

CHRONICLE

NOVEMBER 1988

The Minister of Finance, Roger Douglas, told the Waikato Manufacturers Association on 3 November that economic recovery was fragile and could be "blown away" if employers agreed to pay increases which ignored productivity. He also urged unions to be more flexible in their wage claims and base them on inflation expectations of 2 percent to 4 percent, rather than 7 percent. CTU secretary Ron Burgess replied that if the minister wished to interfere in the wage round, he should have accepted and supported the CTU concept of a centrally negotiated settlement. The Governor of the Reserve Bank also called for wage restraint, telling the Wellington Chamber of Commerce on 8 November that increased domestic costs were main factors contributing to economic recession.

The CTU launched a campaign to restructure the union movement with the release of a booklet "Challenges to the Trade Union Movement of Today". It proposed amalgamation of unions into a small number of "super unions", big enough to survive voluntary unionism and strong enough to demand a say in political and economic decisions.

An employment survey released by the Labour Department on 12 November showed a loss of just over 50,000 jobs (5.8 percent of the workforce) in the year to August. Unemployment totals continued to climb, but a survey by the economic forecasting firm Infometrics showed that up to a third of the workforce were on such low wages that they would be little worse off on the dole. According to the Employers Federation, the problem was excessively generous dole payments which acted as a disincentive for some people to seek work. Figures released by the Department of Statistics showed that ordinary-time pay rates for full-time adult workers had risen by 7.3 percent in the year to September, while the consumer price index rose by only 5.6 percent.

The Deputy Minister of Finance, Mike Moore, continued discussions with CTU leaders on the conclusion of a compact between the government and the trade unions. Such a compact, he said, would give workers a say in what makes up the "social wage", comprising housing, education, health and welfare services. An all-up rally of 12,000 unionists in Auckland on 21 November heard addresses by Ken Douglas and Bill Andersen on the award round and the general direction of the economy. 4000 workers attended a similar meeting in Wellington, 3000 in Christchurch.

The wage round made slow progress, with the highest settlement at 4.5 percent. The Engineers Union gained that increase for some 500 workers in cable plants in Auckland and Christchurch; engine-drivers settled their award at 4 percent, and ice cream workers at 3.9 percent.

Auckland chemical workers walked out for 72 hours when their award talks collapsed on 3 November. Their union claimed a 7 percent increase, and the workers struck again in the following week, bringing the manufacture of paint, varnish, ink and glue to a halt. The employers offered 3.5 percent, but as the strike continued they mentioned a 4 percent increase. On 25 November drug workers, who are members of the same union, struck for

48 hours when the employers rejected their claim for a 5 percent rise. The employers, who had offered 3.5 percent, threatened to sue for damages because the supply of drugs was an essential service requiring 14 days' notice of industrial action.

Award talks for clerical workers collapsed in Christchurch on 30 November, with the union claiming a \$20 a week rise and improved redundancy, and the employers offering a 3 percent rise conditional on more flexible working hours and the employment of more part-timers.

In negotiations on the dairy workers' award, which resumed in Rotorua on 31 October, the employers upped their 4.5 percent offer by adding another 1 percent to be paid next April. The union lowered its 7 percent claim to 5.9 percent, but stalemate was reached over the employment of seasonal labour and redundancy provisions. The union issued notices of industrial action to take effect from 19 November, but the employers obtained an interim injunction from the Labour Court, which prevented another strike. Late in November both sides met in Wellington before the Arbitration Commission, but the deadlock was not resolved and the union issued fresh notices of industrial action.

Electrical workers' award talks were adjourned, with the union claiming a 7.9 percent rise and the employers offering 2 percent. In the important metal trades award the parties reached agreement on a 4 percent increase, but there was deadlock over the employers' refusal to backdate the rise.

The 10-week redundancy dispute at Weddel Crown meat plants in Auckland, Whangarei, Cambridge and Hastings came to an end on 8 November. The combined unions accepted a modified package of 5 weeks' pay for the first year of service, 2 weeks for the 2nd to the 15th year, and 3 weeks thereafter for each year up to the 21st.

Maritime employers announced that they would seek substantial damages from the Harbour Workers Union for earlier hold-ups of vessels. According to the harbour workers' secretary, the employers were trying to use these claims to destroy the union, having failed to do so in the Labour Court. Award talks between the union and port companies broke down on 11 November, with the union claiming a 5 percent rise for a 9 months term, and employers offering 3.5 percent for 12 months. The union renewed its notice of industrial action, but in resumed negotiations agreement was reached on a 4 percent increase over 10 1/2 months.

Journalists' award talks broke down, with the southern union asking for 8.5 percent and the employers offering 2.5 percent. Evening Post journalists immediately struck for 2 days on 3 and 4 November, and then imposed a work-to-rule. The Northern Journalists Union, which sought a rise of 7.5 percent, was offered 4 percent. Talks on the photo lithographers' award also broke down, and newspaper staff, including printers who had rejected a 4 percent offer, launched a joint campaign of rolling stoppages which closed down newspapers in many centres. Northern employers raised their offer to 4.5 percent, while the journalists lowered their claim to 5.6 percent.

The Labour Court dismissed an action by the Fletcher Construction Company against the Northern Labourers Union, 3 officials and 12 named members who, it was alleged, had breached compliance orders issued in February. The judge found that the company's case was based on "aspirations and beliefs which, true or not, were unproved by the evidence which was adduced." He awarded costs to the union.

Ships' officers held up 2 New Zealand Shipping Corporation vessels in Port Chalmers on 9 November, in a dispute over a redundancy package. The managing director told the officers that the corporation was virtually insolvent and that a continuation of the strike would destroy it. The Minister of State Services, Stan Rodger, supported this warning, and the Labour Court issued an order requiring the officers to take one of the ships, the *New Zealand Pacific*, to Auckland. The ship sailed on 11 November, and the Merchant Service Guild agreed to meet the employers in Auckland in the presence of a mediator. Legislation providing for the sale of the Shipping Corporation was approved by Parliament on 22 November without a vote being called for. It had earlier gained the approval of a Labour Party special arbitration committee.

Industrial action by Auckland entertainment industry staff closed theatres, cinemas and amusement parlours for 24 hours on 21 November. The employers had offered an increase of 1 percent to projectionists and 2.7 percent to other theatre workers, but the major bone of contention was the employers' proposal to eliminate Sunday overtime.

Award talks for private hospital nurses broke down on 29 November, with the employers offering a flat increase of \$12 a week, equivalent to an extra 4 percent for nurse aids and 2.3 percent for senior staff. The Nurses Union, which claimed a flat \$30 increase, decided to call stopwork meetings. Award talks for private hospital domestic workers were adjourned, with employers offering a 1.5 percent pay rise, conditional on union acceptance of counter claims.

New Zealand Post and the Post Office Union agreed on 2 November on a 4 percent rise. In return the union accepted increased shift flexibility, reduced penal rates, and further senior management exemptions from union membership. The Minister of State-Owned Enterprises told Parliament that the split of the post office into 3 corporations had cost at least \$150 million in redundancies and changes to staff structures.

Commercial printers announced a resumption of industrial action after their award talks stalled on 7 November. The employers had raised their pay offer to 3.5 percent, but this was still far short of the union claim for 7.5 percent. In negotiations on the newspaper printers' award the union lowered its claim from 7.5 percent to 5 percent, and finally settled with the employers on 22 November for a 4.5 percent pay rise. The awards for commercial and packaging printers were also settled at 4.5 percent.

Justice Department staff adopted restrictive practices despite threats of suspension, in their campaign for a \$30 a week flat salary increase. Social Welfare workers, who took limited industrial action in protest against the department's pay offer, were also threatened with suspension, and Inland Revenue staff decided to work to rule in reply to a pay offer below 2 percent. Broadcasting staff walked out on 23 November in protest against clauses in the new broadcasting restructuring legislation, which put no limit on the number of staff employed on contract and removed such staff from the protection of the Labour Relations Act. The Airways Corporation agreed to graduated pay rises of up to 8.5 percent for junior staff and lesser amounts for higher grades, and the PSA negotiated a settlement with the Education Department which provided for a 4 percent rise up to an annual salary of \$22,919, and lesser increases above that level. When award talks with Electricorp collapsed, the PSA announced that staff would cut power at selected stations for 8-hour periods from 5 December.

Seairail presented the 4 maritime unions with a plan to cut 64 jobs on the inter-island ferries. It also proposed to make Wellington the home port for all ferry staff, and to abandon the practice of flying crew members to Wellington and providing overnight accommodation before and after each shift.

The butchers' award was settled in Christchurch on 1 November with a 4 percent increase in wages and allowances, rising to 5.5 percent for juniors. Meat retailers gained the right to trade 6 nights a week to 9 p.m. In talks on the non-food award the Distribution Union claimed a flat \$14 a week rise, while the employers offered 2.5 percent and asked for the right to trade 6 days a week for 24 hours a day. Shop employees held short stoppages and pickets at major stores, and the union rejected an improved employers' offer of 3 percent.

Northern storeworkers stepped up their award campaign with rolling stoppages and bans on exports, containers, load-outs and overtime. A major company, Goodman Fielder Wattie, told the Auckland Employers Association that it was prepared to give stores staff a 5 percent increase, but the employers stuck to their 2.75 percent offer, which they later raised to 3 percent. The union asked for a \$19.50 a week increase, equivalent to 6.3 percent.

Kindergarten teachers sought pay parity with primary school teachers, which would involve rises of nearly 31 percent at the most senior level. The average increase claimed was 17.8 percent, but the State Services Commission told the teachers that no money was

available for increases and that the award should be reconsidered next June. The High Court in Wellington refused an interim injunction sought by the NZEI and PPTA to stop substantial increases in school house rentals due from 15 December. About 3500 primary and secondary school teachers were affected.

Watersiders stopped work for 48 hours port by port in protest against a wage offer they considered unacceptable. The offer was for a 10 percent rise over an 18 month term starting last April.

DECEMBER 1988

A position paper released by the Business Roundtable opposed proposals for pay equity put forward by the Working Group on Equal Employment Opportunities and Equal Pay. These proposals, it argued, were likely to reduce employment and income opportunities for the least advantaged groups of women and to generate a new source of inequity. Pay levels should be based on supply and demand and the best way to reduce discrimination was to reduce regulatory barriers to competition in the labour market. The CTU issued a report which estimated that implementation of the pay equity proposals on the basis of a 7 percent rise in women's pay over 5 years would increase the national wage bill by only about 2.5 percent.

A discussion paper issued by the Trade Union Solidarity Committee, a group of Wellington union activists, accused the CTU of bowing to the politics of despair in its striving for a compact with the government. "What is lacking is the will to fight, not the ability to fight," said the committee.

The Higher Salaries Committee awarded members of Parliament a further 4.5 percent average pay rise. This followed an interim rise of 9.5 percent in May 1988 and brought their total increase since December 1986 to about 14 percent. Members also gained substantial increases in allowances and general expenses.

An article on unemployment in the Reserve Bank Bulletin argued for wage bargaining reforms to "allow the unemployed to exert downward pressure on real wage rates."

The Equal Opportunities Tribunal released its decision on 19 December on a complaint of sexual discrimination against Air New Zealand. Seventeen air hostesses had first approached the Human Rights Commission in 1980, but hearings before the tribunal did not start until November 1987. The tribunal found that Air New Zealand had breached the Human Rights Commission Act by not offering the hostesses the same opportunities for promotion as were offered to male crew with similar qualifications, and it ruled that the damages claims, totalling \$1.5 million, should be taken to the High Court. The tribunal was very critical of the Airline Stewards and Hostesses Union, which it found committed to a solution which would not disrupt its male members' career expectations. It requested the Labour Court to lift an interim injunction, granted at the request of the union, which had stopped the women's promotion, and it ordered Air New Zealand to take immediate steps to promote the 14 women still with the company to their rightful positions. The Labour Court lifted the injunction on 22 December. Air New Zealand accepted the tribunal's ruling, but the union sought for ways to upset the decision by an appeal to the High Court.

Paint, ink and varnish workers won one of the highest award increases after losing more than 4 weeks' pay through strikes and suspensions. They accepted a basic pay rise of 4.75 percent, plus an extra dollar a week on their clothing allowance. According to their union secretary, reclassifications pushed the settlement above 5 percent, but this was denied by the employers.

Private sector cleaners gained a 4 percent pay rise, as did security officers.

The long-drawn out negotiations on the dairy workers' award concluded on 5 December with the highest national settlement of the wage round. The workers gained a 5 percent

pay rise with a 0.5 percent top-up in six months. They also gained improved redundancy provisions and a limit on the number of temporary staff employed.

Auckland drivers stayed away from work on 5 December, after deadlock in negotiations on the carriers' award. The employers had offered a \$12 a week increase, while the union sought payments equivalent to a 5 percent rise. Negotiations on the contractors' award had also adjourned with the union seeking a 7 percent rise and the employers offering 2.5 percent. In the week that followed the 3 awards for carriers, contractors and northern ancillary drivers were all settled at 4 percent, leaving wages for ancillary drivers outside the northern district to be negotiated later. Northern ready-mix concrete drivers also gained a 4 percent increase, as did security van drivers. The latter, after a 2-day strike in Auckland, also won a guarantee of 2-man crews.

The maintenance electricians' and electronics awards were also settled at 4 percent, and top-level talks in Wellington early in December paved the way for agreement on the metal trades award, which had been deadlocked since September. Settlement at 4 percent, with no backdating, was announced on 8 December. The Engineers Union gave 14 days' notice of an extended stopwork meeting by Air New Zealand aircraft workers for 19 December, which would have disrupted holiday air travel. The action was called off on 17 December, because agreement on wage increases was near. Workers at the Tiwai Pt. Aluminium smelter accepted a package deal comprising a 4.4 percent wage increase and a lump sum payment of \$152 each, in lieu of back payments to 12 November, the date of expiry of the previous site agreement.

The Meat Workers Union signed an agreement on 21 December with the Fortex Group in Christchurch, which allowed the company to operate its Seafield plant near Ashburton round the clock, 24 hours a day for 6 days a week, with no penal pay. Each worker was to work a 3-day week of 33 hours for 5 days' pay, which would enable the company to employ up to 250 additional workers.

Negotiations on the hotel workers' award broke down, with the union prepared to accept a 5 percent increase, while the employers offered 3.75 percent dependent on agreement on a 4-day 10-hour working week at ordinary rates of pay, and increased flexibility to use casual staff.

The Northern Journalists Union reached agreement on a 4.5 percent pay rise.

Negotiations on the building labourers' award broke down after the union rejected a 2.5 percent pay offer, dependent on acceptance of the employers' counter-claims. Stopwork meetings in Auckland and other centres voted in favour of 4 days' industrial action from 8 December. Trespass charges brought against 2 officials of the Northern Labourers Union were dropped on 8 December, after the police failed to present evidence. The Auckland local body labourers' award was settled on 16 December with an increase of 4 percent.

Private hospital nurses attended countrywide stopwork meeting and voted overwhelmingly in favour of strike action in the new year.

The Police Association claimed a 7 percent pay rise, an extra 5 days' annual leave (bringing the total to 38 days), improved long-service leave, an accommodation allowance of up to \$2000, and compensation for having to undergo physical fitness tests. The Association took industrial action by banning the use of police cells for sentenced or remand prisoners from the beginning of 1989.

19,500 Telecom workers gained a 4 percent pay increase for a 10-month term from 10 November, with a top-up of 1.5 percent from 10 September running through to 1 April 1990.

Power cuts by Electricorp workers went ahead as announced on 5 December, and were repeated on 7 and 9 December. The corporation made no advance on its pay offer of between 1.25 percent and 2.2 percent, subject to clawbacks on conditions. On 14 December, when the PSA cut off 60 percent of power output, the biggest cut in the country's history, informal talks led to the cancellation of further cuts and the resumption of formal negotiations. Electricorp's half-yearly financial report tabled in Parliament

showed that profit had jumped by 76 percent to \$201 million, but the resumed wage talks were inconclusive and there were threats of further power cuts in the new year.

Inland Revenue staff started a 9-day work-to-rule on 1 December. PSA health and hospital workers held a 4-hour stopwork meeting on the afternoon of 12 December in protest against employer claims for extended working hours and changes to rostered shifts and other conditions without any offer of pay increases. Among other PSA members to take industrial action were staff of the Maori Affairs and Internal Affairs Departments.

Seamen demonstrated on 2 December outside foreign shipping offices in Wellington and Auckland to highlight the prospect of job losses through overseas ownership of the New Zealand Shipping Corporation. The Union Shipping Company and the 4 maritime unions announced agreement on 8 December on redundancy packages and retraining arrangements for 94 staff laid off from oil tankers. Wellington seamen voted against crewing extra holiday sailings of the inter-island ferries, as part of their campaign of non-co-operation with Searail. An early morning sailing on 19 December had to be cancelled, but Searail obtained an order from the Labour Court instructing the seamen to crew the extra sailings.

Shop workers announced pre-Christmas strike plans, unless the employers improved on their 2.75 percent pay offer in the non-food retail award and abandoned their claim for unrestricted opening hours. The award was settled on 21 December with an increase of 3.5 percent, with a minimum \$7.50 a week rise for juniors, equivalent to a 5.6 percent rise at the lowest level. The union conceded the 2 remaining late nights of trading to 9 p.m., as it had done in the other retail awards. Northern storeworkers meanwhile struck or imposed load-out bans at central warehouses, which caused shortages on supermarket shelves in their busiest trading month. The northern stores award was settled on 12 December with a 4 percent pay rise and some provision for flexible hours, where workers, employers and the union agreed.

The Court of Appeal on 9 December upheld the legality of the government's action in increasing rents for teachers' houses to market rates. Individual teachers retained the right to lodge objections to rent increases before Tenancy Tribunals, and several hundred teachers did so with the support of their unions. The government announced plans to sell one tenth of Education Department-owned houses, with priority given to teachers who wished to buy the house they lived in. Kindergarten teachers, who had already reduced their original pay claim to 5.6 percent, called off protest action, such as reduced session times, refusal to send end-of-year statistics to the Education Department, and refusal to enrol entrants for next year.

The Ministers of Labour and Transport jointly announced on 11 December that the government intended to abolish the Waterfront Industry Commission next year and replace it by port-by-port rather than national employment structures for watersiders. After nearly 50 years of special treatment, said the ministers, the waterfront would be eased back into the real economic and industrial world and would join the rest of the economy in functioning under the Labour Relations Act. The secretary of the Waterside Workers Federation commented that his union had no problems whatsoever with the reforms. On 22 December the Labour Court ruled in favour of the watersiders in their demarcation dispute with harbour workers arising out of the new port reforms legislation. The court decided that watersiders were entitled to load and unload ships by using cargo-handling equipment owned or provided by stevedoring companies within the wharf limits.

JANUARY 1989

A Heylen poll commissioned by the government found that almost 80 percent of respondents supported government attempts to forge a compact with unions and business. Mike Moore, the minister charged with negotiating such a deal, told the press that he hoped to have a Kiwi Compact ready by September. He rejected claims from the Business

Roundtable, based on a poll it had commissioned, that public opinion was opposed to centralised and politicised arrangements and to new government intervention in the market place. Opposition to the compact proposals also came from some Wellington unionists who formed themselves into a "No Accord Group". Workers, they argued, could not trust the government in any deals. On 25 January government officials met with businessmen and unionists, including representatives of the Business Roundtable and the Council of Trade Unions, to discuss the compact. Also present was an American union economist, Sheldon Friedman, who had come to New Zealand at the invitation of the government. Moore, who chaired the 5-hour long seminar, reported that the parties had found some common ground.

An Auckland district court judge, who convicted and fined the Mainzeal construction firm on charges on failing to provide adequate safety measures on 2 city building sites, expressed surprise that unions did not stop work until sites were made safe. The secretary of the Carpenters Union replied that workers frequently refused to work on unsafe sites, but he also called for stricter Labour Department supervision.

The Auckland Employers Association expressed regret that employers had not been sufficiently firm in the current award round, and had so easily agreed to 4 percent pay increases after claiming that there was little or no capacity to absorb wage rises. The result, it said, was a wage round almost indistinguishable from previous years, with very little progress towards bargaining reform. Other commentators made the same points: the variation in settlements, which ranged from 3 percent to 5.25 percent (for dairy workers), was somewhat greater than in previous years, but overall a 4 percent rise had become "the going rate" in the private sector. Employers had made counter-claims for more flexibility in almost all negotiations, but only some were able to achieve some clawbacks.

The bakers' award was settled in Wellington on 26 January with a 4.65 percent pay increase over a 14-month period. Junior rates increased by between 7.3 percent and 8.4 percent, and the parties agreed to split the award next year into bread and cake/pastrycook sections.

Members of clerical workers' unions voted 2 to 1 to strike for 3 days on 2, 3 and 7 February in support of a 4 percent pay increase without clawbacks. The employers had asked the union to lift restrictions on part-time work. Negotiations on the freezing works clerical award adjourned on 27 January, when the employers rejected a 4.5 percent pay claim.

Private hospital domestic workers settled their award with a 4 percent increase, with no union concessions on flexible use of casual labour asked by employers. Negotiations on the rest home workers' award stalled, with the employers refusing pay rises. Talks on public health workers' awards also broke down. Nurses were told by the State Services Commission that any increases were dependent on cuts in penal rates for weekend and shift work, travel allowances and other changes, because the government had allocated no extra funds and increases could only come from existing budgets. According to the Nurses Association, the clawbacks demanded by the commission meant a net pay loss of between \$30 and \$50 for most full-time nurses. On 25 January public sector health workers represented by the Nurses Association, PSA and Hotel and Hospital Workers Federation held joint stopwork meetings for the first time and decided to take ballots, which voted for combined strikes of 24 hours on 14 February and 48 hours on 21 and 22 February. Resident medical officers, whose award talks broke down on 18 January, also planned industrial action. The pharmacists' award, covering some 6000 workers, was settled with a 4 percent pay rise.

The mainly female workforce at Crown Lynn potteries in West Auckland walked out on 23 January, after rejecting a 2 percent pay offer conditional on the axing of penal rates for overtime. They resumed work next day, but struck again on 26 January.

The PSA dropped its claim for electricity workers from 9.5 percent to 4.5 percent, while Electricorp upped its offer to 3.25 percent for its marketing division and 3.5 percent for production workers. The gap could not be bridged in renewed negotiations and the

PSA gave notice of further severe power cuts on 23 and 27 January. Members had been made even more cynical, said the PSA president, by revelations that Electricorp managers had received handsome performance bonuses for productivity gains achieved by the entire workforce. These payments amounted to more than half a million dollars. The Electricorp chairman claimed on television that incentive-linked payments had been offered to all staff members; the PSA denied that it had ever received such an offer, and Electricorp had to explain that the offer had been made to staff on condition that the PSA withdrew from collective bargaining.

Altogether Electricorp's style of industrial negotiations was a public relations disaster. The *Auckland Star*, in a scathing editorial, wrote of the "dented image" of the corporation, caused by managerial obduracy and insensitivity, while a staff writer in the Dominion accused the corporation of presenting the "ugly face of capitalism" in a most bizarre form. Electricorp challenged the PSA in expensive half-page newspaper advertisements to agree to responsible third-party mediation, but when the PSA went further and offered to submit the dispute to independent arbitration, Electricorp refused, asking "What can a third party possibly know about the detailed running of a business that qualifies it to decide what the labour cost to that business will be?" In the advertisements, the name of the recipient of Electricorp's letter, PSA general secretary Colin Clark, was misspelled. Soon afterwards the managing director of Transpower, an Electricorp subsidiary, told the press that he had met the PSA claim for a 4.5 percent pay rise, but he then had to concede that Transpower's 4.5 percent offer was for a 16-month term, equivalent to just over 3.3 percent on an annual basis.

Electricorp's pay offer was conditional on lifting a rent freeze on workers' houses and on cutbacks on the supply of free electricity to its staff. The PSA called on the Ministers of Finance and State-Owned Enterprises to intervene in the dispute and persuade the corporation to accept independent arbitration, but Stan Rodger urged the parties to "keep working at it". On 17 January the 150 Transpower staff accepted a 5.2 percent pay rise over 16 months, equivalent to 3.9 percent on an annual basis. They also gained a one-off payment of \$100 each, extension of a voluntary redundancy package and continuation of electricity supply concessions. They forfeited the rent freeze, and the PSA surrendered union coverage for some management posts. Informal talks continued between the PSA and other Electricorp subsidiaries and in the case of production workers (2500 of the corporation's total staff of 4000) settlement was reached on a 4.8 percent increase for 12 months from 17 January, equivalent to 3.9 percent from November 1988, when the previous agreement expired. The PSA cancelled its strike notices; the pay deal, it said, was "no great shakes," but the best that could be achieved in "extraordinarily difficult circumstances".

Settlements for individual government departments negotiated by the PSA provided for percental increases of up to 4 percent at the lower levels, and flat dollar rises for the higher paid. A survey by the *Dominion Sunday Times* showed that staff losses in government departments, the post office, state coal mines and the railways between March 1986 and the end of 1988 exceeded 40,000, with the greatest losses, over 17,000, in the 9 months between March and December 1988.

The Shipping Corporation announced on 9 January that it had sold 2 of its ships, the *New Zealand Pacific* and the *Forum New Zealand II*, to Hong Kong subsidiaries, that the ships had been reregistered under the Hong Kong flag, and that the crews would be given an option, when the ships reached Tahiti and Port Moresby respectively, to sign on under reduced conditions or be flown back to New Zealand. When the *New Zealand Pacific* (renamed *Tui*) arrived in Tahiti next day the entire crew, 17 officers and 21 ratings, refused to accept what they called "third world" conditions and walked off the ship. They were replaced by a waiting crew of British officers and Spanish ratings. At Port Moresby too a replacement crew was waiting for the *Forum Pacific II* (renamed *Weka*), but here the New Zealand ratings decided to sign the new contracts, though the officers walked off and were replaced. Officers on the *New Zealand Mariner*, which was berthed in Melbourne,

went on strike in protest against the reflaggings, and another Shipping Corporation vessel, the *New Zealand Caribbean*, which was due to dock in Auckland, was ordered to sail to California without discharging its cargo, so as to avoid industrial trouble in Auckland.

The purpose of these involved manoeuvres was to reduce wages, conditions and manning levels on corporation vessels as a precondition for selling the shipping line to foreign interests. The most drastic cut was in leave entitlements, which were reduced from 30 days on, 30 days off to a ration of 12 days' leave for every 30 days worked. The Treasury, which handles the sale of state-owned enterprises, and the corporation's bankers had given their approval to the reflaggings in December. The Shipping Corporation claimed that the reflagging exercise would save \$11.6 million a year, and there was general approval of the move from opposition M.P.s, exporters and farmers' leaders.

When the reflagged *Tui* arrived in Auckland on 17 January, it was greeted by a picket of maritime unionists, including members of its former crew. Wharf workers respected the picket and refused to unload the ship's cargo. The maritime unions claimed that the *Tui's* crew had been illegally locked out in Tahiti, and they sought compliance and interim orders in the Labour Court to have the original crew reinstated. Hearings began in Wellington on 24 January. At the same time the new Hong Kong owners of the *Tui* sought an order directing the wharf unions to unload the ship. They obtained an interim injunction on 26 January, and the watersiders, stevedores and harbour workers walked up to the picket but then retreated to avoid violence. This ritual confrontation was repeated on the following day, and the High Court deferred a further application for an order directing the seamen's and cooks and stewards' unions to remove the picket.

The Shipping Corporation meanwhile paid off the 13-strong crew of the *New Zealand Mariner*, which had been strike-bound in Melbourne. It did not intend to reflag this ship, but wanted to renegotiate wages and conditions. The crew, however, refused to leave the ship, claiming they had been locked out, and asked to continue working under New Zealand awards. The corporation also sold the *New Zealand Caribbean* in California and flew the crew back to New Zealand. There was trouble on yet another corporation-managed vessel, the coastal tanker *Tarihiko*, where the Ship's officers stopped work on 31 January in support of a claim for a redundancy agreement.

School cleaners and caretakers gained a \$12 a week (3.9 percent) pay rise and defeated a bid by the State Services Commission to have their house rentals assessed at market rates. Primary school teachers asked for a 7 percent pay rise in their award talks, which opened on 25 January. Other claims included equal opportunities for Maori and women teachers, as \$2500 allowance for stress associated with restructuring, a subsidy to compensate for increased rentals for school houses, and a 4-term school year. The State Services Commission dismissed these claims as totally unrealistic; its counter-claim proposed to remove all teachers above the basic scale, an estimated 6000, from award coverage and to place them on contracts.

FEBRUARY 1989

The Minister of Labour announced the appointment of a committee of inquiry into industrial democracy, chaired by chief judge J.R.P. Horn of the Labour Court and comprising the director of the Trade Union Education Authority Linda Sissons, and the immediate past-president of the Employers Federation Dick Wilks.

A Treasury report opposed pay equity for women which, it claimed, would cost up to \$750 million and the loss of between 6000 and 25,000 jobs and would reduce New Zealand's growth rate by as much as 0.5 percent and 1 percent a year. The deputy director-general of the Employers Federation praised the report for repeating what employers had been saying for a long time, but the president of the Council for Equal Pay and Opportunity expressed surprise at Treasury concern for unemployment, seeing that

policies advocated by the Treasury over the past 4 years had led to unemployment for about 150,000 New Zealanders. The Prime Minister commented that in years past the Treasury would have opposed the abolition of slavery, and on 27 February the Deputy Prime Minister announced that pay equity legislation would be passed before the 1990 election and would cover the public and private sectors. Union representatives welcomed the announcement, but the leader of the opposition complained that pay equity would add to business costs and would put jobs at risk.

The first women's conference convened by the Council of Trade Unions, which met in Wellington on 16 and 17 February, discussed an action plan to promote increased participation of women in unions.

The reflagging of Shipping Corporation vessels continued to make headlines. The Minister of Transport accused the Treasury of not keeping him fully informed on the reflagging proposals and claimed that what information his ministry did receive last December was incomplete and ambiguous. The Minister of State-Owned Enterprises agreed that he had been told of the reflagging, but claimed that he was not aware that the ship would be diverted and alternative crews hired. The Treasury briefing paper did however explain that the purpose of reflagging was to change to Hong Kong manning levels and conditions. The chief judge of the Labour Court described the reflagging exercise on 2 February as surreptitious, containing elements of deceit, conspiracy and intimidation. The sale of the 2 ships to Hong Kong subsidiaries was, he said, a sham or a facade designed to break out of the New Zealand award structure, and he considered the Shipping Corporation still the effective employer. The crews had been locked out, he ruled, but because the ships were not at the time part of an essential industry, the lockout was not illegal. The judge adjourned the unions' claim for damages and refused to order the reinstatement of the original crews during interim proceedings. He suggested, however, that the Spanish seamen hired for the *Tui* at lower rates and conditions might be entitled to New Zealand award conditions and asked for further submissions.

The new nominal owners of the *Tui*, the Hong Kong company Fuday, sought an interim injunction in the Auckland High Court to stop the picketers preventing the unloading and loading of the vessel. The court on 3 February declined to rule on the injunction and referred jurisdiction to the Labour Court. Auckland wharf workers made another attempt to cross the picket line on 4 February but retreated again to avoid violence. The other reflagged vessel, the *Weka*, arrived in Auckland on 6 February and next day its New Zealand crew members publicly burned their contracts in Queen Elizabeth II Square. Seamen and cooks and stewards ended their 22-day picket of the *Tui* on 7 February, marching off to the sound of bagpipes, and transferred it to the *Weka*. Thirty ships' officers took over the *Tui* picket, but they were ordered off after 4 hours by their union, the Merchant Service Guild. Wharfworkers then unloaded the *Tui* which sailed for Port Chalmers on 10 February, but the New Zealand ratings on the *Weka* refused to work the ship and were given 48 hours' notice of dismissal by their new English captain.

The Wellington Labour Court meanwhile heard an application by the Shipping Corporation to have 12 ratings and 1 engineer removed from the *New Zealand Mariner* in Melbourne. The judge declined to make an order, saying the corporation's hands were "not clean" and that there was no express or implied condition that a worker had to leave his workplace on termination of employment. The 19 dismissed *Weka* ratings also refused to leave the ship, while in Port Chalmers union pickets prevented work on the *Tui*. In an unrelated dispute the Shipping Corporation filed a damages claim in the Wellington Labour Court against the Merchant Service Guild, whose members had been on strike on the LPG tanker *Tarihiko* until 6 February.

The Otago Harbour Board obtained an order to lift the picket on the *Tui*, but, rather than risk further industrial action at her next scheduled stop in Wellington, the *Tui* sailed for Europe after loading. On 14 February the Pacific Forum Line announced that it had reached agreement to buy the *Weka*, and that it intended to negotiate an internationally

competitive agreement with the maritime unions. The Seamen's Union greeted the news with optimism, but the Minister of State-Owned Enterprises cancelled the sale because the crewing arrangements were unsatisfactory. The *Weka*, said Stan Rodger, could not be sold on anything less than international crewing conditions. The manager of the Pacific Forum Line declared himself "totally outraged" by this veto. Meanwhile the Hong Kong owners of the *Weka* filed papers in the Admiralty jurisdiction of the Auckland High Court, seeking \$11 million damages from the *Weka*'s crew for unlawful trespass.

On 20 February the 4 maritime unions signed an agreement for reduced manning levels with the Union Shipping Company, with savings to the company estimated at \$3 million a year. The company undertook to spend about \$1 million on retraining crews for more integrated work. According to the secretary of the Merchant Service Guild, a similar deal had been offered to the Shipping Corporation but had failed when the corporation refused voluntary redundancy. On 28 February the chief judge of the Labour Court granted the maritime unions a compliance order, directing the Shipping Corporation, as the effective owner and employer, to enforce New Zealand award conditions on its reflagged ships within one month. The corporation announced that it would appeal against the decision, while the Seamen's Union hailed the "resounding victory" as a vindication of the unions' stand.

Conciliation talks between the Airline Pilots Association and their employers resumed on 27 February. The pilots pressed for a single national award, instead of the existing separate agreements with 5 air lines, and for pay rises: 7 percent for Air New Zealand pilots and up to 17 percent for Ansett pilots, who had not had a pay increase for 2 years. They claimed that a national award would preserve safety standards which were being eroded by deregulation, and would prevent reflagging tactics of the style pioneered by the Shipping Corporation. The air lines strongly opposed a national award; when the talks collapsed the Pilots Association authorised strike action.

The bank officers' award was settled with a 4.25 percent rise from 1 March. The employers agreed to extend the Auckland/Wellington locality allowance to Bankcard staff, after they had struck over this issue on 7, 8 and 9 February.

Award talks for carpenters failed to reach agreement, and Auckland carpenters called a stopwork meeting for 7 March.

The Northern drug and chemical workers' award was settled with a 4.75 percent rise.

Clerical workers struck on 2 and 3 February in protest against the breakdown in their award talks. There was controversy over the effectiveness of the action; the union called off a further planned strike on 7 February because discussions with employers were to resume.

Power board electrical workers in Canterbury and Westland gained a 4.7 percent increase for 12 months, with a 1 percent top-up for the following 3 months. Elsewhere power workers were offered a 4.7 percent increase for 15 months, which the union rejected (and threatened strike action).

Negotiations on the national meat workers' award adjourned indefinitely on 17 February, after the unions rejected a flat-rate pay rise of \$10 a week and the introduction of shift work in all departments except the slaughterboard.

Award talks for hairdressers stalled when the Distribution Union rejected employer claims to reduce penal and overtime rates.

Negotiations on the national hotel workers' award broke down on 27 February. The employers had raised their offer to 4 percent, but they still demanded increased use of casual labour and the introduction of 10-hour 4-day working weeks. The private rest-home workers' award was settled with a 4 percent increase backdated to 6 January. Other awards settled at 4 percent covered saddlers and canvas workers, law practitioners, engineering draughtsmen, furniture trades, and jewellery workers.

A 10-day strike by some 200 workers at Crown Lynn potteries, a Ceramco subsidiary, ended on 9 February when the company conceded a 4 percent increase and the retention of overtime payments for work beyond 8 hours a day.

Northern builders' labourers held a stopwork meeting on 15 February to discuss the breakdown in their award talks, and then decided to strike for 3 days. When they refused overtime after their return to work, major Auckland construction firms suspended 200 labourers on 20 February.

Private hospital nurses cancelled their notice of a 24-hour strike called for 22 February, to allow award talks to resume. The employers offered a \$12 a week increase, but the nurses asked for \$21 backdated to 31 January, double pay for Sunday work, and the setting up of staffing level committees. The award was settled on 10 February, with a \$15 increase in pay and a 4 percent rise in allowances.

Meanwhile a CTU deputation appealed in vain to the Ministers of Health and Labour to intervene in the public health workers' dispute. The unprecedented national 24-hour public hospital strike went ahead on 14 February, involving some 35,000 members of the Nurses Association, PSA, Hotel and Hospital Workers Federation, and Local Bodies Officers Union. Hospitals had sent many patients home and they were able to cope on the day with the help of volunteers. A further 48-hour strike was due to take place in the following week, but the State Services Commission hurriedly dropped its initial proposal to offset wage increases against cuts in penal and overtime payments. They were in a position to discuss a genuine wage increase, announced an assistant commissioner, and on this basis negotiations resumed and quickly reached agreement. The package provided for a pay rise of \$12 a week for workers earning up to \$24,000, \$13.50 between \$24,000 and \$34,000, and \$6 a week above \$34,000. The employers withdrew all clawback claims and promised that the pay rises would not be offset by job losses. The health unions withdrew their strike notices.

Photoprocessors settled their award with a 4.5 percent increase, but agreed to extend the time when ordinary rates applied by 30 minutes, from 7.30 a.m. to 6 p.m.

The police pay claim was referred to the Arbitration Commission, after the Police Association rejected an employers' offer of a 1.5 percent pay rise, conditional on changes to overtime and time-off conditions. Traffic officers, who had refused to collect instant fines, called off their industrial action on 22 February after receiving a new offer on pay and conditions from the Ministry of Transport.

After 3 days of talks between the Post-Primary Teachers Association and the State Services Commission adjourned on 7 February, the teachers decided to hold stopwork meetings to discuss the deadlock. The commission proposed to remove thousands of senior and manual teachers from award coverage and place them on contracts, and to replace the existing pay scale by 2 ranges of rates, leaving school trustee boards to place teachers anywhere within these ranges. The commission threatened to stop negotiations if the "provocative" and "unnecessary" stopworks continued, but an Auckland meeting on 21 February attended by some 2000 secondary teachers, asked the PPTA to call all-out national strikes if the negotiations did not make satisfactory progress. Two further days of talks with the commission on 23 and 24 February brought no result, with the PPTA claiming that it was concerned not just with pay and conditions, but with the quality of education offered to New Zealand children. The primary teachers' pay talks made satisfactory progress and the NZEI cancelled a half-day strike planned for 7 March "as a gesture of goodwill."

The government decided to remove academic salaries from the control of the Higher Salaries Commission and to let them be negotiated between academic unions and the State Services Commission under the Labour Relations Act. Tertiary teachers' associations expressed concern that the government did not propose to extend to them the statutory protection given earlier to other teachers' unions. Judges, who remained subject to the Higher Salaries Commission, had their salaries raised by between 14.2 percent and 21.3 percent, backdated to 1 April of last year.

The Auckland Tramways Union hired more than 50 corporation buses and drove them through the city on 27 February, in a lunch-time demonstration against the deregulation of

the public transport industry. Passengers and spectators were urged to sign a petition to Parliament.

800 workers at Feltex carpet plants in Auckland struck for 2 days on 20 and 21 February. The dispute was settled when the company agreed to hold discussions with the union on single-site agreements.

Herbert Roth

Review copies of the following Basil Blackwell publications are available from Alan Geare. Anyone wishing to review any of these publications should contact Alan Geare, Department of Management, University of Otago.

Beyond the Workplace - Managing industrial relations in the multi-establishment enterprise
by Paul Marginson, et. al.

Shopfloor Politics and Job Controls - The post-war engineering industry
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Turkington D (1976) *Industrial conflict* Wellington, Methuen.
Department of Labour (1982) *Annual report* Wellington, Government Printer.
Roth H (1974) Trade Unions. In Howells J M et al. (Ed) *Labour and industrial relations in New Zealand* Carlton, Pitman.
Sulong S (1965) *Aspects of trade union government in New Zealand* MA thesis, Victoria University of Wellington.

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