the case to the Court of Appeal which upheld the department. The PSA meanwhile lodged fresh notices with the Secretary of Justice on behalf of all prison subgroups of more severe action in the form of a 6-hour nationwide stopwork on 2 April, followed by bans on prison receptions and transfers.

In response to widespread union protests the Government decided on 22 March to reduce the cuts in retirement benefits from 40 percent gross (equivalent to a net cut of 20-25 percent) to 30 percent gross (about 10 percent net). Since the Government had also decided to reduce the national superannuation surtax, the changes meant that retirement incomes would be only marginally affected. The PSA regarded this concession as a major victory by prison officers, who are compulsory members of the superannuation fund and who are required to retire at age 58, still had grievances. Even in its amended version the bill, they claimed, cut by 16 percent the lump sum for officers who opted to capitalise part of their pension at age 58. Stopwork meetings of prison officers on 29 March rejected a PSA executive recommendation to accept the amended bill and voted to go ahead with industrial action.

Police officers were also required to join the Government fund and to retire early. Angry meetings of Police Association branches condemned the Government move to cut their entitlements and voted to support the bans imposed by prison officers, but police were prevented by legislation to take industrial action themselves. The Cabinet authorised the Police Commissioner on 14 March to hold preliminary talks with the 2 police unions on alternative superannuation arrangements, but Napier police put forward a proposal for a march to Parliament. This silent protest march by a thousand uniformed police - believed to be without precedent in the Commonwealth - took place at lunchtime on 30 March. They were joined by prison officers and firefighters and were address by union leaders in Parliament grounds. The Minister of Police, Richard Prebble, denounced the demonstration as "a march for greed" and accused Graham Harding, the Police Association industrial advocate, of being a "professional trade union stirrer". Parliament passed the amended superannuation bill on 31 March.

The Second Sweating Commission failed in a last minute appeal to the Government to delay the introduction of Sunday trading. According to Commission member Cardinal Williams, Helen Clark replied that "the Government was doing what it was doing and would continue what it was doing". As reported back to Parliament, however, the Stop Trading Hours Act Repeal Bill did contain new clauses protecting workers who did not wish to work on Sundays.

Auckland bus drivers opened negotiations for a new award with the Auckland Regional Council on 15 March. Both sides agreed on a 4.5 percent pay increase, the first in two years, but the union claimed that clawbacks demanded by the Council would cost drivers more than the pay rise. The union gave 14 days' notice of industrial action, but further talks reached agreement on 29 March, with the union conceding five employer demands in return for the 4.5 percent rise. At this point, however, the Council introduced a further demand that drivers agree to operate new electronic ticketing machines with no extra remuneration. This would allow concession cards and monthly passes, which at present were sold by agencies for a 3 percent commission, to be sold by drivers on the buses. The union did not object to the machines but it wanted drivers to share in the benefits of increased productivity. It asked for separate negotiations on the introduction of ticketing machines outside the award talks; when the Council insisted that agreement

on the machines must be part of the award, the talks broke down and the union announced an indefinite bus strike starting on 1 April.

Negotiations for a new composite container terminal agreement covering watersiders and harbour workers progressed slowly, interspersed with stopworks and go-slows and a Government announcement that it intended to amend the Labour Relations Act to require 14 days' notice of industrial action affecting cargo handling. A 3 weeks' strike at the Port Chalmers container terminal came to an end on 7 March, when 55 harbour workers employed by Port of Otago Ltd accepted a new agreement including a 5 percent pay rise. On 28 March Auckland watersiders and harbour workers voted to accept a new agreement providing for round-the-clock, 365 days a year operation of the container terminal.

## APRIL 1990

A special CTU conference in Wellington on 3 April endorsed the bipartite compact with the Government by 363,481 votes to 64,775, with 34,388 abstentions. The conference also approved a motion from the Service Workers Federation to launch a national campaign for job creation, equity, improved living standards, tariff protection for New Zealand industry, the cessation of state asset sales, and improvements in education, health and social welfare.

Addressing the Commonwealth Law Conference in Auckland on 17 April, Margaret Wilson, the Prime Minister's chief political adviser, described the Employment Equity Bill as a compromise between competing ideologies, the best that could be achieved in the circumstances, and "certainly better than having nothing". The bill, said Wilson, reflected the powerlessness of women who still had to rely on male organisations to look after their interests, and she expressed doubts that administratively the "amazingly complex" system would work effectively.

Air New Zealand warned its staff that the company could close down unless it reached agreement on conditions for operating the Boeing superjets. This required normal working shifts of 17 hours, extendible to 20 hours, in return for which the company offered a 4 percent general wage rise, plus a 10 percent loading for pilots flying the new planes. Air New Zealand set a deadline of 13 April and, to explain the urgency, it installed a telephone hotline with recorded messages directed at pilots and cabin crew. Managers also telephoned staff individually to gain their agreement, and the company announced the result of the poll it had conducted among its staff: 24 valid rejections of the company offer from 1581 cabin staff, and 144 rejections from 656 pilots. The unions dismissed these ballots as a farce.

In new negotiations with the cabin crew union, which had held a stopwork meeting in Auckland on 5 April, Air New Zealand raised its pay offer to 4.55 percent over a 13-month term, and on this basis agreement on a new award was reached on 13 April. A section of members, however, claimed that insufficient notice had been given by the union and demanded, successfully, a postal ballot to ratify the agreement. The pilots' union refused to negotiate an ad hoc agreement on operating the superjets outside its award talks which were due to be held in May before a mediator. The company then announced that it would offer individual contracts to pilots prepared to fly the new planes, but the union denounced this move as a call for scab labour and threatened to take legal action against Air New Zealand. The union wrote to all pilots advising them not to sign contracts, but it also dropped its longstanding claim for a group award covering Air New Zealand and its subsidiaries.

On 11 April Air New Zealand paid out about \$2 million in settlement of the longstanding sex discrimination claim brought by 17 air hostesses. The proceedings commissioner of the Human Rights Commission described the case, the first to deal with promotional opportunities for women workers, as a "landmark in the cause of human

rights". Air New Zealand also agreed to introduce a sexual harassment prevention programme.

Databank, a central data clearinghouse owned jointly by the four major trading banks, announced plans to close 7 of its 13 network centres and to lay off 182 of its 1400 staff immediately and a further 270 over the next 18 months. The redundancy agreement provided for 8 weeks' pay for the first year of service and 4 weeks for each subsequent year, but the FinSec union asked for the full refund of employers' contributions to members' pension schemes. The union gave 14 days' notice of industrial action, but the four banks warned that any strike by Databank staff would force them to close down as well. The Bank of New Zealand announced on 27 April that it was making 216 staff redundant and hoped to lose an equal number by not replacing staff who resigned.

The Arbitration Commission on 20 April issued the first award in 10 years for northern boilermakers. The document, which was confined to 2 companies and did not include a "subsequent parties" clause, was hailed as a victory by the Auckland Employers Association. The union, however, claimed it at least provided an important coverage clause under which it could recruit new members.

Childcare workers began selective strikes on 27 April over lack of progress in settling their award.

When Lane Walker Rudkin closed their Greymouth clothing factory on 6 April without prior notice, the staff occupied the building for 5½ hours and then set up 24-hour pickets to enforce a ban on moving out machinery. The factory, a major employer in Greymouth, had 83 workers.

Informal negotiations on restoring cuts in pension benefits continued between the Professional Firefighters Union and the Fire Service Commission, but the union accused the Government of directing the talks from behind the scenes. "It took Government 7 minutes to set up for themselves the best superannuation scheme in the world," complained a union spokesman, "and 7 seconds to destroy ours." The Commission claimed that it had done all it could to make up the \$5.8 million shortfall in superannuation subsidies by offering to make available \$2.9 million this year, with a written guarantee to find the balance from next year's budget. The union, however, claimed that the budget savings were to come from personnel cuts, reduced crewing levels, station closures and other clawbacks and it went ahead with preparations for a ban on non-essential duties from 17 April and a total nationwide 24-hour strike on 19 April. A National Party spokesman called on the Government to reimburse the commission so it could resolve the dispute, but last-minute talks on 18 April succeeded in averting the strike. The union accepted the Commission's earlier offer to meet half the shortfall this year, pending further discussions next year. The settlement was not popular with all the country's 2300 professional firefighters, and the union's Auckland branch, on 20 April, passed a vote disapproving the executive's action as well as a vote of no confidence in the fire commissioner responsible for industrial relations.

Striking meat workers marched through Kaiapoi on 6 April and demonstrated outside the Alliance Group headquarters. The company made separate offers to workers at Pukeuri, Smithfield and Stoke, but in mid-April union members voted in a series of ballots to continue the strike. They marched again through Kaiapoi on 20 April, but on 28 April agreement was reached to resume work and to enter into formal talks on a registered redundancy agreement. The 6-week long strike by some 5000 meat workers had closed 9 Alliance-owned South Island freezing works.

Auckland Regional Council staff met in the Town Hall on 12 April to discuss the Council's refusal to sign a redundancy package, which its chief executive had described as "acceptable to everyone". The package had been agreed to in February by representatives of 12 ARC unions and a management team, but the chief executive now claimed that the language was unclear and could cost ratepayers an extra \$30 million in redundancy payments in the bus division alone. The stopwork meeting voted for an all-out strike from 3 May.

About 600 Manukau City salaried staff struck for a week starting on 24 April over a breakdown in their award talks. The dispute was over conditions; the Local Government Officers Union had accepted an offer of a 4.5 percent pay rise over 12 months backdated to 1 November, followed by a 2 percent rise to June next year.

The Tasman Pulp and Paper Company reached agreement with 4 unions representing 450 workers, including engineers and carpenters, for a 5.5 percent rise followed by a 4.5 percent rise next year. This, however, caused a 24-hour protest strike on 11 April by about 225 workers from 7 other plant unions.

The first nationwide strike by some 1200 prison officers took place on 2 April. The staff locked all prisoners into their cells and stopped work for 6 hours, from 1 pm to 7 pm, but remained on standby near prisons. The action continued with an indefinite ban on the admission of new inmates and on the transfer of prisoners between gaols. Police cells had then to be used as temporary gaols, but this threatened to cause further problems. Not only was the number of such cells inadequate, but police officers, who had suffered similar cuts to their pension benefits, had stated that they would not carry out duties normally done by prison staff. Police Association members were reportedly poised to pass a vote of no confidence in their Minister, Richard Prebble, but Prime Minister Palmer warned that such a move would be very unwise. On 4 April Palmer met with the 2 police unions and was able to reach agreement on a formula settling their superannuation grievances. The police administration meanwhile avoided conflict by hiring retired police officers and other "citizens of good repute" as temporary constables to guard prisoners held in police cells.

The Minister of Justice refused to talk to prison staff representatives while their industrial action continued but, as police cells reached capacity, the Government swallowed its pride. On 5 April the Prime Minister and colleagues met the Central Committee of the Prison Officers Group together with senior PSA officials. Palmer argued that most people would be better off as a result of the superannuation changes, but he agreed that there might be a problem for those who had to retire before age 60 and offered to fund any shortfall if that was established. On that basis the Central Committee asked prison subgroups to meet next day and recommended a vote in favour of cancelling the bans. The National Party police spokesman, John Banks, urged prison officers not to trust the Government but to continue their action. The vote cancelling the bans was carried nevertheless, though by a very narrow majority of 555 to 550 votes, with the bigger prisons in favour of holding out. The bans ceased as from 5 pm on 6 April and the PSA soon afterwards opened negotiations with the Justice Department.

A strike by 778 Auckland Regional Council bus drivers started on 1 April. "Our fight is not with the public", said the union president. "It is with the overpaid consultants hired by the ARC to kick our members to death." Drivers picketed Regional House, but a union offer to refer the dispute for arbitration by the Labour Court was rejected by the Council. The electronic ticketing machines at the centre of the dispute were expected to cost \$5 million and "we cannot afford to make a payment on top of that for drivers", said a Council spokeswoman. "We do not have a bottomless pit." On 9 April the drivers voted to continue the strike, but the union also sought the assistance of the chief industrial mediator in Wellington, Brian Gray, who put proposals before both parties. The Council, which had earlier rejected any third-party intervention, was now in a more receptive mood. On 11 April the drivers voted to end the strike and to negotiate the introduction of ticketing machines before an industrial mediator.

Wellington watersiders and harbour workers struck in protest against lack of progress in reaching agreement on the operation of container terminals.

MAY 1990

Employers Federation Director-General, Steve Marshall, told business economists in Dunedin that enterprise agreements would benefit workers more than national awards and that the smaller the bargaining unit the more the balance would swing in the workers' favour. A day earlier the Minister of Finance had described employers' free market arguments as a sophistry, claiming that the result of a free labour market would be "lower wages, loss of conditions and a reduction in living standards for those who have only their labour to sell".

The Leader of the Opposition launched National's industrial relations policy at the Employers Federation conference in Auckland on 8 May. He promised to reintroduce voluntary unionism before Christmas and to free up bargaining by breaking "the stranglehold that entrenched union executives currently have on the negotiating process in so many sectors of industry". Workers would be given greater flexibility to decide who would represent them in dispute procedures and they would be protected by a minimum code of wages and conditions.

The Minister of Labour introduced a Labour Relations Act Amendment Bill in parliament on 23 May which, as announced earlier, provided for workplace or enterprise bargaining at sites with 50 or more staff covered by awards or agreements. It also gave the Arbitration Commission power to settle disputes in award breakdowns which had lasted at least 2 years. The Employers Federation complained that the bill reintroduced compulsory arbitration.

Attorney-General David Lange opened the first union-sponsored law centre in Otahuhu on 25 May.

Speakers told a Business Roundtable seminar in Wellington on 29 May that employers should be free to make membership of their company union a condition of employment. A Maori speaker, Donna Awatere, told the seminar that she opposed minimum wage laws and other "restrictive" labour legislation because they held back Maori businesses.

The High Court in Auckland began hearings on 3 May into an Airline Pilots Association application for an interim injunction to force Air New Zealand to withdraw individual contracts offered to pilots to fly the new Boeing superjets. The Association claimed that these contracts were misleading and breached the Fair Trading Act, but the Court on 11 May dismissed the application. By then, according to Air New Zealand, "considerably more" than 100 pilots had accepted the company's offer in defiance of union advice. The Pilots Association offered Air New Zealand a "peace plan" to resurrect the expired pilots' award and register it for 3 months together with an operating agreement for the Boeing jets, but the company rejected this proposal and decided to press for a productivity-based agreement designed to increase pilots' annual flying hours by half, from 500 to 750 hours.

A postal ballot of Air New Zealand's cabin crew staff approved an agreement to operate the Boeing superjets by 847 votes to 461, with 4 abstentions. The Auckland Labour Court began hearings of an appeal by Air New Zealand against an industrial mediator's ruling that the company owed cabin staff millions of dollars in back pay.

Databank employees postponed a strike called for 3 May to allow time to discuss an amended redundancy offer. On 7 May they withdrew the strike notice after meetings throughout the country had voted to accept the employer proposals. The majority in favour, however, was paper-thin, 529 votes to 527, and at the request of a section of members the union decided to hold a further ballot by post, closing on 5 June. The main difference in the new employer offer was improved compensation for part-timers.

The Early Childhood Workers Union merged with the Kindergarten Teachers Association to form the Childhood Workers of Aotearoa, with 3500 members. A new consenting parties award for childcare workers provided a 20 percent pay rise, to be followed by a further rise of 8 percent in September and 4 percent next February. This

will bring staff close to the union's aim of parity with kindergarten teachers, but the award, with about 200 signatories, covered mostly non-profit childcare centres, while the less generous national award covered about 400 mostly privately-owned centres. The union wanted pay rates in this award raised to those in the consenting parties award. When negotiations collapsed on 8 May, it called strikes in Wellington and Auckland, focusing on centres owned by employer assessors in the award talks. The union complained that employers had made inadequate offers after pocketing substantial increases in Government funding.

Dairy industry employers and the Food and Textile Workers Union (a new amalgamation) announced on 4 May a new award for the dairy industry reached after months of secret negotiations. The award, covering a span of 2½ years, came into force on 1 June, 6 months before the expiry of the existing document. It provided for a 4 percent increase in pay and allowances for the first 18 months, followed by a 2 percent increase from 14 November 1991. In return the union conceded greater flexibility in working hours, subject to site-by-site negotiations.

In a redundancy deal with the Auckland firm of Avon Cosmetics the Distribution and Clerical Workers unions gained compensation payments for casual and temporary workers. The clerical workers' negotiator hailed the agreement as an important breakthrough for women workers who comprised the bulk of casual and temporary employees. The director of advocacy for the Auckland Employers Association insisted, however, that the agreement would not be allowed to be used as a precedent.

A new award for senior hospital doctors negotiated between the Association of Salaried Medical Specialists and the State Services Commission provided for a 4 percent salary rise, as well as a new availability allowance of up to 7 percent for specialists on call. The Association described this allowance as an historic breakthrough. The award also achieved salary parity between doctors and dentists.

Professional firefighters gained a 4.3 percent pay rise in an award backdated to 11 February. Negotiations had been interrupted by the superannuation dispute in April.

Freezing workers reached agreement on a new award which provided for a 4 percent increase in hourly wages and a 4.5 percent rise in minimum weekly pay. John Foster, the chief executive of the Richmond Meat Company in Hawkes Bay told a Business Roundtable seminar in Wellington on 29 May that the removal of restrictive practices in the meat industry would cause the loss of 2000 jobs but that these could be restored within a few years. He claimed to have begun to break the power of the unions by opening a new-style small meatworks at Oringi near Dannevirke in the early 1980s. On 31 May union representatives and Alliance management signed a provisional settlement of the longstanding redundancy dispute. The agreement was to be submitted to vote at a series of shed meetings.

Rest home employers offered their domestic staff a 2.1 percent pay increase over 12 months, subject to concessions on youth rates and sick leave entitlements. The Hotel and Hospital Workers Federation asked for an 8.67 percent pay rise and accused employers of refusing to pass on a government subsidy of 5.67 percent specifically earmarked for wage increases. Stopwork meetings voted in favour of industrial action, but the two sides agreed to resume negotiations.

The Labour Court ordered Fletcher Construction to pay the Labourers Union about \$25,000 costs incurred in Fletcher's unsuccessful \$10 million damages claim last year.

Representatives of 12 staff unions cancelled a threatened all-in strike of Auckland Regional Council employees on 2 May, after last-minute agreement on a redundancy formula.

The Labour Court ordered Telecom to pay \$303,000 costs and compensation to Terry Devlin, a former Telecom South executive, for unjustifiable dismissal. Although not covered by the Telecom employees' agreement, Devlin was about to take the case to court as a member of the Post Office Union. He said afterwards that he saw the need for a separate union for senior managers.

The Police Association announced plans for an advertising campaign linked to the general election to press the need for an additional 1000 officers. The timing of the campaign was politically motivated, said the Association president, but it was not meant solely to encourage voters to support the National Party.

Negotiations for a new agreement for Social Welfare Department employees broke down after the Department proposed to put 257 staff on contract. The PSA responded with a ban on overtime and on communications with the new SWIFT computerised benefit system, but it called off the action after a fortnight and settlement was reached in resumed negotiations. The exclusion issue was resolved by an agreement that staff affected would remain under the collective agreement on all issues except for pay, and would be able to opt out of any industrial action. The Department agreed to a 4.25 percent pay rise.

Television journalists went on strike in the 4 main centres on 21 May, in protest against the suspension of 3 journalists responsible for a controversial *Frontline* programme. PSA president, Sue Piper, accused TVNZ of cowardice in bowing to political pressure. In a separate dispute over tax liability on severance pay, more than 1200 TVNZ staff held a 24-hour strike on 23 May. They returned to work next day, together with the journalists, to learn that TVNZ had decided to dismiss 154 staff in a move to cut costs.

The Labour Court ordered Norwegian-owned Gearbulk shipping company to pay compensation for humiliation, loss of dignity and injured feelings to 27 New Zealand seamen who had been dismissed in Korea last July from the cargo vessel *Cormorant Arrow*.

The Employers Federation wrote to all MPs objecting to worker protection clauses in the Shop Trading Hours Act Repeal Bill. These clauses make it an offence for employers to apply undue influence to force staff to work on Sundays, holidays or at night.

The PPTA claimed a 7.2 percent pay rise in award talks with the State Services Commission, as well as leave improvements and the reimbursement of work-related costs. Late in May the union called stopwork meetings to inform members of progress in the negotiations. The NZEI, which also claimed a 7.2 percent rise, challenged a State Services Commission directive which limited salary increases for primary school principals to 5 percent. In a dispute of rights argued before a mediator the parties agreed to raise the allowable limit to 9 percent.

Workers at the VANZ car assembly plant in Wiri, South Auckland, which is jointly owned by Ford and Mazda, walked out on 3 May in a dispute over a redundancy deal. The company had offered an 8 + 2 package, which had been accepted by officials of 3 unions as well as by workers in other Auckland Ford plants, but the VANZ workers demanded a better deal and objected to the company's right of compulsory transfers of redundant staff. Electricians and cleaners voted on 10 May to resume normal work, though still opposed to the company offer, but a majority of the 440 engineers' union members voted to continue the strike. Storeworkers at the plant were not involved and remained at work; their union said it was not interested in a redundancy deal, but it offered to canvass for donations to the strikers.

On 21 May the company suspended 60 storeworkers, while associated companies producing component parts also suspended staff. Ford threatened to close the Wiri plant altogether and announced plans to import fully built-up cars from Australia and Japan, but the Engineers Union gained promises from Australian Ford workers that they would not allow cars to be shipped to New Zealand. The Engineers Union executive now reversed the union's stand by voting formal support for the dispute, including the provision of food vouchers and other assistance to the strikers. It opposed compulsory transfers but upheld the 8 + 2 formula. On 24 May a big convoy of Ford dealers, watched by police reinforcements, broke through the union picket line and drove about 100 newly assembled cars out of the Wiri plant. This incident probably prolonged the dispute, but settlement was reached on 31 May in informal talks with mediator Ralph

Gardiner. The VANZ workers accepted the 9 + 2 package, while the company dropped the mandatory job transfer clause. "A lot of people - before the dispute - thought they couldn't beat Ford but they have been proved wrong", said a strike committee member.

The uncovering of human remains on 18 April during ironsand mining operations at Maioro, south of Waiuku, led the Ngati te Ata tribe to place a tapu on the land, which had been the subject of a longstanding dispute over sacred burial sites. NZ Steel suspended mining at Maioro on 3 May, but this threatened the jobs of 2200 workers at the Glenbrook steel mill, whose operations depended on a steady supply of ironsand. The Minister of Maori Affairs opened negotiations with tribal elders and persuaded them to drop legal action seeking an injunction to stop mining at Maioro. Ngati te Ata, however, maintained pickets at the site, forcing unionists to decide whether to respect the tapu, even if this risked closure of the steel mill. Members of the Engineers Union voted to allow volunteers to go back to work and on 15 May NZ Steel breached the tapu by pumping processed material from the mine's stockpile to the Glenbrook mill. Ngati te Ata protested, there was a confrontation with picketers at the main gate on 16 May, but on 18 May the tribe withdrew its pickets while continuing negotiations with the Government for the return of the burial sites.

## JUNE 1990

Average gross income of full-time wage and salary earners rose by 6.2 percent in the year to March but, taking account of income tax and inflation, this amounted to a drop of 1.5 percent in purchasing power.

The Minister of Health, Helen Clark, officially opened a union-sponsored health centre at Otara on 15 June. This was the third such centre in Auckland; it had been operating since last December and already had 5500 patients. Hamilton unionists planned to open their first health centre in July and plans were well advanced for a union-sponsored childcare centre in Auckland.

The Shop Trading Hours Act Repeal Bill was approved in Parliament on 30 June by 29 votes to 14.

When actors' award talks broke down on 11 June, the Performance and Entertainment Workers Union, which claimed a 7.2 percent pay increase, gave notice of rolling strikes unless the employers raised their 5 percent offer. Actors and back-stage staff stopped work for 24 hours in Wellington, Palmerston North, Christchurch and Dunedin theatres, but on 22 June the union accepted a 6 percent pay rise, together with a 10 percent increase for chorus singers and clauses banning discrimination on grounds of sexual orientation.

The Airline Pilots Association decided to summon members to formal disciplinary hearings to explain why they had signed individual contracts with Air New Zealand to operate the Boeing superjets on the company's terms. According to Air New Zealand, some 160 pilots had signed such contracts. Fewer than a dozen had resigned from the union, whose membership is voluntary, but those who had retained their membership were subject to reprimands, fines of up to \$2000, or a period of expulsion for "conduct prejudicial to the best interests of the union". Negotiations for the long overdue pilots' award, including conditions for operating the Boeing planes, were to resume early in July.

Air New Zealand ground stewards held a 48-hour strike on 17 and 18 June in a dispute over the number of staff required to load food on to the airline's 6 Boeing 767 planes.

Databank staff voted in a postal ballot 756 to 403 in favour of accepting the company's latest redundancy offer.

Fourteen school cleaners dismissed by Fairfield College in Hamilton in February won reinstatement and payment of wages lost since dismissal in a personal grievance hearing. In April the Labour Court had ordered the temporary re-employment of all 24 dismissed cleaners, but some had found other jobs or did not wish to take action against the college.

Fairfield had hoped to save \$90,000 a year by using contract labour for cleaning and the ruling had implications for other school boards seeking to cut cleaning costs by dismissing their full-time staff.

The Childhood Workers Union asked for the compulsory registration of pre-school teachers in line with that of primary and secondary teachers. It wanted immediate registration of kindergarten teachers and a phased approach to cover childcare workers.

More than 500 car workers struck at General Motors' Hutt Valley plants from 21 June in a dispute over redundancy payments. The company offered an 8 + 2 package funded from the staff pension scheme. The unions asked for an 8 + 4 deal, but they also wanted a guarantee, which the company refused, that the redundancies would still be paid if members of the pension scheme succeeded in a legal challenge objecting to their funds being used for this purpose. On 25 June the strikers set up an indefinite round-the-clock picket at the gates of the Trentham car plant and the Upper Hutt parts department.

The Minister of Justice announced on 15 June that the Government had agreed to return 4 ancient burial sites at Maioro to the Ngati te Ata tribe. NZ Steel was expected to receive compensation for the loss of this mining land.

The rest home workers' award was settled on 11 June with a 4 percent increase on wages and 5 percent on allowances, backdated to 1 May. The increases were on top of an interim 2 percent rise granted in March.

Newspaper publishers maintained their refusal to sign a composite award for the industry covering printers, graphic process workers and journalists and offered instead to negotiate separate 2-year renewals of the existing documents. When the award talks broke down on 13 June, the unions decided to hold national ballots on a proposal for a 48-hour strike. The *Christchurch Star* announced on 22 June the dismissal of 84 workers, nearly a third of the paper's staff.

Auckland building labourers picketed Fletcher Construction's ASB project, preventing the supply of building materials to the site and keeping a big tower crane idle. Their union claimed that when making 42 labourers redundant in April, Fletchers had deliberately dismissed a group of ticketed crane drivers and that the company was now rehiring 6 men in breach of the "last-off first-on" principle. According to the union, the company was allowing unticketed dogmen to direct crane movements while passing over qualified workers for re-employment. Fletchers, which denied these charges, applied to the Labour Court for a compliance order against the union to lift the picket. The Court issued an order on 28 June forbidding the Labourers Union and 2 of its officers to encourage, assist or incite a strike of Fletcher workers in breach of the Labour Relations Act. The judge, however, made no order against individual union members and several hundred labourers from building sites throughout Auckland decided to strike from 28 June to Monday 2 July.

After 7 days of negotiations with the State Services Commission the Nurses Association accepted a 4 percent pay rise for the country's 19,000 public hospital nurses. Overtime and penal pay claims were referred for study to a joint working party.

The new American owners of Telecom assured the Post Office Union that they looked forward to an amicable relationship and that they had no plans to change the company's name. Such a change would affect the right of coverage of the union, which had spent \$130,000 on a campaign opposing the Telecom sale. Telecom's head, Peter Troughton, anticipated improved annual returns through greater efficiency and further staff cuts, from the present 16,000 to 12,000 in 1 or 2 years.

Television New Zealand admitted on 8 June that it had erred in deducting fringe benefit tax from redundancy payments and undertook to send cheques to laid-off staff to cover the deficiency.

120 Paparua prison officers voted on 20 June to strike indefinitely from midnight over a "continuing threat" to their health and safety caused by overcrowding. The Justice Department that night won an interim injunction from the Labour Court which averted

the strike, but the officers then gave 14 days' notice of industrial action starting on 9 July. The Department decided to investigate conditions at Paparua.

The Ministers of Transport and Trade claimed in a joint statement on 3 June that the Government's port reform measures were saving \$58 million a year in labour costs. The chief executive of Pacifica Shipping, the sole remaining New Zealand coastal shipping company operating roll-on roll-off freighters, warned that allowing foreign vessels unrestricted access to work in New Zealand would endanger the viability of the local industry, compromise safety standards and imperil jobs.

Speaking at the centenary dinner of the Merchant Service Guild in Auckland on 22 June, the president of the Seafarers Union, Dave Morgan, foreshadowed the establishment of one seagoing union comprising ratings as well as deck and engineering officers. The Seafarers Union, he said, was already engaged in amalgamation talks with the watersiders' and harbour workers' unions.

The 4 groups of workers opposed to the "Nissan Way" at the Wiri car plant - storeworkers, cleaners, clerks and cafeteria staff - renewed their site document on 26 June with a 4.5 percent pay rise. They agreed to a new disputes procedure designed to prevent "wildcat" strikes, and Nissan dropped 2 damages claims totalling \$133,583 against 30 storeworkers arising from a 1-day strike and subsequent go-slow at the Wiri plant in June-July 1989.

Secondary school teachers settled their award with a 4.25 percent pay rise for qualified staff. Primary school teachers also accepted a 4.25 percent rise, but in 2 stages. Principals gained a 7.5 percent rise: 5 percent from 1 July and a further 2.5 percent from 16 November.

Herbert Roth