

CHRONICLE

JULY 1989

A New Zealand Herald-National Research Bureau poll showed that 64 percent of those questioned preferred voluntary union membership. A similar poll in 1984 gave a 66 percent majority. Figures released by the Statistics Department showed that industrial stoppages in the private sector in 1988 were at their lowest level since 1967. Working days lost were at their lowest level since 1975, with more than a third lost in the meat export industry.

The Minister of Labour announced that a single act is to replace 31 acts and 50 regulations dealing with occupational health and safety. The Labour Department is to become the sole agency responsible in this area, with an occupational health and safety advisory commission with employer and employee representation to advise the minister of the law and its administration.

Air New Zealand pilots renewed threats of industrial action when company representatives failed to attend conciliation talks on a group award on 30 June. They accused the company of bad faith for renegeing on a written agreement to enter into meaningful negotiations, but a company spokesman claimed that the pilots' demands were defective in law because, if accepted, they would make Air New Zealand the employer of Mt. Cook Airline and Safe Air pilots as well as its own. The company therefore sought a judicial review of the pilots' claims in the Labour Court. The pilots warned that the company's delaying tactics would jeopardise the operation of the Boeing 747-400 jets, the first of which was due to arrive later in the year, and that the prospect of industrial unrest would affect the value of Air New Zealand's forthcoming share issue.

The decision of the Northern Clerical Workers Union to employ a debt-collecting agency to recover outstanding union fees from some 5000 members brought a frenzied response from defaulters, many of them lawyers whose own union, the Northern District Legal Employees Union, had amalgamated with the clerical workers last year. A spokesman for the objectors was described as a city lawyer in his early thirties and on a 6-figure salary. Large Auckland law firms were reported to have joined forces to fight the union, and secretary Syd Jackson's recent privately-funded visit to Lybia was quoted as a reason for not joining up. "These lawyers who deal every day with the law, seem to believe they can put themselves above it," commented Jackson.

The long-running dispute over renewal of the hairdressers' award ended on 18 July, when agreement was reached on a 3 percent pay rise, without the clawbacks sought by the employers.

The Labour Court ordered the Timaru Port Company to hire forkhoists to stevedoring firms without port company drivers. This transferred harbour workers' traditional work coverage to watersiders and, though the Court ordered that work be allocated equally between the two unions, the harbour workers' secretary denounced the decision as "so

obviously unfair and wrong that workers cannot be persuaded to comply with it." Negotiations for a new national award for harbour workers threatened collapse when 10 regional port companies refused to nominate negotiators and the mediator ruled that the 4 metropolitan ports were not representative of the industry. The union gave notice of industrial action, but on 27 July all 14 ports agreed to negotiate an award.

After a last-minute attempt to renew the licensed hotels award failed, the Service Workers Federation withdrew its application and agreed to let the negotiations lapse. The Federation intended to meet employers in informal talks, but Hancock and Co. went ahead with their application for a composite award covering some 4000 hotel workers and clerical staff in its more than 100 hotels. Contrary to reports that the company's staff supported the application, the Service Workers Federation claimed that a ballot of Hancock workers overwhelmingly opposed the separate award proposal.

A decision to transfer care of 0 to 5 year-olds from public health nurses to Plunket nurses significantly increased the workload of the latter, from 160 babies per nurse to 200 babies. Plunket nurses voted to hold 2-hour stopwork meetings unless their babyload was reduced.

The decision by the Police Association to join the Council of Trade Unions caused some dissent in union circles, but CTU secretary Ron Burgess explained that membership was open to any genuine trade union or employee organisation.

Government Printing Office staff voted on 24 July to ban work for the State Services Commission and Treasury, because the commission had reneged on an agreement that the new owner of the printing office would continue employers' superannuation contributions.

Members of the National Union of Railwaymen voted to disaffiliate from the Labour Party, as did members of the Distribution and General Workers Union. The Northern Distribution Workers Union, on the other hand, decided to remain affiliated, though subject to continuous review.

The Norwegian Gearbulk Company dismissed the 24-member New Zealand crew of its vessel *Cormorant Arrow* in Japan, after failing to reach agreement on reduced manning levels. The company claimed that New Zealand crews were too costly to employ, but the Seamen's Union accused Comalco, which had introduced Gearbulk ships to the aluminium trade between Tiwai Pt. and Japan, of breaching an agreement made in 1984 to subsidise the extra cost of New Zealand crews. On 20 July seamen picketed another Gearbulk ship, *Harefield*, in New Plymouth to protest against the company's actions. The Seamen's and Cooks and Stewards Unions agreed with the employers to let the Arbitration Commission settle outstanding issues in their award. Most clauses had been agreed on but the length of the award remained in dispute. This was the first time since the Labour Relations Act was passed in 1987, that the commission had been asked to determine an award.

The area schools award, which covers some 600 primary and secondary teachers, was settled after the employers withdrew a claim for individual contracts for senior staff. The government announced however that it intended to legislate to introduce contracts for senior secondary and area school posts from 1 October. Teachers' unions had been warned that this would happen if agreement could not be reached in negotiations, but the PPTA accused the government of using its power to have a "second bite", while the unions were allowed only a single set of negotiations under the Labour Relations Act. The State Sector Amendment Bill, introduced on 27 July, provided not only for contracts but also allowed local school boards to vary national criteria for teacher discipline and competence. The PPTA called an emergency executive meeting to consider industrial action.

Efforts to negotiate a national award for watersiders failed when the employers insisted on separate port agreements. After the abolition of the Waterfront Industry Commission on 30 September, employers were to employ watersiders directly and they were seeking cuts in staff, pay and conditions. On 24 July Auckland watersiders took a day off to "read" proposals for a port agreement submitted in Tauranga, and they threatened to tender

for stevedoring contracts themselves, unless the employers agreed to a national award. The Auckland waterside union already owned the Maritime Union Stevedoring Company, and it increased its stake in the Auckland Stevedoring Company to 50 percent. The government introduced a bill setting up a Waterfront Industry Restructuring Authority entitled to raise up to \$30 million over 3 years from levies on harbour board land and port company shares. This money will help employers with redundancy payments to watersiders laid off after 1 October, but commentators forecast that even larger sums would be required.

AUGUST 1989

The National Party spokeswoman on finance, Ruth Richardson, told Wellington financiers and economists on 1 August that a National government would wipe out "union protection rackets" and allow employees to draw up individual contracts with their bosses. She was echoed by Doug Myers of the Business Roundtable, speaking to an Institute of Public Administration conference on 3 August, who called for the repeal of legislation controlling the labour market to give individuals the right to enter into arrangements which suited them, subject only to common law provisions. Myers saw no need for a separate Labour Court or for government-provided mediation services or pay equity bureaus. Steve Marshall of the Employers Federation claimed at the same conference that good employers would not take advantage of their employees in direct dealings, but would create an environment which had no place for such imposed procedures as pay equity or industrial democracy, let alone a return to compulsory arbitration.

Another speaker, Reserve Bank governor Don Brash, told the conference that people should be able to work below award minimum wages and have their wages topped up through the tax and benefit system. Low wages, he said, would reduce unemployment. Peter Conway of the Northern Distribution Workers Union pointed out that industrial legislation allowed individuals to negotiate contracts offering more favourable terms and conditions than awards, while CTU president Ken Douglas said it was "horribly obscene" for people in Dr. Brash's position to pontificate about poverty.

Figures released by the Statistics Department showed that real disposable incomes rose by 6.4 percent in the year to March 1989. For the top fifth of workers, those earning more than \$37,000, the increase was 11.3 percent, while for the lowest quintile, those earning less than \$17,400, the increase was 3 percent.

Union and employer representatives welcomed the appointment as Labour Minister of Helen Clark, who led the government delegation at the opening meeting of this year's Tripartite Wage Conference on 16 August. A paper presented to the conference by the Employers Federation advocated more flexibility and fewer penalties on part-time work, Federated Farmers looked forward to pay increases below 2 percent, and the managing director of Magnum Corporation called for the abolition of compulsory unionism and for minimum pay rises. Dr. Brash warned that the Reserve Bank would tighten monetary policy if wage settlements compensated workers for the July GST increase, which earned him a rebuke from the CTU for his "continued interference in the wage-bargaining process."

Opposition M.P. Bill Birch released a National Party position paper on industrial relations, which closely matched the Employers Federation and Business Roundtable agenda. He promised to reintroduce voluntary unionism, allow contractual workplace, enterprise and industry agreements, require secret ballots before strike action, and provide for the civil law settlement of industrial disputes in the High Court. The National Party also proposed to repeal the Trade Union Education Act and to abolish the Trade Union

Education Authority, which had been the subject of a poll by members of the Employers Federation and had been charged with indoctrination by many respondents.

Air New Zealand threatened to lease its new long-range Boeing 747-400 superjets, or to delay their delivery or use them on short-range flights only, unless its pilots settled their disputed award. The pilots in turn warned that the planes might be banned from British airspace if the company insisted on increasing pilot hours and using partly-trained flight deck crews. Air New Zealand also upset the cabin crew union by threatening dismissals and disciplinary action unless stewards and hostesses met standards of trimness and presentation, including reduction of body weight, by 1 November. Staff reacted angrily, the Auckland Council of Civil Liberties called the notice "preposterous", and dietitians described the weight guidelines as "unrealistic" and discriminatory against women. Ansett New Zealand mentioned smugly that it had no weight guidelines but relied on its staff to maintain high standards.

School cleaners held stopwork meetings throughout the country to consider their position after 1 October under the proposed education reforms. Boards of trustees would then be responsible in each school and the union feared that its members could be replaced by private contractors or even unpaid labour. Trades staff, whose jobs were to end with the demise of education boards on 30 September, decided to picket the Wellington office of the State Services Commission in protest at what they considered an inadequate redundancy offer.

Disagreement over redundancy payments also caused a dispute at the former McLeod Bros. soap factory in Dunedin, where engineers and drivers imposed a load-out ban to prevent the shipping of machinery to the new owners Colgate Palmolive. Staff at Cerebos Gregg factories in Auckland and Dunedin went on strike when the company offered 6 weeks' redundancy pay to 90 workers laid off in Dunedin. The dispute was settled when the company raised its offer to 12 weeks' pay for the first year of service and 2 weeks for each subsequent year.

The *Christchurch Star*, which was bought last year by the Auckland newspaper publishers Wilson and Horton, laid off 55 workers on 14 August because of a downturn in revenue. Staff were not offered voluntary redundancy or retraining but were given 4 weeks' notice. *Star* employees passed a vote of no confidence in the Christchurch management and went on strike on 19 August, stopping publication of the newspaper. The employers filed for a compliance order and interim injunction to force a return to work, but the legal action was adjourned pending further negotiations and the *Star* reappeared on 23 August. The employers withdrew a claim for damages. The union rejected an amended redundancy offer of 8 weeks' pay for the first year and 2 weeks for each subsequent year, and demanded what had been paid to *Taranaki Herald* staff: 15 1/2 weeks for the first year, 5 1/2 for the next 10 years, and 3 1/2 thereafter.

The National Union of Railwaymen reached agreement with the Railways Corporation on lower staffing in railyards, which will lead to the loss of up to 400 jobs, mainly shunting and marshalling. Major redundancies were also announced by several government departments, among them Customs, Inland Revenue, DSIR, Education and Maori Affairs. Staff of the Tourist and Publicity Department stopped work in protest against inadequate severance packages in connection with the sale of the department's travel offices.

Port companies and the Harbour Workers Union agreed to an interim pay increase of \$8 a week pending further award negotiations later, after settlement of the watersiders' award.

The Northern Hotel and Hospital Workers Union announced plans to open a Trade Union Law Centre in Otahuhu, with a staff of 3 or 4 salaried lawyers. This will be the first such centre. The union had earlier pioneered the establishment of trade union medical centres.

Seamen refused to sail the interisland ferry *Arahura* back to Wellington on 20 August, after she had undergone a 3-month refit in Dunedin. The men demanded a fortnight's pay

for the 3-day voyage, claiming this was an industry custom, but the Railways Corporation described the demand as little short of industrial blackmail. The hold-up threatened to disrupt school holiday travel plans and the Corporation sought an urgent Labour Court hearing to force a return to work, but on 22 August the seamen agreed to sail the ship to Wellington. Normal ferry sailings resumed, but the Cooks and Stewards Union refused to operate the restaurant and bars unless extra staff were employed.

The PPTA called stopwork meetings to discuss the State Sector Amendment Bill, arguing that placing principals and senior staff on individual contracts would lead to stifling caution and conservatism within schools because the heads would avoid taking risks which might incur criticism. The Auckland stopwork on 16 August, which was attended by about 2000 teachers, urged strike action to coincide with third-term school examinations and this became part of a 9-point plan of action adopted at the PPTA annual conference. The conference also decided to investigate proposals to form a federation with other teaching unions.

Watersiders held stopwork meetings in several ports on 1 August to discuss a refusal to grant annual leave by the Waterfront Industry Commission. In Auckland they went home after the morning meeting, while in Tauranga they decided on a 2-day strike. The men were concerned that their entitlements to annual leave, long service leave, sick pay and other allowances would not be recognised by the stevedoring companies which would employ them directly from 1 October. About 700 watersiders were expected to be laid off altogether, more than half of them in Auckland, and the men feared that the stevedoring companies would not take on experienced watersiders with significant entitlements owing to them. On 2 August 118 Auckland watersiders reported ill, blaming an outbreak of "Irish flu", and similar illnesses hit other ports. When the employers refused sick pay to the flu victims, Auckland watersiders walked out for a further 3 days, to be joined by men at Tauranga, Bluff, Nelson, Lyttelton and other ports.

Negotiations for a new award resumed on 7 August, but the employers stood by their demand for separate port agreements and the talks collapsed quickly. The Waterside Workers Union gave 14 days' notice of industrial action covering essential work. Auckland container terminal workers went on strike on 11 August over a breakdown in talks for their award, which is separate from the general cargo award, and on 15 August watersiders throughout the country started a 48-hour strike.

Sector organisations urged the port employers to stand firm and several, among them Federated Farmers, the Employers Federation, Manufacturers Federation and the Merchants Association, launched a nationwide newspaper advertising campaign proclaiming in the name of the New Zealand Business Community that "The Time for Port Reform is Now." The Minister of Transport warned that the money set aside for redundancies would not be paid out unless the two sides settled their differences.

The Arbitration Commission ordered the parties to resume negotiations, but these talks, which opened on 21 August, failed again after 4 days of hard bargaining. The union put forward a compromise proposal for a skeletal national award setting basic terms and conditions of employment, supplemented by local schedules negotiated at each port, but the employers demanded assurances on 8 points of principle indicating a commitment to port reform.

On 25 August, Auckland watersiders again walked out, this time for 3 days. The employers warned that the men risked losing their redundancy entitlements unless they applied for work by 1 September, but the Auckland union advised members to ignore the letters because the union had constituted itself as a stevedoring company and would be the sole employer in Auckland in the absence of a national award. Unions in other ports also took strike action, while in Tauranga the port employers increased the pressure by advertising for wharf labour in the press and threatening to employ outside labour unless the watersiders applied for work. On 31 August watersiders at all ports joined a national strike.

SEPTEMBER 1989

In a composite agreement covering 400 workers in 7 unions at the Masport plant in Mt. Wellington, the company agreed to 4 hours' paid leave on May Day, a day previously recognised only in miners' awards. The staff also gained a 5 percent pay rise, the figure named by the Treasury as the "going rate" in the coming wage round. Employers expressed outrage that "an influential arm of government" should suggest a particular level of wage movement, and the governor of the Reserve Bank named 2 to 4 percent as a realistic figure, claiming that unemployment could reach 200,000 if wages rose higher. CTU president Douglas countered that a fundamental cost-of-living adjustment was needed to match inflation, which was expected to rise by around 6.5 percent.

In her first major speech as Minister of Labour, Helen Clark told the first biennial CTU conference on 18 September that workers should exercise restraint in the wage round, because an inflationary blowout could set back opportunities for sustained job growth. She confirmed that a comprehensive industrial safety and health bill had been put back from October to later in the year. The CTU executive had hoped to present a draft compact with the government, but negotiations were still proceeding. Prime Minister Palmer and the minister in charge of the compact, Mike Moore, addressed the conference and gave some outline of the proposed agreement and, after some opposition, delegates approved continued negotiations with the government on what was still a rather nebulous concept.

Ken Douglas told the 279 delegates that progress towards significant restructuring of bargaining had been pitifully slow and that union restructuring had been uncoordinated. Delegates nevertheless failed to endorse the 14-sector model in the executive's Strategies for Change document issued in May, and approved an amendment proposed by the PSA and Service Workers Federation, which called for voluntary amalgamations along common interest as well as industry lines. Unions within an industry were asked to form industry councils to consider the special needs of their members and no changes were to be made without a democratic decision. A remit asking unions within industries to cooperate in joint bargaining was also amended to allow for other bargaining arrangements, with delegates stressing the need for access to compulsory arbitration in predominantly female occupations.

Delegates approved the establishment of regional and national CTU structures for Pacific Island workers, to match the existing structures for Maori and women workers. They refused to endorse a campaign for re-election of the Labour government. Membership of the CTU, which stood at 499,000 in 70 unions, was expected to fall to 460,000 in 1990-91 and 420,000 in 1991-02, due mainly to membership decline in affiliated unions.

Women's average weekly earnings increased by 7.3 percent to \$414.96 in the year to mid-May, while men's earnings rose by 6.1 percent to \$532.95. The overall increase was 6.3 percent to \$482.08, compared with 10.6 percent in the previous year. The equivalent Australian wage at the end of May was \$A501.10 (\$NZ661.40).

Award talks between Air New Zealand and its pilots resumed on 19 September, after the Labour Court had dismissed the company's suit to have the pilots' claims declared illegal. The pilots insisted that pay and conditions for flying the new long-range Boeing 747-400 jets had to be included in the award. They asked for a pay loading of 16 percent on this aircraft, with 4 crew members (including 2 captains) and a rostered duty time of 16 hours. Air New Zealand offered a 14 percent pay loading, 4 crew (but only one captain) and a duty time of 17 1/2 hours, but on 28 September the company announced that it had decided not to take delivery of the heavily publicised jumbo due to arrive in November, but to sell or lease it to another airline. According to the pilots, agreement

on the award was close and would have been reached by mid-October, and they resented being blamed for a decision which, they said, was primarily commercial.

Arguments over employment conditions aboard the 747-400 jets also caused a breakdown in the cabin crew award talks, which had been dragging on since February. Although the next jumbo was not due to arrive until August 1990, Air New Zealand insisted that agreement on conditions for flying this plane had to be part of the award. The cabin crew union gave notice of a 24-hour strike on 5 October.

The Labour Court, in a decision made public on 18 September, found that the Railways Corporation had the right to direct cooks and stewards to carry out duties associated with new passenger facilities on the refurbished interisland ferries.

The Dairy Workers Union lodged a claim for a 10.7 percent rise in pay and allowances, including a 3.7 percent movement for increased productivity. The industry was buoyant, but the employers dismissed the claims as ridiculous and put in counter-claims for "working time adaptability" and the elimination of "outdated constraints". Negotiations, the first major award talks in the current wage round, opened in Rotorua on 26 September but reached stalemate after 3 days. The union was prepared to accept flexibility but on a coordinated national basis, and not through piecemeal site-by-site negotiations as demanded by the employers. It decided to call site meetings, with strike action as an option.

Northern drivers and labourers employed in the road surfacing industry gained a weekly \$7.40 allowance described as a "union services package" when settling the "blacktop" award. These payments came on top of a 5 percent increase in pay and allowances, and recipients had the choice of putting the money into a union-run retirement fund. The Distribution Workers Federation announced that it would seek increases of 8 percent for its retail, grocery, supermarket and stores members, and a base rate of \$9 an hour for drivers covered by the carriers' and contractors' awards. It offered to sign no-strike clauses in return for the right to refer unsettled issues to arbitration, but the employers' advocate for the retail awards dismissed this suggestion as "an attempt to turn the clock back."

The number of freezing workers, according to the Meat Industry Association, fell by 23 percent between June 1988 and June 1989, from 20,753 to 15,946. The government forecast further substantial staff cuts and the meat workers' unions, which feared job losses of up to 5000, lodged claims for an industry-wide redundancy agreement. On 29 September, the unions imposed a loadout ban on export meat, excepting plants owned by Affco and Weddel Crown which had already signed redundancy deals.

The harbour workers' and watersiders' unions agreed on 4 September to settle their year-old demarcation dispute. Under the agreement harbour workers retained exclusive coverage of all mechanical equipment owned or provided by harbour boards or port companies. Pending settlement of the harbour workers' national award, the employers agreed to a \$12 a week interim pay rise.

Members of the Northern Labourers Union voted by 2805 votes to 182 to disaffiliate from the Labour Party. The union secretary described the majority as "quite staggering".

The Police Association attacked provisions in the State Services Restructuring Bill which removed the right of police staff to take industrial action and replaced compulsory arbitration with final offer arbitration. The bill amalgamated sworn police and civilian staff into a single unified police force outside the public service and placed the Commissioner on a similar footing to chief executives elsewhere in the state sector.

A threatened strike by Wellington airport rescue firemen on 4 September was averted when Armourguard Rescue Services, which had taken over as employer from the Airways Corporation, agreed to negotiate employment conditions with the Public Service Association. At the Tourist and Publicity Department, which was being readied for sale, staff considered further industrial action in protest against "ridiculously low" severance pay offers. Staff at the Government Printing Office, which was also due for sale, struck for 24 hours on 21 September over a breakdown in their award talks.

In negotiations on a new shearers' award the New Zealand Workers Union lowered its claim from \$10 to an extra \$5.85 a 100 for all categories of sheep shorn. It called a strike when the employers refused to go beyond increases of \$4 a 100 for machine-shorn sheep and \$5 a 100 for blade-shorn sheep. Many farmers, said the union, were paying the higher rate to keep shearers on their farms, but the employers claimed that the industry was not highly organised and that the strike did not affect their ability to get their sheep shorn.

The Labour Court found that the Gearbulk Company had breached procedures in a redundancy agreement when it replaced the New Zealand crew of the *Cormorant Arrow* with Asian seafarers. The court ordered compliance with the redundancy agreement, but it declined an application to reinstate the crew, pending the resolution of personal grievance claims.

On 26 September, seamen refused to sail the interisland ferries after the Railways Corporation dismissed 10 crew members as an economy measure. Later that day the Labour Court, on the application of the Corporation, issued an interim return to work order pending a full hearing of the issue next day. The seamen, however, continued their strike. They offered to sail the ferries with passengers and their cars, but without freight or commercial vehicles, but the Corporation rejected this proposal. The court then declared the strike illegal and repeated its return to work order, but the union was unmoved. On 28 September the court ordered the sequestration of the Seamen's Union assets, estimated at half a million dollars, because of its continued "flagrant and deliberate" defiance. This was the first time the court had taken such drastic action under the Labour Relations Act, but the seamen voted to remain on strike until the dismissed men were reinstated. Their union is not affiliated to the Council of Trade Unions but CTU president Douglas urged the court to lift the sequestration order because it encouraged employers to make unilateral decisions without consulting workers. The Railways Corporation decided that the time had come to put legal action on hold and to start direct negotiations with the union.

Parliament passed the State Sector Amendment Act which allowed for secondary school principals and senior staff to be employed on contract. In a secret ballot Auckland secondary teachers rejected a proposal for a regional protest strike, leaving the PPTA national executive to decide on appropriate action. An amendment to the Education Act gave teachers the right of appeal to the High Court against decisions of the new teacher registration board.

Watersiders returned to work on 4 September after a 4-day national strike. They had offered to exempt kiwifruit shipments to avoid economic hardship to the industry, but Tauranga port employers refused to allow kiwifruit freighters being worked out of turn. The Tauranga employers also reported 900 replies to their advertisements for wharf labour, many of them from women, but the local union replied that it was ridiculous to expect watersiders to apply for jobs without knowing conditions first. In Auckland the wharf union threatened an extensive stoppage if employers advertised for outside labour. It failed to attend talks on a separate port agreement and told its members not to complete job application forms sent out by stevedoring firms but to sign instead forms authorising the union to act as their agent.

Negotiations for a national waterside award resumed in Wellington but broke down on 21 September, after 8 days of talks. The employers had now agreed to a national document incorporating separate port schedules, but there was disagreement over redundancy payments to an estimated 1300 (out of 3200) watersiders, and over transitional arrangements to cover the period between 30 September, when the existing document was due to expire, and the completion of the port agreements. The employers again offered individual contracts, but unionists threatened to arm themselves with pick-handles to keep new labour from coming onto the wharves, and they warned of possible damage to expensive cargo handling equipment. The union's national secretary announced that ships loaded in New Zealand by non-union labour would face boycotts overseas.

On 28 September national award talks resumed but the union warned that its members would not be available for work after 30 September unless the question of redundancy payments and transitional arrangements had been settled. The parties were able to reach agreement on employment conditions on conventional wharves, but employers in the 4 container terminals held out for new conditions unacceptable to the union. The talks ended in stalemate and the award lapsed on 30 September.

OCTOBER 1989

Steve Marshall, the deputy-director of the Employers Federation, was appointed director-general following the resignation of Dick Jessup. The early and trouble-free settlement of major awards at between 4 and 4.5 percent raised suspicions of a secret central wages deal between employers and unions, but this was vehemently denied by Marshall. Labour Minister Helen Clark indicated her support for this level of wage settlements, but the opposition spokesman Bill Birch claimed that 4.5 percent increases would not compensate for a rise of 7.2 percent in the cost of living or the increase in GST.

The promised introduction of pay equity receded further into the distance when Helen Clark told Radio New Zealand that rather than appoint a pay equity office to determine applications, she preferred claims to be negotiated between unions and employers with access to final offer arbitration.

The Minister of Forests, Peter Tapsell, told the inaugural conference of the Wood Industries Employees Union in Rotorua on 19 October that the abolition of compulsory membership was inevitable and that unions would have to change their structures to attract members. The new union was formed by the merger of timber workers' and pulp and paper workers' unions. Other major amalgamations in the pipeline were a merger of the Kindergarten Teachers Association and the Early Childhood Workers Union, and a Food and Textile Workers Union comprising dairy factory, woollen mill and northern freezing workers.

Air New Zealand cabin crew held a 24-hour strike on 5 October over the breakdown of their award talks. In resumed negotiations the two sides reached an interim agreement on 9 October, providing for a 4 percent pay rise and extended rosters on the Boeing 747-400 jets, in return for company concessions on crew levels and the frequency of long-range flights. Acceptance of the company's offer was subject to a postal ballot by union members. In a separate development, Air New Zealand agreed to hold discussions with the Human Rights Commission on compensation payments to 17 hostesses who had suffered sex discrimination in their employment.

The Dairy Workers Union described as "lousy and an insult" an employers' offer of a 5.5 percent increase, subject to acceptance of flexible working hours, shifts and rosters on a site-by-site basis. Renewed award talks broke down on 10 October and the union gave notice of industrial action beginning on 30 October. In a letter to farmers the union wrote that its 10.7 percent pay claim would cost 4¢ per kg of butterfat out of an extra 71¢ farmers were expected to receive this year. After being called to Wellington by the Arbitration Commission, the parties agreed to go back into conciliation on 26 October. The employers raised their offer to 6.25 percent with no clawbacks, while the union lowered its claim to 8.2 percent, but the gap could not be bridged and the employers walked out threatening to suspend workers who took industrial action.

On 30 October union members held stopwork meetings and began a campaign of limited action, such as obeying speed limits, refusing to tow milk trailers, working to rule, refusing to do documentation and other paper work, and banning overtime. The union claimed that, while imposing extra costs on the companies, its action did not involve spillage of milk which tanker drivers would continue to collect from farms. The

companies, however, took a hard line and suspended staff wherever they took any kind of industrial action, if only for a quarter of an hour. By 31 October the NZ Cooperative Dairy Co. had closed its plants at Waitoa, Waharo and Reporoa, and dairy farmers in Northland and the Waikato had poured away some 3.5 million litres of milk.

In negotiations on the road carriers' award the parties agreed on a 4.5 percent pay rise, but the employers rejected a claim for a \$7.40 a week service package for a union-run group saving and insurance scheme. Talks on the contractors' and security vehicle drivers' awards also broke down, with security drivers holding a 24-hour strike on 24 October after rejecting a 4 percent pay offer.

The key metal trades award was renewed on 20 October with a 4.5 percent pay rise. Freezing works tradesmen had earlier won a 3 percent increase in pay and 4 percent in allowances to 31 January, with a 3.5 percent increase in pay and allowances for the following 12 months.

Weddel Crown closed the Westfield freezing works in Auckland on 5 October, with the loss of 500 jobs. The redundancy agreement provided for 6 weeks' pay for the first year of service and 2 weeks for every following year up to a maximum of 16 years. This gave an average payout of \$35,000, rising to \$50,000 for some workers entitled to holiday and long-service pay. Documents presented to Parliament's primary production select committee on 19 October anticipated the closure of 20 meat chains this season, or at least 6 works. The Meat Workers Union maintained its national load-out ban against companies refusing to sign a redundancy agreement, but it exempted 6 North Island works which Affco had agreed to buy from Waitaki International. A combined union delegation led by CTU president Douglas opened negotiations with Affco on 24 October on mothballing chains rather than closing entire works. The chairman of Federated Farmers meat and wool section urged Affco to close works regardless of social consequences.

The Northern Hotel Workers Union promoted a Migrant Workers Coalition to stop what it called the rip-off of Asian and Pacific Island workers by greedy employers. In an out-of-court settlement an Auckland restaurant agreed to pay thousands of dollars to 12 immigrant Thai employees, who had worked long hours at below award rates.

Negotiations on a composite award for newspaper staff, covering journalists, graphic process workers and printers collapsed in Christchurch on 26 October. The unions had claimed an 8 percent increase, but the employers refused to discuss a national award, preferring to negotiate on an individual company basis. In the printing-packaging industry the employers accepted the concept of a composite award covering 7 unions, but negotiations adjourned with no agreement on pay rises and other provisions. Workers covered by the northern paint, varnish and ink award called a 48-hour strike on 31 October, after the breakdown of their award talks. The employers had offered a 4 percent pay rise but the union claimed 9 percent.

The CTU negotiated the first young workers' award under the Labour Relations Act, covering milk deliverers. The document, with a 2-year term, included minimum rates and provisions for sick pay and protective clothing. Newspaper proprietors and pamphlet distribution companies refused to negotiate a similar award for their young delivery staff.

The Nurses Union dropped proposed Labour Court action against the Plunket Society after the society agreed to negotiate with the union on nurse workloads. Health workers covered by the Nurses Association and the PSA accepted a provisional agreement to extend the current award by 6 months to 30 June 1990, with a 2 percent pay rise from 10 November.

Stress, productivity and uncertainty payments to state employees affected by government restructuring and state asset sales reached a total of more than \$13 million, including about \$6 million to education workers. Applications still pending included Inland Revenue staff and a second payment to Government Printing staff.

After 2 days of talks between the Railways Corporation chief executive and the Seamen's Union president, the corporation agreed to withdraw the 10 dismissal notices and to discuss staff cuts with the union. Railways also agreed to withdraw its claim for

damages, pay its own legal costs (the Labour Court had ordered the union to pay this), and support an application to the court to lift the sequestration order of the union's assets. A representative of the Solicitor-General asked the court to deal with the union's flouting of the law, and the judge on 6 October decided to impose a \$15,000 fine, to be paid out before the sequestration writ was lifted. The seamen's action, he said, was as serious a case of contempt as it was possible to imagine and "perhaps the worst display of wanton lawlessness for 50 years."

A study of 735 supermarket staff sponsored by the Distribution Workers Federation found symptoms of repetitive strain injury (RSI) among a third of the women workers surveyed, with a significantly higher incidence among checkout operators. The study made recommendations on changes to checkout stands, increased rest periods and job rotation, which the union planned to discuss with employers. The supermarket and grocery award was settled on 11 October with a 4.25 percent pay rise. The retail non-food award was settled with a 4 percent rise, after the union conceded the employment of casual staff for a minimum of 3 instead of 6 hours. An employer claim for the removal of weekend penal rates unless staff had worked 40 hours was referred to a working party.

Negotiations on the butchers' award stalled, with employers offering 4 percent and the union claiming 6 percent. The Northern, Hawkes Bay and Canterbury-Westland stores award was settled on 11 October with a 4.5 percent pay rise. Other awards settled without much controversy covered stationary engine-drivers (4.5 percent), shipping company clerical staff (4.5 percent over a 13 1/2-month term), and commercial flower growers (3.3 percent). Negotiations for the timber workers' award broke down in Rotorua, with the union claiming between 7 and 10 percent and the employers offering 3 percent, conditional on the industry being operated on a 7-day basis with staff required to work on any 5 days.

Work in all ports came to a halt at midnight on 30 September. The Waterfront Industry Commission had ceased to exist, the national award had lapsed, and waterside workers were in a contractual limbo, neither on strike nor locked out. The main point in dispute with the employers was a demand by container terminal operators to have the right to bring in roll-on roll-off (ro-ro) ships, which had previously been restricted to conventional wharves even when they carried containers. This demand upset traditional union coverage, because watersiders had the exclusive right to work in a ship's hold on conventional wharves, while in container terminals the work was shared between watersiders and harbour workers in composite gangs in a 6 to 1 ratio. Having just lost 1300 jobs through port restructuring, the watersiders were not prepared to suffer further losses through sharing ro-ro work with the harbour workers.

The watersiders offered to sign an interim agreement for a resumption of work in conventional ports and confining the dispute to the 4 container terminals. The harbour workers' secretary suggested referring the ro-ro issue to a working party to report back within 6 months, but this idea was rejected by the employers. Watersiders meanwhile made labour available to work the two ships of the only coastal line, Pacifica Shipping, where they were employed directly by the shipping company and not by stevedoring firms.

On 9 October the watersiders union signed an interim agreement to resume work at regional ports, but the dispute continued in the 4 main centres, where the harbour workers insisted on their right to share the work if ro-ro ships entered container terminals. The interim agreement, under which watersiders worked only 5 days a week without any weekend work or overtime, was to remain in force until 7 November to allow time to negotiate local port agreements.

Traders, manufacturers, transport operators and opposition M.P.s urged the government to intervene in the dispute and force the watersiders to work, claiming that industry was being brought to its knees or, alternatively, pushed to the wall, with the country in a state of chaos and/or gasping in extremis. Helen Clark refused to intervene

while talks continued between the parties; employers learned that they could not legally suspend idle staff because the wharf dispute was neither a strike nor a lockout.

CTU president Douglas urged the two wharf unions to abide by the work-sharing agreement which had been signed in 1971 under FoL auspices, but the watersiders' secretary proposed to scrap the agreement. The harbour workers in turn offered to take the dispute to arbitration but this was rejected by the watersiders. After further negotiations watersiders and employers signed an agreement on 18 October under which composite gangs would work the top deck of ro-ro ships in container terminals after which the ships would move to conventional wharves where watersiders alone would unload the hold. Meanwhile a working party would seek a solution to the ro-ro problem over the next 6 months. The harbour workers accepted this deal and work resumed at the 4 ports on 20 October, ending a 19-day stoppage.

The executive director of the Auckland Export Institute complained that things on the wharf were back where they had started, and farmers' leaders said they would have preferred to see the dispute continue rather than have employers' rights put off for 6 months. After work resumed, negotiations opened to conclude local port agreements, but the talks quickly ran into difficulties over what employers claimed were exorbitant demands by the union. The restrictions on weekend and overtime work prevented the speedy clearance of the shipping backlog, and a further strike over delays in redundancy payouts was only narrowly averted when employers gave the required assurances.

Herbert Roth