

# CHRONICLE

MARCH 1986

"Our industrial relations system has had it" was the heading of a background paper prepared by the Employers Federation for an industrial relations conference which met in Auckland on 4 March. More than 420 employers who attended this "stopwork meeting", heard the (then) Leader of the Opposition express his support for the Federation's policy, with claims that the wage round had been disastrous and that industrial anarchy had reigned in recent months. The Minister of Labour, who also addressed the conference, explained that it would not be possible, because of time restraints, to enact new wage-fixing legislation before next year. The conference nevertheless resolved to inform the Prime Minister that another wage round under the present system would be iniquitous and to urge the highest priority for industrial reform legislation before the next wage round. The Federation later asked the Government to delay the wage round and to concentrate on wage bargaining reforms instead, but the Acting Prime Minister on 17 March reaffirmed the Government's intention not to tamper with existing wage-fixing machinery this year.

On 11 March the Minister of Labour introduced the Union Representatives Education Leave Bill, which provided paid leave for authorised union representatives to attend union education courses, and set up a 15-member Trade Union Education Authority to administer the scheme. The Employers Federation was allocated 1 representative on this authority, but it denounced the bill as an unreasonable burden on employers who, it claimed, would be expected to fund education for the Socialist Unity Party. The Opposition's labour spokesman attacked the proposed authority as a union political propaganda machine and a state-funded bureaucratic monster that would send a chill down the public's spine.

A national Maori trade union conference (*Te hui a nga kaimahi o Aotearoa*), convened jointly by the FOL and CSU, met in Rotorua on 21-23 March. More than 700 Maori unionists attended the hui, which rejected calls for a separate Maori trade union movement, but asked for significant Maori representation in trade union decision-making structures, including representation on the FOL and CSU executives, promotion of the Maori language, and provision for Maori self-determination within unions. Mr Knox, who attended the hui, said: "We accept the challenge that has been thrown out to us by way of the recommendations".

Air New Zealand told its pilots that it expected them to cancel their industrial action, following the release of an improved pay scale, but the pilots replied that they were less concerned with salaries than with the company's "confrontational attitude to industrial relations". "There have been 3 major disputes in the airline in the past couple of years", said the pilots' industrial director. "The only common denominator is the management." The Minister of Civil Aviation, Mr Prebble, also called for a lifting of all bans, after releasing a departmental report that the pilot of a Boeing 747 had not been justified in delaying the aircraft for 14 hours on 3 March because of alleged safety problems. On 13 March the Minister threatened the Airline Pilots Association with cancellation of the award and deregistration if they persevered with their "industrial disruption". The Pilots Association nevertheless went ahead with planned stopwork meetings on 17 March in Auckland, Wellington and Christchurch. They decided to take a ballot on whether members wanted industrial action to continue, but on 20 March pilots' officials met airline representatives in Mr Prebble's office and agreed to resume normal work. The airline accepted a claim for extended rest periods, and the Minister undertook to take to Cabinet proposals for a restructuring of the Aircrew Industrial Tribunal, which would convert it into a one-man authority.

Clerical workers voted to continue indefinitely the strike which had brought Hutt Valley car assembly plants to a standstill, and which had become the longest clerical workers' strike ever. They claimed pay parity with motor company tradesmen and rejected the employers' offer of a 15.5 percent increase. On 7 March the Clerical Workers Union handed the dispute to the FOL for settlement, and 3 days later an agreement was reached with the employers which, according to union officials, "gave the clerical workers all they could have wished for".

The Cooks and Stewards Union claimed a 20 percent increase in its award talks, while the shipping employers offered only 15.5 percent. When negotiations collapsed, the union on 5 March put a ban on freight carried by the inter-island ferries, to which the Railways

Corporation responded by cancelling all ferry sailings. The union lifted its ban on 8 March, award talks resumed, and the cooks and stewards accepted a pay package which lifted wages by 18.36 percent.

Representatives of 4 national medical organisations — the Resident Medical Officers Association, the Whole-Time Senior Medical Officers Association, the Part-Time Specialists Association, and the N Z Medical Association — decided to set up a steering committee for a joint industrial consultative group, which would provide expert advice in future negotiations on salaries and conditions of hospital doctors.

Mr A J Neary, the long-term general secretary of the Electrical Workers Union, announced his resignation from 30 June. He will however remain secretary of the union's Wellington branch.

A 5-week stoppage at the Dunlop tyre factory in Upper Hutt ended on 26 March. The dispute was over bonus payments to maintenance staff.

Flour mill workers in most parts of New Zealand went on strike when the employers refused to add a \$20 a week industry allowance won last September to the 15.5 percent award increase. They returned to work when the employers agreed to retain the allowance.

Animal Enterprises, the firm responsible for live sheep exports to Mexico, obtained an interim injunction in the Christchurch High Court on 26 February to stop freezing workers impeding the loading of the *Merino Express* at Timaru. The picket, by up to 2 000 meat workers from throughout the country, continued nevertheless. There were fears of a clash with farmers attending a rally in Timaru on 3 March, but on that day the workers, on the advice of Mr K Douglas, agreed to call off the picket in return for a government promise to convene a conference of interested parties within 45 days to discuss future live sheep exports.

The meat industry strike, which involved some 30 000 workers, continued throughout March. At the Burnside abattoir meat inspectors withdrew their services in protest against stock being killed by non-union salaried staff, while in Invercargill a public meeting, called by freezing workers' wives and attended by management and union officials, expressed support for a return to work. An advertisement placed in the *Southland Times* by a dissatisfied meat worker, brought 1 047 replies, with 97 percent favouring a resumption of work. Some 150 meat inspectors were suspended in Auckland and Northland, when they refused to inspect meat killed by non-union labour in Whangarei. The 38 inspectors at the Auckland abattoir walked out on 10 March in support of their suspended colleagues, but returned to work a week later, after the suspensions had been lifted.

On 19 March the meat workers lowered their pay claim from 15.5 percent on all rates to 15.5 percent on basic rates only, or from \$75 a week to \$35. The reduction was made over the objections of the Auckland-Tomoana union, but the employers stuck to their offer of an extra \$23 a week, and even that conditional on union concessions on the introduction of shiftwork and new technology. A meeting of the parties, chaired by the Minister of Labour, broke up without result on 27 March, and Auckland union delegates decided to hold a week of solidarity with the meat workers early in April to put pressure on the employers.

The tearooms and restaurants award, which covers some 17 000 workers, was settled on 19 March, when the union accepted a 19 percent increase. This raised the hourly rate from \$4.83 to \$5.75. In negotiations for the award covering domestic workers in boarding schools, the union claimed an hourly rate of \$6.83, while the employers offered \$6. When the talks broke down, boarding school staff went on strike and defied a Wellington High Court injunction of 21 March ordering them back to work. They returned on 25 March, but the award was not settled until mid-April when the union accepted a \$6.05 basic rate, equivalent to an 18 percent increase.

Hospital laboratory workers accepted a pay offer which gave them a \$27 000 salary at the top of the scale. The Auckland Hotel Workers Union convened a meeting of hospital unions and community organisations to put forward candidates for the Hospital Board elections in October. Unions represented in the loose-knit Community Health Coalition comprise nurses, cleaners, kitchen staff, laboratory workers and the PSA.

A new site agreement at the NZ Steel mill extensions at Glenbrook provided for a 17.2 percent basic increase and the appointment of an independent site-based industrial relations adviser to help with the resolution of disputes. The agreement also introduced shiftwork for the first time.

The Tasman Pulp and Paper Company sought an injunction in the Hamilton High Court to require the Pulp and Papers Workers Union to observe its agreement to avoid stoppages. The union gave an undertaking that it would not hold stopwork meetings more than once a

quarter and would supply skeleton staff during such meetings. The company also filed papers seeking damages of \$5 million from the union for losses incurred through industrial action.

Traffic officers imposed various bans in response to the Government's refusal to restore traditional pay relativities with police officers. After the State Services Commission refused a PSA offer to take the dispute to independent mediation, the officers decided to resume normal work and to submit their claims to the Government Service Tribunal.

Members of the Association of Teachers in Technical Institutes (ATTI) held a series of stopwork meetings which rejected overwhelmingly a pay offer from the Education Services Committee. They too decided to take their pay claims to the Government Service Tribunal.

## APRIL 1986

Speaking at the Distribution Workers Conference, Mr R Campbell called for an accord between the union movement and the Labour Government through a negotiated system of incomes policy. The best protection for union members, he said, was not another free-for-all wage round, but an overall deal with the Government to give long-term protection. A similar accord had been concluded in Australia before the election of the Labour Government, but Mr Rodger and Mr K Douglas both expressed doubts that such a concept could be developed in New Zealand. Union leaders were also divided on the wisdom of a managed wage round as a means of assisting in the re-election of the Labour Government.

Research into second-tier bargaining undertaken by the Employers Federation showed that 1 302 member companies (79 percent of firms surveyed) paid some or all of their employees above award rates, with the highest level (15.6 percent above award) in the northern industrial district. 89 percent of these firms said that they were doing this on their own initiative. The survey thus illustrated the high degree of wage flexibility under the existing system. The Employers Federation nevertheless again urged the Government to postpone the coming wage round until changes to the wage fixing system had been introduced. The FOL/CSU for their part told the opening meeting of the 1986 Tripartite Wage Conference on 30 April that their priority was an improvement to the lot of low paid workers. The Coalition of Non-Aligned Unions, an informal lobby of some 20 unions with 60 000 members, asked once again to be represented at the tripartite talks, but Mr Rodger replied that the law provided only for representation by the central organisations of employers and employed, but that the coalition could make submissions to the conference.

The Union Representatives Education Leave Bill continued to arouse strong opposition from employer groups and National Party politicians. The president of the Auckland Employers Association described the bill as "political indoctrination at the employers' and taxpayers' expense", while a Dunedin manufacturers' meeting resolved to defy the law and refuse to release employees for educational purposes. The National Party's labour spokesman spent 4 hours by invitation at a course run by the Canterbury Hotel Workers Union, but reiterated his opposition to the bill on the grounds that it gave unions "an open cheque to undertake their training in the way they want to do it". The Minister of Labour defended the bill, claiming that better educated delegates would contribute to a better industrial climate.

Strong attacks against the union movement also came from 2 unusual quarters. In an editorial in the *NZ Listener* of 5 April, the assistant editor Alexander Fry accused the "communist secretary of the FOL, Ken Douglas" of flouting members' wishes and issued a warning against the proposed Council of Trade Unions as likely to concentrate great power in undesirable hands. Earlier Professor W T Roy of Waikato University had published an article on Soviet influence in the South Pacific region in the *Asia-Pacific Defence Forum*, a journal distributed by the US military from Hawaii. Australian and New Zealand workers, he told his American readers, were "cowed by union bullies" and forced into strikes against their will, and he urged governments to take counter-measures such as the abolition of compulsory unionism, the introduction of compulsory secret ballots before strikes, and a close scrutiny of union funds, presumably in the belief that New Zealand unions were being subsidised from abroad.

The first national award for childcare workers set a minimum wage of \$4.25 an hour, with provisions for job protection, sick leave and other rights.

A major Auckland employer, Pacific Steel, took the unusual step on 8 April of dismissing 36 workers in its rod mill for striking. The Engineers Union had not been informed of the dispute until after the men walked out, but it sought their reinstatement. An industrial

conciliator, Mr J Bufton, ruled that the dismissals were justified, but on his recommendation the company re-engaged 35 of the men.

The Minister of Overseas Trade, Mr Moore, met meat workers' officials on 2 April and warned them that the lucrative lamb export trade to Iran was in danger if the meat strike continued. The union assessors put forward a revised claim for an immediate interim flat rise of \$35 a week, but the Auckland-Tomoana union, which had been outvoted 7 to 3, refused to endorse this claim, calling the increase "a pittance". \$35 a week was equivalent to 15.5 percent for lower-paid freezing workers, but the Auckland-Tomoana union wanted 15.5 percent across the board.

The employers accepted the \$35 rise, though only as a maximum, and agreed to resume conciliation talks on a new award. Members of the southern union resumed normal work on 7 April, after 40 days on strike, but the strike continued in the northern area. Federated Farmers denounced the settlement as a "soft option" and urged farmers to withhold stock for 2 days after conciliation talks resumed on 8 April. While farmers picketed meat works in protest against the pay deal, freezing works tradesmen accepted a package which gave them a 12.5 percent increase now, with a further 3 percent to follow in August. The conciliation talks broke down when union representatives produced a notice from the Southland Frozen Meat Co that it intended to recoup the \$35 increase by reducing incentive payments. A sharply worded telegram from Messrs Rodger and Prebble on 9 April, which accused the company of "economic and industrial relations sabotage", brought an assurance that the company would honour the agreement. The conciliation talks concluded on 18 April, but representatives of the Auckland-Tomoana union walked out before a settlement was reached, leaving a letter declaring that they would not sign the award. The settlement provided for a \$35 increase backdated to 7 April, and included clauses on shiftwork and the introduction of new technology. The president of the Auckland-Tomoana union complained of being outvoted by "a pack of weaklings", but on 22 April members of his union voted to end their 55-day strike and accept the deal reached by the southern union.

The Price Waterhouse 6-monthly executive remuneration report released in April, forecast a rise of 16 percent in executive salaries in the next 12 months. The mayor of Hamilton, Mr R J Jensen, criticised as "appallingly low" the rise in his honorarium, amounting to a mere 34.8 percent, from \$27 820 to \$37 500.

A dispute between Wellington harbour pilots and the harbour board over safety and manning disrupted shipping as well as petrol supplies. Oil companies obtained an injunction against the Merchant Service Guild to stop it inciting its members to industrial action, but the Guild then withdrew from all negotiations, saying it could no longer represent its members.

Dunedin painters called off their 7-week strike over the Master Painters Federation refusal to pay them the \$1 an hour industry allowance gained by carpenters. The national secretary of the Carpenters Union negotiated a settlement to the dispute, but the terms were not disclosed.

Negotiations for a new collective agreement with NZ Forest Products bogged down when the company offered a 16.3 percent wage increase but asked in return for 19 concessions to improve productivity, including the redundancy of over 900 workers. According to the union advocate, "the company is saying to its workers you have to pay for your own wage increase".

A special executive council of the PSA voted on 23 April to join the proposed Council of Trade Unions. Other major unions, such as the hotel workers, also voted in support of the proposal.

The Railways Corporation told the National Union of Railwaymen that it planned to reduce track service staff from 1600 to 1200 by next March. It also offered severance payments to train crews in an effort to abolish guards vans and thus reduce manning. The NUR advised its members not to accept compulsory or voluntary redundancy and threatened industrial action if train crews were reduced from 3 to 2. Under the proposed system of "alternative manning", 1 guard was to be dropped and the second guard (now called "train operator") was to have the option of remaining in the NUR or joining the Locomotive Engineers Association. The first 2-man train ran on 30 April on the New Plymouth-Taumarunui line, after all 11 New Plymouth guards had opted for voluntary redundancy.

Some 350 Taupo timber workers struck on 16 April, after rejecting a 15.5 percent pay offer. They returned to work on 29 April, on the understanding that pay negotiations would resume.

## MAY 1986

The Federation of Labour conference opened in Wellington on 6 May with the

presidential address by Mr Knox, who attacked the economic policies of "our Labour Government" but warned delegates against the even more pernicious policies of a National Government. The FOL National Executive submitted a resolution proposing an incomes agreement with the Government and the Labour Party on issues such as the preservation of the national awards system, enhancement of the social wage, the protection of jobs and living standards, and reform of the taxation system in the interest of wage-earners. It was an open admission that the trade union movement lacked the strength to change the Government's free market policies and that it had to seek the best bargain possible to protect itself in a deregulated economy. After some initial opposition delegates unanimously endorsed the Executive resolution which also proposed that, should the Government accept such an agreement, the text would be submitted for final approval to a special FOL conference before the next wage round in October. The Prime Minister, who had a lukewarm reception at the conference, promised to give serious consideration to the FOL proposal, but he also spoke in favour of radical reform of the industrial relations system and criticised second-tier bargaining.

The other main issue at the conference was the proposal for a NZ Council of Trade Unions, which would supersede the FOL and CSU and include currently unaffiliated unions. After a lengthy discussion delegates approved a resolution endorsing the concept and providing for a CTU constitutional conference in October, a policy conference next February, and an inaugural conference in October 1987, with the FOL remaining in existence until its 50th conference next year, when it would be formally wound up. The resolution was passed by 318 votes to 99, with 63 abstentions. The Seamens Union then led a protest walkout from the conference, followed by delegates from the Cooks and Stewards Union, the Waterside Workers Federation and the National Union of Railwaymen. Other unions whose delegates spoke against the resolution represented the printers, liquor workers, timber workers, plumbers and gasfitters, Wellington boilermakers, and Wellington caretakers and cleaners. The FOL conference also endorsed the Government's Union Representatives Education Leave Bill, and decided to set up a Maori Trade Union Committee, with a voice on the FOL executive. The Women's Advisory Committee also gained a voice on the Executive.

The president of the Employers Federation used the release of strike statistics for 1985 to claim that these were the worst figures in 35 years, i.e. since the waterfront struggle of 1951. This was correct as regards wages and working days lost, but the number of stoppages and of workers involved was higher in several years in the late 1970s. In 1979 the 1-day general strike alone involved 297 418 workers, compared with 182 558 participants in all 384 stoppages of 1985.

A Labour Department report suggesting the compulsory amalgamation of unions with fewer than 2000 members brought some angry responses. The secretary of the Tramways Union saw this as a middle-class plot to neutralise the working class, and the president of the Seamens Union defended the right of people to determine their own destinies. The secretary of the Canterbury Rubber Workers Union accused the engineers' and chemical workers' unions of being in the business of headhunting, but there were also some new initiatives towards amalgamation by maritime unions, airline unions, and between the hotel workers' and caretakers' and cleaners' unions.

Railwaymen began to picket the Kawerau-Murupara line on 1 May in protest against the introduction of guardless 2-man log trains. The Railways Corporation responded by suspending 11 workers, but the action was joined on the following day by members of the Frankton and Christchurch NUR branches who banned freight movement. Guards on trains in the Wellington area decided to work to rule, but the president of the Railway Officers Institute accused the NUR of cutting off its nose to spite its face, by taking industrial action which would result in more railway business going to private road transport firms. According to the general manager of the Railways Corporation, there were about 530 guards throughout New Zealand, of whom 130 would be retained for passenger services, while the others would be offered retraining, relocation, supervisory jobs, early retirement or voluntary redundancy.

Freight trains moved again on the main trunk line on 6 May, but a day later strike action by the Frankton branch brought all traffic north and south of Hamilton to a standstill. When asked to comment on the disruption of passenger services during the school holidays, the president of the NUR, Mr D Goodfellow, said the travelling public could go to hell. It was hard luck for them, he added; "We are fighting for our jobs. We will go on fighting to the end".

Negotiations brought a return to work on 11 May by members of the Frankton branch, which reopened the main trunk line. The Wellington guards however continued to work to rule and, though the Kawerau picket was lifted, no log trains were run on the line. One of the

issues which was now raised was union coverage, whether the second worker on 2-man trains should be a member of the NUR (as demanded by the NUR) or should have the right to choose between the NUR and the Locomotive Engineers Association (as favoured by the latter). While negotiations continued during the second half of May over terms of reference to settle the manning dispute, the Wellington guards resumed normal work and log trains resumed on the Kawerau line. A stopwork meeting of the Frankton branch on 28 May passed a unanimous vote of no confidence in the national NUR leadership.

Another union in conflict with the Railways Corporation was the Merchant Service Guild, which called a strike on the Cook Strait rail ferries from 26 May, after the failure of mediation talks. The dispute concerned 3 ferry captains whom the Corporation wished to demote to chief officers at a lower salary because they were "surplus to requirements". The Corporation had signed an agreement in 1984 that staff reductions would be on a voluntary basis but, according to the Guild's assistant secretary, the 16 ferry masters had no desire to die, resign, accept voluntary redundancy or retire. The Minister of Transport warned that the stoppage was illegal because 14 days' notice was required in an essential service, and the Shipping Tribunal ordered a resumption of normal work, but the masters refused. On 27 May, while negotiations were in progress, the Railways Corporation suspended the 3 ferry masters on duty and it also rejected a Guild offer to take 1 ferry to sea so as to clear the backlog of waiting passengers. On 28 May the Minister of Labour ordered a return to work under the Industrial Relations Act with the promise of an early hearing by the Arbitration Court, and the captains resumed work under protest on the following day.

A radical overhaul of the state sector, announced in a government expenditure review by the Minister of Finance on 19 May, brought an immediate hostile response from the CSU and affiliated state unions. The PSA urged that public services be provided on the basis of need rather than the ability of the user to pay for them, and it expressed concern that the quest for commercial profit would take precedence over the goal of service to the community. The PSA also asked that the principle of ministerial responsibility be retained, as well as coverage of state sector workers and their organisations by the State Services Conditions of Employment Act of 1977. The state unions also expressed concern over likely job losses caused by the move towards commercialisation of state functions, but the government stood by its proposals when it met the CSU on 26 May, and in fact withdrew guarantees given earlier by the State Services Commission and the Minister of Labour that the restructuring of state departments would not result in job losses. All the Government promised the CSU was that there would be further negotiations on the detailed implementation of the proposals and on questions such as staff deployment and union coverage.

The national council of the Labour Party asked for a "social impact report" on the proposed changes and full recognition of the social service functions performed by government departments, and expressed opposition to any privatisation of the state sector. Strenuous lobbying by state sector unions also had an effect on the Labour Party caucus which agreed on 29 May that social service had to be an integral part of state corporations' accounting and reporting systems, that there must be no privatisation of state-owned enterprises, that employees of any new state corporations should remain subject to state pay-fixing laws "modified as necessary", that any redundancies or redeployment should be fully negotiated with the state unions, and that any contracting out should be to other state agencies in preference to using private contractors. The caucus also endorsed further examination of proposals for the reorganisation of the post office in consultation with the Post Office Union.

The Public Sector Tribunal released its decision on the secondary school teachers' salary claim on 26 May. It awarded increases ranging from 23 percent for new teachers to 35 percent for principals, with additional interim allowances for special responsibilities. The PPTA had sought higher increases, but the tribunal decision came close to the Caygill-Marshall offer which Cabinet had failed to endorse, and was substantially better than the Government's final pay offer which had caused the national teachers' strike in February. The PPTA reaction to the award was one of "qualified happiness".

More than 100 prison officers at the Paremoremo maximum security prison voted on 23 May to call an indefinite strike from 28 May in protest against delays in settling their pay claims and other grievances. They were seeking a wage rise for senior prison officers from \$21 000 to \$25 000, but on 27 May they decided to defer the strike to give the industrial mediator, Mr W Grills, time to complete a report on their claim.

The Marsden Point refinery extensions were officially completed on 30 May. In an out-of-court settlement the construction consortium agreed to make compensatory payments to 17 workers who had been refused re-employment in 1984, after the passage of the controversial Refinery Disputes Act.

JUNE 1986

Speaking at the ILO conference in Geneva, Mr Rowe of the Employers Federation said employers should be responsible only for paying what a job was worth and should not have to pay workers sufficient to meet their needs. New Zealand employers, he told the conference, were not free to do as they liked, and he criticised New Zealand legislation which reduced employers' profits by setting minimum standards for wages, hours of work, holidays, equal pay, maternity leave, accident compensation, safety and health. The Employers Federation had earlier lodged a complaint with the ILO over New Zealand's reintroduction of compulsory union membership. According to the Federation, the ILO's ruling meant that the legislation did not conform with basic principles of worker freedom, but the Minister of Labour claimed that the ILO decision "vindicated completely" the Government's stand.

Mr A J Neary, the retiring general secretary of the Electrical Workers Union, received a CMG in the Birthday Honours. Mr Neary had long been a leading critic of communist influences in the union movement, and he told the press that he regarded the award as an endorsement of all the policies he had pursued, and that becoming a CMG had "made all that trouble worthwhile".

The Planning Council on 15 June released a 61-page report by its economic monitoring group on "Labour Market Flexibility". The report produced figures to show that wage rates were far more flexible than claimed by employer groups, but that second-tier bargaining for above-award rates was less widespread than believed and affected less than 10 percent of the workforce. The average New Zealand worker, according to the report, received a margin of 4.7 percent above award pay rates between 1977 and 1985, ranging from 0.1 percent in central government service to 29 percent above award in the food, beverage and tobacco industries. The report urged a "gradual approach" to deregulation of the labour market, by moving away from formalised conciliation and arbitration towards free collective bargaining. As a first step, it proposed abolishing the present union coverage provisions to make it possible for dissatisfied members to form new unions and negotiate separately with their employers.

Two independent research organisations — the Institute of Economic Research and Business and Economic Research Ltd (Berl) — forecast a wage round of between 10 and 12 percent this year, but the Prime Minister called these estimates too high and predicted that they would be revised downwards. Some industries, he said, could not possibly stand 10 percent. The president of the Manufacturers Federation also rejected the figures and suggested that a 6.5 percent increase would be nearer the mark. The Statistics Department released figures showing that minimum pay rates rose by 18.5 percent in the year to 31 March, but there was a significant difference between private and local government rates, which rose by 16.4 percent, and full-time state sector rates, which rose by 23.1 percent. The private and local government increases were likely to be revised upwards as details of still outstanding backdated settlements were received.

Representatives of 7 unions — seamen, cooks and stewards, harbour board employees, foremen and stevedores, watersiders, store workers, and railwaymen — met in Wellington on 26 June to discuss the establishment of a joint organisation. They decided to set up a preparatory working party.

Writing in the first issue of a new Australian labour weekly "7 Days" Mr R Campbell argued that an unrestrained wage round this year would backfire on the union movement, as it could destabilise the Labour Government, cause the Government to regulate against wage increases, and cause the unions to be blamed for increased unemployment. Union efforts to influence the Government's policy on economic and social issues, he wrote, could be better pursued by co-operation with the Government.

Brewery tradesmen, who had won an effective 16 percent pay rise last year, gained another major boost this year with a basic 17.8 percent increase, plus other amounts which gave some tradesmen increases up to 25 percent of the basic rate. Unions and employers agreed to give each other 2 days' notice of industrial action or suspensions.

The Minister of Defence announced pay rises of between 20 and 30 percent for members of the armed forces.

Killing resumed at the Auckland municipal abattoir on 9 June, with the settlement of a pay dispute which had closed the abattoir for nearly 3 weeks. The City Council had insisted on a 7.5 percent increase in productivity as a precondition for a 15.5 percent wage increase, but the parties agreed to discuss productivity increases at a later date. Meanwhile the 240 workers were to receive a \$35 a week increase in basic pay and a 15.5 percent increase in all allowances.

11 NOV 1987

Meat inspectors, who are members of the PSA, held meetings on 3 June to discuss protest action against a State Services Commission pay offer of a mere 2.9 percent. They claimed a 12.5 percent increase to preserve their traditional relativity with salaried meat graders, and in several districts they did not resume work after the protest meetings. The PSA gave the Commission notice of a nationwide inspectors' strike from 11 June, but the action was called off when the Commission offered fresh pay talks. The Commission later made what was described as a "significantly improved" wage offer.

Delegates to the national conference of the NZ Meat Workers Union in Gisborne decided on 20 June to take national action through strikes and load-out bans, if the issue of live sheep exports was not suitably resolved.

The Wellington Harbour Board and its pilots reached a stress-management agreement which settled the drawn-out dispute which had disrupted the port between March and April. The deal regulates the hours worked by the 8 Board pilots.

About 1400 workers at the Glenbrook steel mill extensions site walked out on 11 June, because the management refused to pay an extra \$1.65 an hour for underground construction work. The payment had been awarded by industrial mediator Janet Scott, but the main contractor, IHI, announced that it intended to lodge an appeal with the Arbitration Court. Work resumed after a week, when the contractors agreed to pay the allowance at least until 18 July, while talks were to determine whether the payment would continue after that date.

The Arbitration Court's decision on the ferry masters' dispute upheld the demotion of 3 captains to senior chief officers, but ruled that they be retained on full captains' pay for 3 years and have priority in applying for reinstatement as captains when vacancies arose.

In a speech to Auckland businessmen, the Minister of Finance confirmed that the proposed reform of state trading organisations would involve quite a lot of redeployment and might involve some redundancies. The new state enterprises, he said, would be on the same footing as equivalent private enterprises, and he anticipated large gains from the reorganisation, which could save the Government a billion dollars a year. State unions feared that Mr Douglas intended to bypass the 1977 State Services Conditions of Employment Act, contrary to a decision of the Government caucus, and they sought reassurances from the Acting Prime Minister Mr Palmer. The Government's response was to set up a ministerial committee comprising Messrs Douglas, Prebble, Rodger and Marshall, to oversee changes in the state sector and negotiate with state unions.

The CSU, FOL and Bank Officers Union formed a loose coalition called Union Campaign for Public Services, which warned that corporatisation of state trading organisations and the proposed sale of shares in the Bank of New Zealand would mean rising charges, cuts in services, and in the long term de-unionisation through a weakening of state sector unions. The State Services Commission wrote letters to staff of the Lands and Survey Department and the Forestry Service, telling them that the new corporations would set their own terms and conditions of employment, and that the Commission could not give blanket assurances which could not be honoured. This superseded an assurance given by the chairman of the Commission to staff of these 2 departments last year, that nobody would be made redundant or lose pay as a result of the restructuring.

The Railways Corporation and the NUR reached an agreement on the guards dispute, which was expected to save \$30 million a year. Guards vans were to be abolished and of the 530 guards employed, 130 were to be retained for long distance and passenger services, a further 130 had accepted the voluntary severance package, while the remaining 270 guards were to become train operators, a new better-paid post which encompassed both guard and locomotive assistant duties. The changes were to be phased in over 12 months. Members of the Kawerau NUR branch went on strike on 11 June over the interpretation of the manning agreement, but they returned on 16 June, after the Corporation had threatened to dismiss them. On 20 June the Railways Corporation announced cutbacks in engineering services, including the loss of 750 jobs and the closure of the Westfield depot in Auckland and workshops in East Town (Wanganui) and Greymouth.

The bus drivers' award was settled in Christchurch, with workers gaining graded payments for length of service, an extra 3 holidays a year, and triple time payment for working on statutory holidays.

Herbert Roth