

CHRONICLE

NOVEMBER 1986

The FOL executive approved on 4 November another approach to the Employers Federation to reopen talks on a centralised wage agreement. In particular, it proposed the settlement of the 3 major deadlocked awards, for metal trades, clerical and northern store workers, on a common basis of a flat 7.5 percent increase or a 2-stage 6 percent rise now plus 3 percent later. The employers' response at meetings throughout the country was cool, with Canterbury employers demanding an upper limit of 5 percent to any wage rises. The employers' national council nevertheless agreed to hold joint talks on 11 November, but it demanded that unions first halt all existing and proposed industrial action. The FOL rejected this "impossible precondition" and the talks did not take place.

The national council of the FOL, which met on 19 November, then asked affiliated unions and trades councils to intensify and widen the scope of industrial action to break the wage round deadlock. Award settlements at a 3 to 5 percent level, said Mr K Douglas, would lead to a serious deepening of the present depression and would cause business closures and further unemployment. On 21 November the Employers Federation agreed to an FOL request for talks on the award deadlock without any preconditions. The 2 parties met on 25 November, but failed to reach agreement despite the FOL's willingness to "look at" 7 percent as the bottom line increase. While the 3 major awards remained stalled despite intense industrial pressure on the employers, the pace of settlements quickened towards the end of November, at levels between 6.5 and 7.5 percent. Golf club greenkeepers gained 6.8 percent, rubber workers and maintenance electricians 6.9 percent, orchard and vineyard workers 7 percent, and biscuit workers and wallpaper manufacturers' employees 7.5 percent. Altogether by the end of the month 36 awards had been settled.

State servants were concerned with safeguarding conditions of employment in the new state corporations and with the Government's pay fixing proposals for the state sector. The Post Office Union signed an agreement on employment conditions with the 3 new postal corporations, which guaranteed job security, existing pay and conditions, and continuity of superannuation entitlements to all staff employed in the Post Office on 31 March 1987. The union nevertheless maintained its opposition to the splitting up of the Post Office, and launched a nationwide campaign to prevent the closing of smaller Post Offices.

The PSA was able to reach a satisfactory agreement with the new Electricity Corporation, but it ran into difficulties with the Forestry Corporation, whose interim head sought to deny union coverage to staff earning more than \$22 000, who were to be employed on individual remuneration packages. On 6 November forest service staff disrupted a seminar in Wellington attended by the Deputy Prime Minister. A week later Auckland public servants picketed the local office of the State Services Commission, and there were press reports that Northland forestry workers had threatened to set fire to state forests. The Council of the Labour Party voted on 8 November to oppose attempts to de-unionise the state workforce and urged the Governments to recognise its responsibilities and protect the wages and conditions of public servants transferring to the corporations, including the retention of full bargaining rights.

State union leaders met the Prime Minister and cabinet ministers on 11 November but failed to gain a delay in the proposed overhaul of state pay fixing. On 13 November about 1000 public servants, including forestry workers carrying pine trees, demonstrated outside Parliament, but the Government refused to enter the negotiations between the PSA and the corporation establishment boards. The state unions next lobbied Labour MPs but, though the caucus passed 8 resolutions on the state sector, it made no mention of union coverage and merely noted that ministers had agreed to discuss CSU submissions before drafting pay fixing legislation. Caucus commented the Prime Minister, had ultimately supported without dissent the overall package of state sector reform. Figures released by the Government Statistician showed that state sector pay rates had risen by 24.6 percent in the year ending 30 September 1986, compared with a 17.2 percent increase in private sector and local authorities rates.

The Carpenters Union agreed in the last week of November to a 7.5 percent rise (including

0.5 percent tool money) for its 14 000 members, on condition that the Painters Federation paid painters the dollar an hour industry allowance which other building workers had gained last year.

50 clerical workers at the Tip Top Ice Cream factory in Auckland went on strike on 29 October over their award claim. When production ceased, the company suspended some 400 other workers but, at the request of Auckland Trades Council president Mr Andersen, ice cream production resumed temporarily on 21 November to ensure supplies during the papal visit to the Domain. On 17 November thousands of clerical workers throughout the country heeded a union call to take the day off as "national sick pay day". Their action was in protest against the employers' offer of a 3 percent rise in the general award, but it also aimed to draw attention to what the union called shocking provisions of only 5 days' sick leave a year. The union had asked for 10 days' sick leave and an 11.5 percent pay rise. When the Tip Top Ice Cream Co sought an injunction in the Auckland High Court to force a return to work, the judge, on 28 November, ordered the Clerical Workers Union and its officials not to promote industrial action at the plant, but he did not order a return to work because the company had not named individual union members in its application.

Cleaners at Hutt Valley motor assembly plants went on strike on 20 November over a breakdown in their award talks. The companies suspended production workers when they refused to do work normally done by cleaners, but the Coach Workers Union retaliated by setting up picket lines. On 24 November 4 workers, including a union delegate, were arrested outside the General Motors plant after a clash between picketers and management. On 27 November the cleaners accepted a 7.5 percent pay offer and returned to work after their 8-day strike. The coach workers resumed normal work on the following day.

When the milk station award talks broke down, the Dairy Workers Union called a series of stopwork meetings to discuss further action. Talks on the dairy factories award also collapsed, with the employers offering a 4.1 percent rise and the union holding out for 7.5 percent. The Dairy Workers Union then called a 48-hour strike at all dairy factories, starting on 24 November, which was joined by workers at milk stations. Farmers were forced to dump between 15 and 30 million litres of milk (press reports differed) and the strike stopped milk deliveries in many regions. The Dairy Employers Association, which regarded the strike as illegal because the union had failed to give the required 14 days' notice in an essential industry, sought an interim injunction in the Hamilton High Court and also asked for damages for losses sustained by dairy factories and milk stations. On 25 November however the parties agreed to refer the dispute to the Arbitration Court. Normal work resumed on the following day and the union promised not to take any further action pending the court hearing and to give the required 14 days' notice.

Negotiations on the northern drug and chemical workers' award collapsed in Auckland on 15 November and a stop work meeting in the Town Hall voted for a 48-hour protest strike on 17 and 18 November. The union had sought an 11.5 percent rise, while the employers offered 6 percent.

The electrical contractors' award, one of the major awards, was settled on 8 November with a 6 percent increase. This appeared to be in line with the modest drivers' award increase, but the settlement also included a new industrial conditions allowance designed to match the dollar an hour allowance won by carpenters and labourers last year, of \$5.86 a day, or \$29.30 a week. This brought the overall increase for electrical workers to about 12 percent, but the allowance was not payable to workers who already received above award payments (an estimated third of the workforce) and firms in financial difficulties were also exempted.

The Stationary Engine-Drivers Union claimed to have signed an 8.5 percent house agreement with an unnamed Auckland company, but the deal affected only 2 workers, and the union was less successful with its approaches to other firms. Boiler attendants went on strike at the Auckland companies of Abels and NZ Starch Products, but operators at the Marsden Point oil refinery withdrew their notice of industrial action after accepting a company offer of an immediate 2.57 percent pay catch-up pending further wage talks. NZ Starch Products sought an interim injunction and damages, but withdrew the application when its workers agreed to return to work. On 28 November the Engine-Drivers Union stepped up its campaign in support of award claims by announcing a daily draw of major companies which would be hit by strike action. The first plant chosen for an indefinite strike was the Lion brewery in Newmarket.

The Engineers and Northern Storeworkers Unions intensified their campaign on 7 November by giving 14 days' notice of industrial action against oil companies, the Marsden Point oil refinery and the Auckland Regional Authority. This action would have affected

petrol supplies, but the unions did not carry out their threat when the notice expired, except for a short-lived ban on handling chemicals by oil engineers at Auckland fuel installations. Thousands of engineers meanwhile took part in various stoppages, and their union also gave 14 days' notice of industrial action after a breakdown in negotiations on the aircraft engineers' award, where the union had rejected an employers' offer of a 6.9 percent increase. Workers at the Tiwai Point aluminium smelter accepted a basic 6.9 percent increase on 28 November.

Public hospital domestic workers rejected an employers' offer of a 5.5 percent rise on 5 November and decided to hold nationwide stop work meetings to discuss further action. The Hotel and Hospital Workers Federation had reduced its initial claim of 14.2 percent to 10 percent. Negotiations on the rest homes award and on the award for domestic workers in boarding schools also collapsed. 700 hospital domestic workers voted in Auckland on 12 November for a 48-hour strike on 24 and 25 November, to be followed by a 3-day strike in the next week and a 4-day strike in the week after. Hospital workers in other centres also gave notice of industrial action. A meeting of combined hospital employees in Auckland, with representatives from nurses, laboratory workers, cleaning and stores staff, voted support for the strike and undertook not to carry out duties normally done by striking workers. Rest home workers decided to stop work for 24 hours on 17 November, with further stoppages to follow.

On 18 November negotiations on the private hospital domestic workers' award broke down when the union rejected an employers' offer of a 4.5 percent rise, but on 21 November the union achieved a breakthrough when the Selwyn Foundation, with rest homes in Auckland, Papkura and Whangarei, agreed to an 11.46 percent increase for its 100 employees. Hospital boards enlisted the aid of volunteers to keep services going during the 2-day strike, but they were unable to face a 3-day strike and threatened legal action to prevent it. The union decided to call off the strike when the boards agreed to resume wage talks. Rest home domestic workers meanwhile held a second one-day strike on 27 November in Auckland and on 28 November elsewhere. On 29 November negotiations on the licensed hotel workers' award broke down, with the union claiming a 10 percent rise and the employers offering 6.75 percent.

Negotiations on the Northern and New Zealand journalists' awards collapsed when the employers rejected a union claim for a 15.2 percent increase, which included a 5.69 percent catch-up based on relativity. The employers indicated that they were willing to raise their 6 percent offer if the journalists dropped their relativity claim.

Speaking at the annual conference of the Police Officers' Guild in Wellington on 12 November, the Commissioner of Police warned members against linking up with the Police Association. "If there were to be a federation of the associations", he said, "members of the officers' guild could be in an iniquitous position, having to balance responsibilities against industrial solidarity, and thereby compromising the leadership principles of their rank".

Packaging printers settled their award on 7 November with a 7.5 percent increase in wages and allowances. A major reclassification exercise was expected to raise the actual increase to up to 9.5 percent for some groups of workers.

Negotiations on the seamen's award collapsed on 7 November, when the union rejected an employers' offer of a 3 percent rise for a 5-month term until next April, when negotiations for a composite award including all 4 maritime unions were due to start. The Seamen's Union had asked for a 6 percent rise, and members voted in favour of 24-hour protest stoppages. The Institute of Marine and Power Engineers meanwhile agreed to a 3.64 percent increase for a 5-month term, equivalent to 8.73 percent on an annual basis.

Supermarket warehouse workers in Auckland called a strike in support of a 7.5 percent wage claim. Major supermarket chains decided to give their staff a 6.75 percent increase from 4 December, whether the award was settled or not, but the union rejected the offer saying it could achieve a better deal. On 29 November however the union accepted a 6.75 percent rise for its 20 000 grocery and supermarket members.

Northern storeworkers also struck at a large number of Auckland firms in support of their award claims. On 18 November 2 employer representatives, from Nathans and UEB, resigned as assessors in the stores award in protest against their companies being singled out by union strikes. The employers' advocate said no steps would be taken to replace them, but the union replied that other companies which had had "the treatment", such as Watties and Carter Holt Harvey, had not withdrawn their assessors. Nathans and Foodstuffs Ltd sought court injunctions to force a return to work, and staff at both companies returned after the hearings were adjourned *sine die*. The stores union meanwhile called an indefinite strike by freight forwarders in the northern district and Canterbury, after their award talks collapsed on 27 November. The union, which had claimed an 11.5 percent rise, had rejected an employer offer of 6 percent. Two firms which had agreed to pay an extra 11.5 percent to their staff were

exempted from the strike.

The Woollen Workers Union threatened an indefinite strike by carpet workers when employers offered a 4 percent increase. The employers raised their offer to 6 percent and, after a few stoppages, the carpet award was settled at 7.5 percent. In woollen mills, meanwhile, workers considered industrial action after their award talks broke down on 28 November.

DECEMBER 1986

The Government revoked, as from 8 December, all remaining regulations under the Economic Stabilisation Act administered by the Labour Department. This removed existing controls over redundancy settlements, the insertion of state linkage clauses and wage rises between annual awards (the so-called 12-month rule). The Employers Federation warned of far-reaching consequences and the opposition spokesman on labour spoke of "another savage blow to employment", but the Minister of Labour saw the move as "consistent with the Government's policy to have unions and employers freely negotiate awards and agreements which are relevant to the industry or workplace in which they apply". On 3 December the government introduced a bill to repeal the entire Economic Stabilisation Act, as part of its policy to remove "a straightjacket of economic controls", but it faced problems with its own caucus over the the contestability clauses in the draft Labour Relations Bill.

On 8 December Cabinet rejected a modified clause put forward by the caucus industrial relations committee, but it later accepted a compromise which allowed introduction of the bill on 18 December. The bill required unions to have at least 1 000 members and it barred second-tier agreements. As regards contestability, it made no provision for new societies of workers (possibly employer-sponsored) to encroach on the territory of existing unions, and it required unions wishing to expand their coverage to give 3 months' notice. Mr Knox commented that unions were opposed to contestability in any form, while Mr Rowe, of the Employers Federation, described the 1 000-member minimum requirement as "unconscionable" because some of the best unions would be swallowed up. A National Party spokesman warned that the bill would take New Zealand back to the "dark ages".

When compulsory union membership was restored in 1985, unions were required to hold ballots on the issue within 18 months. The great majority of the 233 registered unions did so and confirmed compulsion. Only 2 unions voted in favour of voluntary membership: the Commercial Travellers and Sales Representatives Union, with 4 200 members, where a mere 109 bothered to vote (47 for compulsory membership, 62 against), and the Northern Optical Dispensers and Technicians Union, with 80 members, which voted 33 to 17 in favour of going voluntary. Another 35 unions failed to hold a ballot before the end of 1986 and thus automatically reverted to voluntary membership. These were small unions and many represented professional or supervisory staff.

In an election to fill the vacancy on the FOL executive caused by the resignation of Mr Campbell, Mr R Barker, of the Hotel and Hospital Workers Federation, was successful over Mr G H Andersen (Northern Drivers) and Mr T Murray (Timber Workers).

The real disposable incomes index showed that the after-tax purchasing power of full-time wage and salary earners fell by 2.3 percent in the September quarter.

Formal conciliation talks in the general clerical workers' award resumed on 9 December, after a breakdown in October, when the employers had offered a 3 percent rise and the unions claimed 11.5 percent. Settlement was reached on 19 December at 7 percent, but the unions failed to gain improved sick leave provisions. Meanwhile unrest grew among trust bank staff, also members of the Clerical Workers Unions, who claimed parity with trading bank employees. The 2 groups had similar wages until last year, but parity now required pay rises of between 11 and 24 percent, while the employers offered increases of between 8 and 10 percent. On 5 December ASB trust bank staff held a stop work meeting which voted for a 2-day strike later in the month, unless agreement was reached at the national award talks. Negotiations resumed on 18 December, but when they broke down, staff in the northern district decided to strike on 23 and 24 December. The employers refused a last-minute union offer to refer the dispute to the Arbitration Court, saying that major issues such as wages and award restructuring should not be decided by a third party. The 2-day strike went ahead as planned, but the response was poor and most ASB branches kept open. Trust bank staff in other regions held stopwork meetings to decide on their action. Some Wellington and Hawke's Bay trust bank branches were forced to close on 23 December, but Canterbury trust bank staff decided to strike between Christmas and the New Year.

Dairy workers were reported to have accepted a 5 percent wage rise on 10 December, with a term of 13½ months. The exact details were kept confidential, but this was the lowest settlement of the wage round.

10 boiler attendants at the Lion brewery in Auckland announced an indefinite strike from 3 December as part of a campaign of rolling stoppages by the Engine-Drivers Union following a breakdown in award negotiations. The union was reported to be targeting companies which were members of the Business Roundtable, though the secretary claimed that NZ Breweries happened to be "the first cab off the rank". When the strike stopped production at the brewery, the company suspended workers and sought an interim court injunction to restrain the boiler attendants. Meanwhile the union extended the campaign to 2 other major Auckland firms, Abels and Nestles, and there too production ceased, the companies suspended workers and explored legal remedies. Dominion Breweries announced that it was stepping up peak Christmas beer production by 5 percent to take advantage of its rival's incapacity, but out-of-court negotiations brought a return to work on 9 December at all 3 companies, except that the brewery workers decided to stay out for another 2 days in protest at being suspended the week before. Negotiations on a national award resumed on 13 December but collapsed, with both sides reportedly agreeing on a 7 percent increase but failing to agree on backdating and other union claims. The Engine-Drivers Union announced that it would resume knocking on individual employers' doors.

As part of its campaign to force a higher settlement in the stalled metal trades award, the Engineers Union announced plans to prevent firms from carrying out maintenance shutdowns over the Christmas holidays. Rolling stoppages also went ahead, while informal talks continued between the union and employers. When these failed, the union resumed approaches to individual firms for in-house deals and claimed to have signed another 40 by mid-December, mostly in the Auckland area, at 7.5 percent or "6+3". Meanwhile the union settled the aircraft engineers' award with Air New Zealand at a basic 7.5 percent increase, but with additional restructuring which gave half the workers further increases of up to 10.8 percent. After some more intense industrial action with concurrent negotiations, the metal trades award was finally settled on 18 December at 7 percent. Some 3-400 house agreements at levels below 7 percent were to be made up to that figure, while about 70 agreements at higher levels were allowed to stand. The new award was backdated to 1 December and was to run for 10 months to 1 October next.

Negotiations on the meat workers' award resumed on 2 December. The unions reduced their claim from a flat \$24 a week rise to \$22, while the employers raised their initial offer from \$12 to \$17. Agreement was eventually reached on 23 December, with a rise of \$17.85, equivalent to 6.9 percent on the minimum award rate but only 3 percent on top rates. "It is not a good settlement", said the president of the Auckland Freezing Workers Union. Freezing industry tradesmen gained a 6.9 percent increase in negotiations conducted between the Federation of Labour and the Meat Industry Association.

The furniture trades award was settled on 14 December at 7.5 percent.

The Hotel and Hospital Workers Federation settled the public hospitals domestic staff award at 6.85 percent, but it was less successful with the awards for rest home workers and for private hospitals staff. It also rejected a 6.75 percent wage rise offered to licensed hotel workers and called stopwork meetings to consider a recommendation for industrial action. "The beer barons are like a Buddha", said the federation's Wellington secretary, "trying to hide their rolls of fat with a single figleaf provided by the Employers Federation — a little one with 6.75 percent written on it. Everyone can see past that." Rotorua and Wellington hotel staff walked out on 1 December. Auckland voted for a 3-day strike, and hotel workers in other districts also decided to stop work. All industrial action was called off on 2 December however to allow award negotiations to resume, and next day the award was settled at 7.5 percent, plus a \$1.65 a day dirty duties allowance for house maids. The union conceded an award exemption for executive chefs and some slight relaxation of the permit system for part-time workers. The Hotel Association announced that bar prices and room rates would be raised in the new year to cover the wage increases.

Private hospital domestic staff threatened a 2-day strike from 8 December unless the employers resumed award talks with an improved pay offer. The union claimed pay parity with public hospital staff, i.e. a rise in the hourly rate from \$6.75 to \$7.53. The employers had offered a rate of \$7.05. Auckland staff called off the threatened strike when the employers agreed to resume talks on 17 December, but the strike went ahead in Wellington. Meanwhile negotiations on the chartered clubs award broke down on 5 December, when the federation rejected a 7 percent offer. Auckland chartered club workers voted to strike for 48 hours from 10

December and again the following week. They did stop for 2 days, as did club workers in Wellington, but on 15 December the award was settled at 7.5 percent. Talks on the private hospital domestic staff award however broke down within 10 minutes on 17 December, when the federation rejected the employers' improved offer which still fell short of parity with public hospitals. The federation decided to defer action until after mid-January because many private hospitals closed down over the holidays.

The insurance workers' award was settled at 7.2 percent, but a general restructuring brought actual increases of between 8.14 and 31.6 percent (for 20-year olds), with the average rise at 13.6 percent.

Northern motion picture projectionists gained a 7.5 percent increase, plus a 5 percent catch-up for an industry allowance, but Auckland Queen Street projectionists were excluded from the catch-up because they had won this allowance last year.

Negotiations over the Plunket nurses' award broke down over a claim for improved leave entitlement. Wages were not an issue because the nurses' pay is linked to public health nurses in the state sector.

Northern paint and varnish workers gained a 7 percent increase, plus a \$1 an hour industry allowance, which brought the total increase to 23 percent for those workers who were still on the basic award rate.

About 400 tradesmen struck for 24 hours at the Kinleith pulp and paper mill on 28 November, in protest against a company plan to cut overtime and reduce staff. They also imposed a call-out ban. NZ Forest Products had proposed roster changes involving a reduction of about 188 hours a year, and offered a one-off payment of \$3 800 as compensation, but the 5 maintenance unions demanded compensation of \$13 300 per worker. On 3 December the company closed the mill and began to suspend production workers. On 8 December it threatened to lock out the entire mill staff, but on the following day agreement was reached in the roster dispute. The terms of the settlement were not disclosed, but maintenance workers were reported to have gained a 9-month reprieve of job losses. Pulp and paper workers held a snap 24-hour stoppage on 17 December in protest against the lockout threat.

Newspapers printers settled their award at 7.5 percent. They also gained an increase in their industry allowance from \$20 to \$23 a week.

Laboratory staff at the Wool Testing Authority in Christchurch and Napier went on strike on 5 December in a dispute over union coverage and over the Authority's refusal to pay a 4 percent pay catch-up awarded to all state sector workers. In 1975 the Authority had recognised the PSA as negotiating body for its staff but it later withdrew this recognition. In December 1986 the Authority cited the Woollen Workers Union as respondent in conciliation talks, but this union announced that it had no wish to compete with the PSA and that it would not attend any conciliation talks as it had no members working for the Authority. PSA members, with FOL support, set up picket lines at Christchurch and Napier, and an Authority application for an injunction restraining industrial action failed in the Wellington High Court on 23 December.

The saddlers' and canvas workers' award was settled on 1 December at 6.75 percent.

The Seamen's Union continued its campaign of random 24-hour stoppages in protest against a breakdown in award talks, but in mid-December it accepted a 3.64 percent increase for a 5-month term. The union also agreed to take part in negotiations on a composite maritime industrial agreement next April.

The non-food retail employees award was settled on 2 December at 6.75 percent, as was the cake shop employees award 2 days later. Mr R Campbell, who had recommended acceptance of the 6.75 percent earlier, tendered his resignation as secretary of the Distribution Workers Federation. The 4 Auckland affiliates of the federation, the Northern Drivers, Northern Stores, Northern Butchers and Grocers, and Auckland Shop Employees Unions, combined to form the 28 000-strong Northern Distribution Workers Union.

Store workers at the Ford motor assembly plant at Wiri went on strike on 2 December over a demarcation dispute with engineers. The company suspended 300 engineers and stopped production and, after a written warning, it dismissed the 66 store workers on 10 December. The FOL secretary Mr K Douglas stepped into the dispute at the company's request and work resumed on 16 December. The demarcation issue and the company's request and work re-engage 6 of the dismissed men were referred to the Arbitration Court. Meanwhile the grain store, hide and manure workers award was settled at 8 percent, until then the highest percentage rise of the wage round, and the long deadlock over the northern and Canterbury stores award was broken on 9 December when the unions accepted a 7 percent increase.

Freight forwarding company employees rejected a 6 percent offer on 27 November and walked off their jobs in the northern district and Canterbury. They returned to work on 8 December for renewed negotiations and just before Christmas they accepted a 7.5 percent wage rise, with a 7 percent increase in allowances.

Stopwork meetings of intermediate school manual teachers, called by the PPTA, voted to oppose a decision by the Minister of Education to downgrade their training from secondary to primary level. The change would involve a transfer of some 550 manual teachers from the PPTA to the NZEI.

Pay talks for watersiders broke down on 19 December when the employers refused to make any pay offer unless the union agreed to a restructuring proposal involving a 30 percent staff cut and changes to hours of work and bonus payments. The union claimed an 8.5 percent increase.

JANUARY 1987

The wage round, which had started very slowly in September and October, gathered speed and by the end of the year 123 awards had been settled. Mr K Douglas described the award round as "probably the most difficult facing union officials and activists in memory". He blamed "much greater organised aggression by big corporations" and hardened attitudes by employers generally for the unions' failure to make any major breakthroughs. The president of the Employers Federation, on the other hand, called for closer employer and worker co-operation in 1987. He claimed that great progress in this direction had been achieved during the wage round, though he still saw the need for radical reform of industrial relations.

Union leaders took comfort from the fact they they had preserved the national award system, but the average wage rise of between 6.5 and 7 percent fell short of the rise in inflation. Figures released by the Department of Statistics on 16 January showed that the consumer price index had jumped by 8.9 percent in the last quarter of 1986, and by 18.2 percent in the calendar year. The union movement responded by calling on the Government to consider a mid-term review of wages and benefits, i.e. the "top-up" proposed earlier in the wage round. The Government however showed no intention of intervening in the round and the employers rejected the idea outright.

Cement workers at the Portland plant near Whangarei went on strike on 13 January over an 11.5 percent wage claim to gain parity with store workers. The company had offered a 7 percent rise. The men returned to work on 22 January and later accepted a basic 7 percent rise supplemented by an undisclosed productivity payment.

The trust banks' pay dispute, which had led to a series of short stoppages in late December and early January, was settled on 29 January. The Clerical Workers Association failed to gain comparability with trading bank salaries; it accepted the employers' offer of rises between 7.9 and 12.5 percent, with a restructured wage scale, but gained backdating to 2 January. In view of the forthcoming deregulation of the banking industry, the Clerical Workers Association and the Bank Officers Union agreed to form a finance unions' association, which could also involve the Insurance Workers and Post Office Unions. The new association was not to be a negotiating body, but was to ensure effective co-operation.

The Clerical Workers Association also launched a petition calling on the Government to make the principle of equal pay for work of equal value part of the law. A report by the Ministry of Women's Affairs released in January showed that while women made up 47 percent of the workforce (in June 1986), they received only 73 percent of the average weekly male wage.

Clerical workers in legal offices gained a 7 percent wage rise, with additional payments recognising the changed secondary school qualifications. The clothing workers' award was settled on 12 January with a 7 percent wage rise. Changes in working hours were to be discussed during the term of the award.

The Longburn freezing work, where the union had rejected company proposals made last October to cut staff and pay and increase working hours, remained closed. On 13 January the company (Waitaki International) sent individual letters to its 900 staff setting out potential earnings under the proposed terms. The union prepared counter-proposals and offered to debate the issue at a public meeting chaired by the mayor of Palmerston North, but despite further talks with the company the 3½-month deadlock continued. In the South Island the Canterbury Frozen Meat Co succeeded in imposing staff cuts in its plants, but a manning dispute caused a strike at the Belfast works between January 13 and 20.

Another dispute involving Waitaki International arose from the closure of the Whakatu meat works last October. The tradesmen's unions at Whakatu accepted a redundancy agreement which provided for 4 weeks' pay for the first year of service and 2 weeks' for each subsequent year. The meat workers however rejected these terms, which they considered unfair to seasonal workers, and demanded the scale of payments agreed at the time of the Westfield closure in 1981, i.e. 6½ weeks for the first year and 2½ weeks for each year thereafter. Members of the Meat Workers Union voted in favour of rolling stoppages at Waitaki-owned works, if no agreement was reached along these lines. The first 24-hour national stoppage at 12 Waitaki works was held on 21 January, and workers from Longburn and Whakatu picketed the Auckland head office of Wattie Industries, which controls Waitaki International. A Waitaki executive warned that the company might reduce its redundancy offer by the amount lost through stoppages.

Mr A J "Blue" Kennedy, for 10 years national secretary of the Meat Workers Union, failed to gain nomination for re-election. The nominated candidates for the secretary's post were the union's national president, Mr R Middlemass, and the assistant secretary, Mr J Scott.

Private hospital domestic workers, whose award talks had broken down in December, voted in favour of a 3-day national strike starting on 29 January.

Painters in Hawke's Bay, Wanganui, Westland, Otago and Southland, who are represented by the Carpenters Union, won a substantial wage increase of about 23 percent, made up by a basic wage rise of 7.5 percent, plus an industry allowance of \$1.07 an hour.

Picketing continued at the Wool Testing Authority laboratories in Christchurch and Napier. An Authority spokesman claimed that staff at Napier had voted "almost unanimously" in favour of joining the Woollen Workers Union, but according to the PSA, some of its delegates had been dismissed and other staff had resigned from the Association out of fear. The PSA and the FOL saw the dispute as an important test case in view of the contestability clauses in the new Labour Relations Bill. The PSA said it was willing to negotiate to solve the pay problem but the Authority "cannot be allowed to get away with selecting the union it wants to deal with". The PSA launched a national defence fund to support the pickets, while the FOL called on its affiliates to ban the movement of all wool throughout the country.

The Union Shipping Group, which employed a staff of 201 at its Auckland seagoing terminal, decided to close the terminal in mid-January after failing to win union agreement for major staff cuts. A stopwork meeting of Auckland watersiders voted not to handle ships of the Union Group, but the ban was lifted on 5 February, following an agreement which included compensation payments for the men involved.

Woollen mill workers agreed on 16 January to call off planned national industrial action and to resume award talks. When these talks collapsed on 21 January, the union decided to abandon the national award and to seek separate agreements with individual companies.

FEBRUARY 1987

A meeting of the FOL national council on 18 February endorsed 4 requests to the Government in return for political support at this year's general election. The demands were for support for jobs and industrial development, maintenance of living standards in the face of high inflation, balanced economic development for cities and regions, and implementation of the Government's anti-nuclear legislation. The Minister of Labour accused the FOL of embarking on a propaganda exercise through the news media, but Mr K Douglas replied that Government commitment to the FOL's 4 points was the basis for winning worker support at the elections. On 25 February a joint FOL/CSU deputation met cabinet ministers to discuss union concern at trends in the economy. According to Mr Douglas, they did not discuss the FOL's 4 points, nor the wages top-up requested earlier.

Ms Sonja Davies announced that she would not seek re-election as vice-president at the FOL annual conference in May.

The Minimum Wage Order 1987 raised the statutory minimum wage by 23.5 percent, from \$170 to \$210, with effect from 9 February.

When award talks for trading bank employees broke down on 20 February, the Bank Officers Union decided to hold stopwork meetings to discuss industrial action. The union had sought a 12.5 percent increase and a \$20 a week industry allowance, citing the high profits made by trading banks in the past year. The Bankers Association offered a 7.5 percent

increase plus improved sick leave and domestic leave provisions. Late in February bank staffs voted to strike unless the employers improved their pay offer before 9 March. The vote in Auckland and Wellington was overwhelmingly in favour of striking, but the proposal was defeated in Dunedin and carried only narrowly in Christchurch. The overall majority was about 75 percent in favour and the union gave 14 days' notice to the employers.

The northern drug and chemical workers' award was settled with a pay rise of 7.5 percent.

4 national doctors' associations, the Resident Medical Officers' Association, the Medical Association, the Association of Part-Time Hospital Staff, and the Whole-Time Senior Medical Officer's Association, pooled their resources to form the Contract Negotiating Service for Salaried Health Medical Officers under the chairmanship of Mr R Trott, who had conducted the junior hospital doctors' salary negotiations in 1985. The service will be administered from Wellington and will negotiate on behalf of some 3 000 hospital doctors.

Fire fighters throughout New Zealand took a ballot on strike action in protest against a 3 percent wage offer, which their officials described as an insult. Anticipating the result of the vote, the Northern Fire Brigades Union gave 14 days' notice on 2 February, but the Fire Service Commission claimed that it had not been told until 13 February that this notice referred to strike action. The Commission and the Minister of Internal Affairs also warned that individual brigade members who went on strike would run the risk of private law suits in the event of life or property loss. The voting was overwhelmingly in favour of striking. The 3 fire brigades unions decided on a campaign of 2-hour rolling stoppages — the first strikes in the service's history — to start on 17 February, but on 16 February the Fire Service Commission obtained a short-term interim injunction (until 5pm on the next day) from the Wellington High Court.

The Prime Minister insisted that the Government would not surrender to strike threats and claimed that raising the 3 percent offer would be inconsistent with the public sector wage round, but the fire service unions argued that they wanted to maintain their traditional relativity with metal workers who had gained a 7 percent increase. On 17 February the Wellington High Court extended the injunction by a further 9 days, to 26 February. A press statement by the Minister of Labour on 20 February claimed that fire service wages had risen by between 16.4 and 28.5 percent in the previous year, which he described as "quite generous", and that "in the absence of a demonstrated need on potential recruitment and retention groups, a nil offer could have been justified this year". The Minister urged the firefighters to take their claims to the Public Sector Tribunal, but the unions replied that it would take months of research and cost thousands of dollars to prepare a case for the tribunal. They also disputed salary figures issued by the Commission, and Mr Rodger agreed that the maximum wage rise last year had been 18.5 percent and not 28.5 percent, the latter figure being the result of a typing error in his office. The firefighters withdrew their strike notice before the injunction expired and resumed pay talks with the Commission on 26 February.

Meat workers held another nationwide strike at Waitaki-owned works on 4 February, to force the company to improve its redundancy offer to Whakatu workers, but on 9 February the Whakatu workers voted 310 to 301 to accept the company's original offer.

135 maintenance workers at the Auckland Gas Co, who are members of the Plumbers and Gasfitters Union, struck on 4 February in protest against company plans to use outside contractors. On 13 February some 150 other company employees refused to cross picket lines set up by the maintenance workers and joined the strike. Another 20 workers were suspended by contractors for refusing to do work for the Gas Co. The union lifted the picket on 24 February after reaching an undisclosed settlement to the dispute.

The Harbour Workers Union gave 14 days' notice of a 10-day national strike from 14 March, in protest against a breakdown in award talks.

Private hospital domestic workers resumed negotiations with their employers after their 3-day strike. The award for restaurants, tearooms and fast food outlets was settled on 4 February with a 7 percent pay rise, but the case of rest home workers, who were seeking parity with private hospital workers, was referred to the Arbitration Court, which reserved its decision.

95 Taranaki natural gas operators, who are members of the Labourers Union, voted on 2 February to strike indefinitely. Their award negotiations had broken down before Christmas. The workers picketed the Oaonui and Kapuni plants and prevented the loading of petrol at Port Taranaki. Kitchen staff joined the strike and other workers refused to cross picket lines. The strikers lifted the picket on 7 February and wage talks resumed with the Shell-BP-Todd consortium. At the Glenbrook steel mill expansion project over 2 000 construction workers gained a 7.7 percent wage rise, plus a 13 percent rise in their production allowance to \$3.75 an hour.

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The new Coal Corporation announced on 26 February that the State Coal workforce would be cut from 1 April from 1 728 to 892. Hardest hit, apart from the Wellington head office, were Huntly, the West Coast and Ohai. The Runanga State Miners Union voted to disaffiliate from the Labour Party in protest against the staff cuts, as did the Denniston Miners Union. A Runanga statement described this decision as "probably the saddest resolution that has been put to this union in its history" and expressed the hope that before long "the working people of New Zealand will once again be united with a Labour Party that will again stand for the principles in which those who formed this party so firmly believed".

Major staff reductions were also imposed in the pulp and paper industry. Fletcher Challenge disclosed that 117 salaried posts were to be cut at the Tasman mill in Kawerau, and NZ Forest Products announced that it intended to reduce staff at the Kinleith mill by 1 200 over the next 3 years, in addition to 686 jobs already made redundant since last April.

The Combined State Unions complained that after 3 months of negotiations none of the new state corporations had agreed to allow all their staff to have PSA representation, nor had they agreed to standards for personal grievance disputes. The CSU also announced that it had filed a 7 percent wage claim for state tradespeople, in line with the wage movement in the private sector. The Government however introduced a bill to limit the forthcoming Higher Salaries Commission determination to a maximum increase of 10 percent, and this partial wage freeze was expected to flow on to state sector staff below the Commission's jurisdiction, including tradespeople. The Government also went back on an understanding that there would be no compulsory redundancies through public sector restructuring and announced that public servants declared surplus to requirements who had not chosen by 31 March either retraining, early retirement, leave without pay or voluntary redundancy, would be given 6 months' notice of dismissal. If they had not found a new position by 30 September, they would then be made compulsorily redundant. The only exception were forestry wage workers who were given a full year's grace.

Herbert Roth