



M&C Workers News

JOURNAL OF THE MANUFACTURING & CONSTRUCTION WORKERS UNION

Glib promise on child poverty belied by law change

When reelected the government said that tackling child poverty was to be very high on its list of priorities.

Highest on the list of the government's priorities was to push through changes to employment law to make it easier for employers to hold down wages and conditions. These changes were first to be pushed through parliament in late October.

The Commissioner for Children says that to address child poverty the income poverty of their parents also needs to be addressed. It is no accident that poverty levels were far lower in the 1980s than they are today. The change in employment law in 1990 to give employers more power over workers and unions was the crucial point at which poverty escalated (see pages 8 and 9 of this

issue).

The government has no plan to "fix" child poverty. Their only ideas are an anti-worker ideology which will make the problem worse.

LEVEL OF POVERTY
IN 1982 WAS 14%

LEVEL OF POVERTY
TODAY IS 25%

Also in this issue...

From the workfront... pages 2-3, 16

The union has successfully taken a number of cases to the Employment Relations Authority. Two of them are being appealed.

Collective agreement negotiations... pages 4 - 7

Higher pay increases are being achieved in Christchurch

Health and safety... page 10

The drink drive law changes from 1 December. This could have implications for workplace alcohol policies.

International news... pages 14 - 15

The union fights back against Canada Post's decision to cease delivering mail to all homes in Canada



Underpayment of final wages common

When you resign your job, check your final pay. Nearly every final pay checked by the union is wrong – in the employer's favour.

One recent case handled by the union saw an error of over \$100. And the mistakes can be far bigger than that.

Apart from the final wages owed, the final pay must include the final holiday pay. This is where the most common mistake is. To work out what the amount of final holiday pay should be you need the fol-

lowing information (some example figures are included in brackets):

- The anniversary date of employment (1 December) and the date of resignation (30 September)
- The earnings since that anniversary (\$42,916.60)
- The earnings in the 12 months prior to the date of resignation (\$50,449)
- The amount of leave owing at the last anniversary (20 days), less any annual leave taken since (less 5 days = 15 days owing).

to many employers (31.5 days of annual leave X \$192).

Wrong!

Annual leave has got to be paid at average weekly earnings, or an ordinary weeks pay, whichever is greater. The accrued leave is paid as a percentage of total earnings inclusive of annual leave entitlement. Average daily earnings in this case are \$194.03 (\$50499 divided by 52, divided by 5). This has to be paid for the 15 days of existing leave entitlement. This sum is \$2910.45 (\$194.03 X 15).

UNDERPAYMENT

The \$2,910.45 is added to earnings since the last anniversary, \$42,916. This is a total of \$45,826.45. 8% of that figure has to be paid to cover the accrued annual leave, \$3666.11. The combined final holiday pay is \$3,666.11 plus \$2,910.45, a grand total of \$6,576.56. In this case the employer's underpayment is \$528.56.

Another thing to watch out for is public holidays. As in this case, if the leave of 31.5 days is accounted for over time, it overlaps October's Labour Day. This means that Labour Day must also be paid.



The most common error is to pay out the leave accrued since the anniversary at the holiday rate. What should be paid is a percentage of all earnings since the anniversary date including annual leave yet to be paid (8% if you have four weeks annual leave a year).

WRONG

In this case 15 days annual leave remained from the entitlement received at that last anniversary and a further 16.5 days had accrued. A normal days pay at the time of resignation is \$192. This gives a final holiday pay of \$6048 according

From the work front...

Retiring gratuity underpaid

When Gloria Daue retired from bus company Go Wellington after 34 years service she was entitled to a retiring gratuity of 26 weeks pay.

Gloria was surprised that her 26 weeks pay was calculated on her hourly rate of \$17.76 and did not reflect shift payments, or the overtime worked during the last year of her employment.

COMPLAINED

Gloria complained to the Tramways Union about the payment she received, the first such complaint the union had ever received. The union took the matter up but Go Wellington refused to pay any more saying they had it right. The case was heard in the Employment Relations Authority (ERA) in June and a decision was issued in October.

The ERA heard that if the retiring gratuity had been paid at the average weekly rate for the past

12 months Gloria would have got \$8,111.77 more.

The ERA ruled that “the absence of any definition of “pay” in (retiring gratuity) clause 71 does not give WCTL the licence to interpret it... in a way that results in employees being paid fewer hours and lesser remuneration than during their employment...

“...I find the correct interpretation of “pay” as used in the formula of clause 71 of the collective agreement is the greater of... 40 hours per week for a full time employee.... and; the employee’s average weekly earnings for the 12 months before retirement.”

The company has appealed the decision to the Employment Court.

Driver reinstated

After 17 years service, Randall Davies was sacked by Go Wellington because a passenger’s arm was caught when he closed the bus door accidentally.

The passenger was uninjured but made a complaint. The driver was shocked so did not report the incident over the radio and may not have parked the bus properly while he assisted the passenger.

The dismissal was ruled unjustified in the Employment Relations Authority.

The company failed to abide by the provisions of the collective agree-

ment for investigating complaints. At every collective agreement negotiation the company tries to get rid of these procedures.

In its decision to reinstate the ERA noted Randall Davies prior “unblemished record”.

CONTRAST

In stark contrast two company officers were prosecuted in court by police for breaches of health and safety with regard to doors that could trap passengers. The company elected to defend them and although they pleaded guilty to a representative charge, it appears their employment was unaffected.

Tribe closure leads to mediation

Three members with a combined service of 49 years were made redundant recently by their employer Tribe Design.

The workers made badges and other regalia. The Wellington company decided to contract out all its production work with most of it going to China.

The collective agreement was current and did not provide for any compensation for redundancy. In spite of that the union tried to get compensation discussed as the situation was a total closure of

manufacturing and the members felt that their long and loyal service should be recognised. It was not their fault that manufacturing was to cease.

The company and the union members agreed to meet in mediation. After a full discussion of the issues and confidential settlement was agreed by the parties.



49 years service: Misipele Paese, Vaughan de Adman, Merry Sutrisna

Collective agreement negotiations...

Bostik urges keeping pay rise off Total's radar

The second offer for the Bostik collective agreement was ratified in a secret ballot 8 votes to 7.

The first offer had been overwhelmingly rejected in a secret ballot.

The main issue was the level of wage increase. At first the company offered 1.9%. The first ratification meeting said no to that and a minimum increase of 2.5% was mentioned. The unions' negotiator went back to the employer seeking to up the wage offer.

RESPONSE

The company's response to the wage claim throughout negotiations was that the wage rates paid

were already in excess of most other manufacturing businesses in the Hutt Valley. The idea of a 1.9% rise was to keep the pay increase below 2% - that took it off higher management's radar. If wage rates became too high, it was suggested, the owner of the business, French multinational Total, could decide to import product instead of manufacturing in New Zealand.

As if to underscore how New Zealand jobs are at the whim of a foreign boardroom, during the period



Bostik Wingate: Total decides its future

between the first and second offers Bostik decided to transfer one New Zealand manufactured product to its Australian arm. Australia had spare capacity they said and wasn't doing as well.

Union members wanted to know in the second ratification meeting, if we are part of an Australasian manufacturing operation, are Kiwis being paid the same as Australians. This should be an issue at the next negotiations. A resolution was carried requesting the employer to provide the Australian collective agreements. The union has also made a request from the union that covers the Melbourne manufacturing site, the National Union of Workers, for a copy of the current applicable agreement.

SLIMMEST MARGIN

The wage offer that was ratified by the slimmest of margins was 1.95% plus 8 cents per hour on paid rates. This is equal to a 2.35% wage rise on average. The 8 cph is paid for those with health and safety qualifications. Those without can pick up an extra 15 cph by qualifying. The company is obligated to facil-

Concluded at foot of page 5

Asco closes

Stuart Campbell, a longstanding delegate of ten years with Asco, a Christchurch company involved in the manufacture of carbon dioxide plants, will with other members made redundant on 31 December 2014.

Over the last ten years demand for plant orders has dwindled to the extent that the German and Swiss owners have decided it is uneconomical to keep the plant open. Production is being shifted to Europe. From a staff of over forty ten years ago to the current four the writing has been on the wall for a number of years.

Stuart and his fellow members have a good redundancy agreement which hopefully will make things a bit easier for them. The Union would like to thank Stuart and the members for all their support over the years and to wish them all the best in the future.



Wellington Combined aligns two CEAs

In 2013 the Manufacturing & Construction Workers Union inherited First Union members employed by Wellington Combined Taxi subsidiary Wellington Combined Finance.

As the M&C Union has all the union members at the parent company it was agreed that it would be more beneficial to those at the finance subsidiary to join us.

WCT Manager Lyn Hayman and both Unions agreed to align the Finance CEA with the CEA that covered WCT call centre workers.



Monica Tukaki advocate at WCT

TWO CLAIMS

At the 2014 negotiations WCFL members submitted two claims for the company to consider:

- To move up a scale from "Competent" to "Exceptional"
- For the new CEA mirror the "Long Service Provision" contained in the call centre CEA.

Monica Tukaki representing the union and first time delegate Diana Lauvi for WCFL members met with the company for bargaining. Diana spoke on the first claim. It became apparent that there was no process or procedure to enable members to move forward in the wage grades. The company took a break to consider the claims, and put forward their claim of a 1 year term. A 2% increase to paid and printed

rates was agreed. A performance review provision was added to the agreement, with six monthly reviews thereafter for each employee. A long service provision added to the agreement provided that no long service entitlements would be applied retrospectively. Current length of service will be counted for future entitlements.

RATIFIED

These Terms of Settlement were ratified.

For the WCT Call Centre negotiations the company offer of a wage increase was 2%, a far cry from the 15% members were asking for (based on what appeared to be a management pay increase). Members ratified the offer with a "hooray we're over the 1% offers".

itate obtaining the qualifications. Other issues agreed in the negotiations were a 12 month term, backdating, a meal allowance of \$11.70, a lunch allowance for weekend overtime of \$6, and reim-

bursment of prescription glasses of \$300 every three years. The qualification for turning unused sick leave into annual leave was reduced from 61 days to 41 days.

Collective agreement briefs...

Canterbury District Secretary, Phil Yarrall has reported on a number of collective agreement settlements below. While the long awaited rebuild for Christchurch hasn't had much effect, Phil says that a shortage of skilled labour is what is behind the settlements that are nearly double the North Island "going rate" of 2%.

CWF HAMILTON

The Christchurch jet boat maker CWF Hamilton agreed to renew the collective agreement for a 2 year term. The deal ratified by members was a \$1.00 per hour wage increase this year and a 3% rise on wages rates and allowances for the second year of the agreement.

WINSTONE WALLBOARDS

Winston Wallboards in Christchurch had an offer of a 4% pay increase for a one year deal ratified by union members.

GOUGH ENGINEERING

Gough Engineering renewed its collective agreement for two years. A 3.75% wage increase for this year with 2.75 % for the second year was offered and ratified by union members.

Tasman Tanning bad faith wins round

Members at Tasman Tanning ratified a 2% pay increase for a year term.

Prior to bargaining the Union asked company Director Hunter Tait to attend bargaining. Over the years the employer negotiators showed very clearly and on occasion had stated that they could not agree as they were confined each year to a very limited strict mandate from the Directors. Members view was the ultimate decision maker Hunter Tait should front at negotiations and hear the justification for members' claims. Members felt it was disrespectful for him not to front.

REFUSED

Hunter Tait refused to attend and offered no explanation. The delegates and members viewed this as confirming their employer lacks respect for them. Working hard and ensuring profits for the business does not apparently deserve respect or consideration.

This year member's claims included 10 days sick leave, an additional wage grade/rate, \$15 meal allowance (current \$8.16), a training allowance and a chemical allowance. The matter previously reported in M&C News about new members with long service getting back their

service holiday they had previously sold was subject to a claim from the employer. This was reviewed on an individual basis outside of bargaining resulting in all retaining their service holiday.

WORST YEAR

The employer advised that they had their worst year on record because of the strength of the dollar and the recession and that they had only managed a small profit. The Union team noted that it was pleasing to hear that in its worst year the company was still making money.

Over two days of bargaining all claims were eventually withdrawn in favour of a 2% increase and an extra 1 day's sick leave. The employer failed to provide any justification for refusing to increase sick leave from 5 days to 6. They said that was fair because the law gives a minimum of 5 days and it was standard across the business inclusive of management.

Members believed that all their claims were reasonable. Clearly the employer's bargaining team had no ability/mandate to negotiate. The decision maker, Hunter Tait, refused to attend or explain their reasons for refusing to grant one more day's sick leave giving a total of 6 days per year.

to the outcome of mediation. The employer was duly advised.

The employer refused to attend mediation. Not long after mediation was sought and prior to the employer's refusal to attend, a rumour spread through the factory that members were taking strike action and that it would occur the next week. Management, despite knowing it to be untrue, encouraged the rumour. One senior manager was reported to have asked a member why he wanted safety equipment given the member was going on strike and making similar comments to other members.

Such behaviour is clearly bad faith, at best inaccurate and at worst an outright lie. It is typical behaviour of some in Tasman Tanning management.

RUMOUR

As a result of this rumour a number of members resigned their membership causing the collective strength of members to be undermined. Members had little choice to vote to ratify and the offer was backdated to expiry.

It is disappointing some members were tricked and bullied by the employer, but it is also understandable that low paid workers fear not being able to meet their families' needs financially. As we know most low paid workers are one appliance or car break down away from financial collapse. Ironically the only way of improving our lot and getting our fair share lies within organising collectively as a Union and on occasion being prepared to stand up and fight for our families and communities when the employer is unjust.

So get organised! Ensure YOUR rights! Join the Union! Next year is another opportunity.



Tasman Tanning: In spite of a tough year the company still operated at a small profit union negotiators were told.

Upon hearing the employers response which in effect was simply "NO!", members voted to attend mediation in an effort to resolve the impasse. They voted to consider taking industrial action, subject

Completeness clause holds up Spotless negotiation

Electricians at Palmerston North Hospital who work for Spotless are seeking a new Collective Agreement. Initially a Multi Union Collective Agreement was sought with the EPMU but their members subsequently voted against it.

Members had a number of claims including an increase to the weekly on call allowance from \$100.00 to \$200.00, a 30% increase on allowances to allow for no increases to them over the last 11 years, and a service holiday after 5 years.

NO CHANGE STRATEGY

Bargaining started with the employer advising members could be covered by differing Collective Agreements (CA) based on when they may have started and whether

or not they may have kept up with changes to CAs through their previous individual bargaining. When a copy of the CA was sought the latest trade staff CA and the requirements of lawful preferences was sent. This approach by the employer was designed to drive us towards their position of an offer of 1.6% with no other changes.

The employer also sought a completeness clause which means anything not contained within the CA would no longer apply. They said if there was anything outside of the CA they would be surprised. However, none of the other CAs on site includes such a clause, which makes the employer's position on



Union General Secretary George Larkins is advocating for Spotless electricians

the matter unfair, unreasonable, illogical and out of sync with the other agreements.

NO AGREEMENT

The Union negotiators advised that we would not be prepared to agree

Concluded on page 12

No interest loans provided by Tasman

Bargaining at Tasman did score one notable win.

In early November the company introduced a pay advance system. Employees can ask for up to \$700 and repay it at the rate of \$40 per week if they have over 4 months service.

The 4 months service guarantees the company can recover their wage advance out of holiday pay if the employee resigns or is sacked.

Members of the union have access to loans through the Motor Industry Workers Society (MIWS). The MIWS is a registered charity.

This has proved very popular. The loan limit is \$600 and

there is a charge of \$5 per \$100 borrowed, which is mainly to ensure that the fund does not suffer through bad debt. We cannot rely on the company to remember to take loan money out of a final pay, although they have generally been good at doing so.

The company did not like these loans being available because it encouraged Tasman employees to join the union. When the factory manager complained about them in 2008 he tried to stop them by refusing to deduct repayments. So the union had to ask for the repayments to be added to the union fee, which the company could not refuse to deduct.

Before doing that the union said to

the company that it should make advances of wages available to employees. Then there would be no need for a loan scheme. They refused.

This all had the downside of making it far more difficult to keep track of loan repayments.

Now it seems that Tasman think cutting out loan sharks is a good idea and has introduced its own loans, which it can do cheaper than the Motor Society can.

Union members can borrow from the company first (it would be illegal to discriminate against union members), and, if a top up is needed they can still come to the Motor Society through the union.

Top incomes soar, lower wage rates flat line

Up until 1990 poverty was not a big issue in New Zealand. But it has changed dramatically since.

The foundations were laid by the 1984 – 90 Labour government, and the wreckage of New Zealand's egalitarianism was completed in the 1990s by the National government. We have not recovered since.

DOUBLED

The top one percent of income earners during the years 1987 to 1991 nearly doubled their share of all income from about 5.5% to 9%. Since then, after peaking at nearly 14%, the top one percent have had around 8 – 9% of all income.

The rise of the top one percent's share of income mirror's the decline of union membership as a percentage of the workforce. In 1986 when the top one percent got 5.5% of all income nearly 50% of all income earners were union members. Now less than 20% belong to a union



and the top one percent have nearly doubled their share.

BOTTOM 90%

Those in the top 10% of income earners have increased their incomes quite nicely, the bottom 90% have had a far smaller increase in wages. When the unionised jobs that in many instances have done

better than the average for the 90% are taken out, the majority of workers have not improved the buying power of their incomes over the last ten years.

The relative growths of income are shown in the graph above which is derived from government statistics. It all adds up to growing numbers of the working poor.

Business takes a larger share

Business is taking a larger share of the country's wealth.

Gross Domestic Product (GDP) is the measure of what the country produces. Government statistics deal with how this wealth is shared out, what proportion goes

to business, how much the government gets, and how much goes in wages.

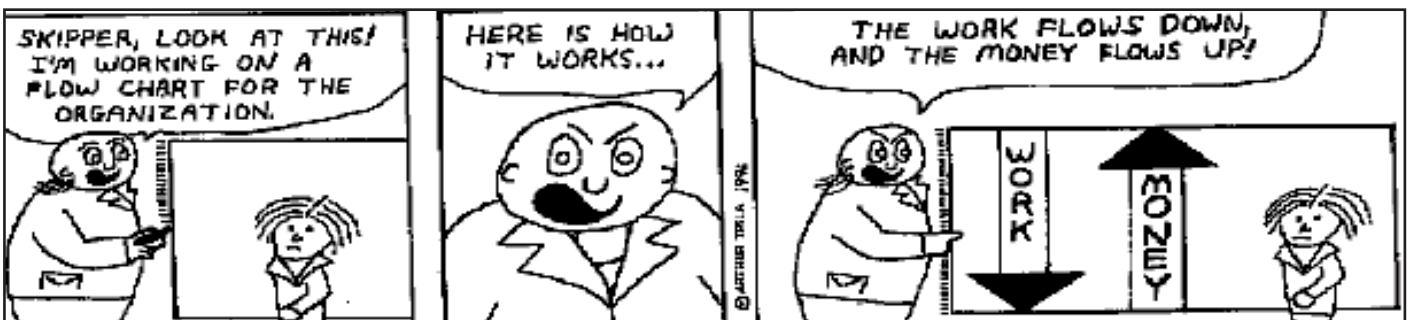
60% WAGES

In the early 1980s about 60% of GDP went into wages. By 2002 this dropped to a low of 46% and

has hovered around 50% since. Most other developed economies see 60 - 70% of GDP going to wage earners.

What does this loss mean in terms of money? On average, if the wage earner share of GDP was 60%, the

Continued opposite on page 9



Child poverty promoted by government policies

One in four New Zealand children live in poverty.

That is according to a study published by the Children's Commissioner. Another study done in 2004 - 5 said between 7 to 10% of children in New Zealand were living in severe poverty. It is thought to be the same today.

Severe poverty means regularly missing meals because there is not enough food in the home, not being able to keep the house warm during winter, not having a waterproof coat and warm clothing during winter.

LESS POVERTY

New Zealand has not always had such large and alarming levels of child poverty. The incidence of child poverty soared in 1990, especially for households on WINZ benefits. This was when benefits were cut and union membership was slashed and wages stagnated by the passing of the Employment Contracts Act.

Today we have large charities es-
average wage earner would have an extra \$10,000 more per year. Since the 1980s in current dollar terms \$19 billion per year has been transferred from wage earners to employers, a large amount of which leaves the country because of foreign ownership.

WEALTH TRANSFER

Much of the transfer of wealth to business occurred because increased output per worker has been mostly taken by business with little being put into higher wages. If wages had shared in productivity gains since 1990 they would be 25% higher on average than they are today.



established to help feed and cloth children at school because families do not have enough income to do it at home.

For every child who lives in severe poverty there are more whose lives are being shaped by the limited incomes earned by working parents. For example, many children in low income families in the Hutt Valley

and in Porirua have never been to Wellington because their families cannot afford even a small trip on public transport. The deprivation of opportunities to experience life reduces what such children can be expected to achieve at school.

Professor Innes Asher of the Child Poverty

Action said to tackle child poverty, benefits and Working for Families tax credits needed to be tied to inflation and wages, while the minimum wage needed to catch up to the increase in the cost of living. "Clearly if you are wanting to lift working people out of poverty or lift their children out of poverty you've got to make work pay."



TAITA CENTRAL SCHOOL

Churton Crescent, Taita, Lower Hutt 5011
Phone (04) 567 7214 Fax (04) 567 7699

29 November 2011

Janet Xuccoa
Gillian Rowe & Associates LP & Vibe
P.O. Box 9918
Newmarket
Auckland 1149

Dear Janet

I write to sincerely thank you, your company, and Vibe for your generous donation of Weetbix to help with under-privileged children in our care. It is a truly kind action.

There is no doubt that many of our families are struggling financially at present and the contribution that you have made ensures that negative effects on the children's education are minimized. It also allows our staff to carry out their teaching duties without the added adverse effects. We are very grateful for this.

Thank you once again for your generosity and commitment.

Kind Regards

Mike Fackney
Mike Fackney
Principal



Health and safety...

New drink drive limits may also apply at work

Drink drive limits have been lowered by nearly 40%. This change could also impact alcohol policies at work.

From December 1, the alcohol limit was lowered from 400 micrograms of alcohol per litre of breath, to 250mcg for drivers over 20 years of age.

The blood alcohol limit will reduce from 80 milligrams of alcohol per 100ml of blood, to 50mg.

A zero alcohol tolerance for drivers under 20 was previously introduced in 2011.

DRIVING LIMIT AT WORK

Many employers do not take a “zero tolerance” approach to alcohol. The drink driving limit has also been the workplace limit. With a lower drink driving limit the same limit can be expected to now apply at work.

The main impact on work will be for those reporting in the next morning after a “night out” and being a little worse for it. Most alcohol testing occurs in that situation and it won’t require too many late night drinks without food to exceed the new limit at the time of starting work.

NEW OFFENCE

The legislation also creates a new offence for drivers with a breath alcohol level between 251-400mcg.

Offenders with a breath alcohol level within that lower range would receive an infringement fee of \$200 and 50 demerit points.

Drivers who refused or failed to undergo to a breath test, would be fined \$700 as well as handed 50 demerit points.

Anyone who accumulates 100 or



more demerit points from driving offences within two years, will see their licence suspended for three months.

Data collected by Police over the past 22 months showed 53 drivers were involved in fatal and serious injury crashes with blood alcohol readings of between 51 and 80 milligrams per 100 millilitres of blood.

How much will be below the limit?

A typical male could have three beers in 30 minutes without getting caught out by the new drink-drive limit. For women that figure is less, a little more than two.

Allan Stowell, of the Institute of Environmental Science and Research, says most moderate drinkers would not have their after-work drinks and social occasions spoiled

with the driving limit at 50 milligrams of alcohol per 100 millilitres of blood.

“You certainly need to watch your alcohol consumption. But if you only have two or three bottles of beer after work, then you’ve got nothing to worry about.

“For a male, you’re almost certainly going to get away with three standard drinks over half

an hour, which is quite a lot.” Stowell, a specialist in blood and breath alcohol analysis, says in two hours most men could have up to 5.9 standard drinks and still be all right to drive. A standard drink contains 10 mls of alcohol. A 4% alcohol 330 ml can of beer is 1.3 standard drinks, a 750 ml bottle of wine about 8 standard drinks.

New drug policy proposed at Mars

MARS Petcare in Whanganui is reviewing its drug and alcohol policies. The Union recently attended this review.

The process started with a Working Group made up of two staff reps from each shift plus management establishing a re-draft of the policy, if needed, which is then distributed to all staff for wider consultation. The participation in this process by Union officials was actively encouraged.

INCLUSIVE

This process is designed to develop inclusive policy by consensus at the draft stage, aimed at achieving a high level of support for the policy in action. This is in stark contrast to many employers who develop/review their policy behind closed doors and send it out for consultation with the final draft taking little or no account of feedback received. The vast majority of worker and union input was accommodated within the draft policy for wider consultation.

The final draft drug policy does not include random testing for drug use



Drug dogs are not allowed to search staff or go into the factory area

beyond someone on a company rehab programme and utilises swab tests as the first tool. Post-accident or incident testing will only occur where it involves serious harm or potential serious harm, or where there are signs of impairment. The Union strongly promoted initial swab testing instead of the flawed outdated urine sampling, which more about social engineering than keeping a workplace drug free. The company agreed that swab testing was a more useful and appropriate first tool for testing for impairment.

The swab test involves a saliva sample and where the test result is

positive a urine sample will be required. Where the swab test comes back negative there will be no further action.

The committee put a lot of emphasis on the need for training of staff in relation to the understanding and application of the policy and recognition of impairment. The company agreed.

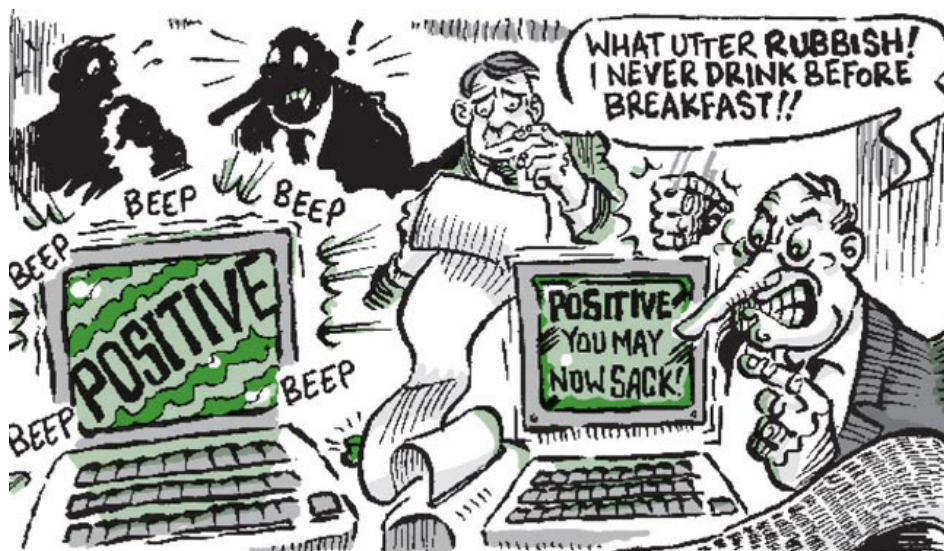
The use of drug dogs to

search for drugs on site randomly is also included within the policy to ensure drugs are not brought to the workplace. The drug dogs will not be utilised to search staff or staff vehicles. The dogs will not be allowed into the factory when it is in operation due to the strict hygiene controls.

FITNESS FOR WORK TEST

In the course of discussions the company also indicated strong interest in the latest technology raised by the Union, being a fitness for work test. Such a test is designed to ensure safety at work. The test is non-intrusive and essentially involves the following of a dot on a screen. It can detect fatigue, impairment and illness. A failure of such a test would ordinarily see the person referred to a medical practitioner for further diagnosis and or a clearance for fitness for work.

The Union does not support unsafe work practices, which includes being impaired at work. However, the Union made it clear that participation in the process does not stop the Union representing any members who may find themselves in difficulty under this policy.



Court reinstates postie

The Employment Court recently ruled that Murray McLennan, who was employed as a postie for New Zealand Post and was dismissed in May last year, be re-instated.

Murray elected to challenge the Employment Relations Authority's initial determination on its decision to reduce his financial remedy by 30 percent and to decline reinstatement. He was represented in the Employment Court by Peter Cranney.



Peter Cranney

SAFETY RULES

The Authority found that the 30 percent reduction in the financial remedy was justified in that Murray's "failure to observe safety rules" was an example of misconduct per the Postal Workers Union's collective agreement.

Section 125 of the Employment Relations Act provides for the remedy

of reinstatement if it is established that the employee has a personal grievance, the court may provide for reinstatement if it is "practicable and reasonable" to do so. The Employment Court ruled the ERA had been wrong not to reinstate.

Murray starts back at the Te Puni delivery branch 27 November.

COMPLETE-NESS CLAUSE HOLDS UP SPOTLESS

Continued from page 7

to a completeness clause if it meant that our members lost some terms and conditions and members would not vote to ratify an agreement that took them backwards.

Bargaining adjourned to allow the Union to check the facts. Members advised that there were a few things they had individually bargained over the years which would be lost including 2 hours in lieu when generators are run on a Friday morning before normal start time, the on call rate being \$5.00 higher than the printed rate, and one member having reduced hours of work to accommodate childcare.

NO TO COMPLETENESS

Management was told members would not agree to their completeness clause. They advised that deal was off the table and we would need to recommence bargaining. The union advised that all claims were back on the table. Since then a date has been set at the end of November to recommence bargaining and the employer has asked for a list of terms that might be lost by agreement to their clause.

Since the Union has been on site at Spotless a number of outstanding issues have now been resolved such as each member receiving wet weather gear including gumboots and the inclusion of allowances into the hourly rate for the purpose of overtime calculations.

Price increases fall to 1%

Housing and electricity costs are driving annual inflation. At an annual increase of 1.0% overall inflation is lower than expected.

The annual rate was 1.6% for the year ended June. The September quarter saw a 0.3% increase in the CPI.

Over the year, housing and household utilities, which includes rents, new housing and home energy prices, accounted for almost four-fifths (79.5%) of the increase in the CPI. Rents, costs of new housing, maintenance, rates and energy costs all rose at a rate

well above the 1.0 percent rise in the CPI. By far the largest contributor to energy costs was electricity, which rose 3.7 percent over the year. Rents rose 2.2 percent, purchase of new housing 4.8 percent, rates 3.8 percent and energy (including gas and solid fuels) 3.6 percent.

Inflation in Canterbury was considerably higher than the rest of the country at 1.6 percent for the year, with housing and utility costs rising 4.9 percent for the year compared to 3.4 percent for the country as a whole.

Post's permanent Postie shortage challenged

Proceedings have been commenced against NZ Post because of its failure to have enough staff.

Posties have been allocated unwanted overtime and can't take leave due to staff shortages. Fatigue results and is a serious health and safety issue as it increases the likelihood of accidents.

RAISED REPEATEDLY

The issue of understaffing has been raised with Post repeatedly. The company refuses to say how much work a Postie can be required to do. Because the collective agree-

ment requires that all the mail given to a Postie has to be delivered the same day, and not to do so is serious misconduct, many Posties are fearful of declining work for any reason.

The union issued a notice in May drawing a line saying the company could not demand more than 43 hours of time worked in a week. This wasn't challenged at the time. But when Posties were being given 50 - 65 hours of work a week in Christchurch, and the union issued the same advice, the company said they did not agree with it.

The company was challenged to state what amount of time worked it considered could be reasonably

required. This request was met with silence.

FATIGUE

The company position forces Posties to perform work that will cause levels of fatigue that will result in work accidents. This stance in the unions view breaches the requirements of the collective agreement and good faith in the Employment Relations Act.

As a first step the matter will go to mediation. If it isn't resolved there the union will seek an urgent hearing as the problem is getting worse with the company not hiring permanent staff because of its plan to reduce the frequency of mail delivery.

City Care's actions contested

Iain Gunn was dismissed by City Care for refusing to take a drug test, having too many accidents in his company supplied van, and failing to report a vehicle incident immediately it happened.

The union argued with the company at the time of dismissal that it was unjustified and so filed proceedings in the Employment Relations Authority.

NO REPAIR NEEDED

As soon as he was aware of the minor damage to his vehicle, the day after it had happened, Iain reported it. While the company said when dismissing Iain he had five accidents in a year the record showed only three. None of the damages required repair work.

A day after the accident the com-

pany wanted to do a drug test on Iain to see whether he was a user of drugs, not to see if he was impaired. As this was outside of the company's policy the union advised Iain he was entitled to refuse a test. The union's General Secretary, Graeme Clarke, discussed the request and why it didn't comply with the company's drug testing policy. Without getting back to him the company acted unilaterally to insist on the drug test.

Before the ERA can hear a case it must go to mediation. Iain's dismissal was resolved in mediation

and the settlement is subject to the normal confidentiality provision.

STILL TO BE ADDRESSED

However, the union is insisting that the company's failure to follow its own drug testing policy, and its failure to get back to the union prior to insisting Iain take the test, must still be addressed. In the union's view the company has flouted common law protection that workers have of being able to follow reasonable union advice without fear of dismissal.



This damage (circled) was part of the justification for dismissal

International news...

Canadian union campaign against postal cuts

In December 2013, Canada Post announced it was ending door-to-door mail delivery across Canada. Canadians receiving this service would be required to collect their mail from a community mailbox (CMB) instead. Canada Post's change in service was introduced as part of its five-point plan, ostensibly to restore Canada Post's financial sustainability by 2019. The plan includes raising the price of postage, expanding postal franchises, streamlining operations, addressing the cost of labour and phasing out home delivery.

BOTTOM LINE

"Once fully implemented four of the plans initiatives are expected to contribute an estimated \$700 million to \$900 million a year to

the Corporation's bottom line" states a Canada Post news release. John Bail, Canadian Union of Postal Workers (CUPW) national director for the Pacific Region says, "Canada Post used

to lose \$350 million a year in the early 80's, and uprooted itself to where it was making a profit for the last 17 years. If they wreck it..... reduce the service, increase the cost.....somehow that's good for the consumer?"

If Canada Post is actually losing money and facing a billion-dollar deficit in five years, as it claims,



Union campaign to keep door to door delivery

critics say the corporation should be expanding services and increasing revenue instead of cutting services and the number of employees. One of the long-held proposals for added income is a return to postal banking services.

OPPOSITION CAMPAIGN GROWING

With opposition growing to Canada Post's plan to eliminate home mail delivery, the CUPW hopes door-to-door will be a key election issue in 2015 "with the work we are doing, we hope, the campaign will be successful" they say.

The Canadian government has made no secret of its plans to privatize Canada Post and John Bail says "when they've totally demolished the structure of Canada Post and the infrastructure we own and have paid for, companies like Pitney Bowes will pick it up and run away with it. They'll just get rid of Canada Post and give it to their friends."



IF CANADA POST MENTORED SANTA CLAUS

TPPA proposal will raise medicine prices

In a leak made available on the WikiLeaks website it was revealed the proposed Trans Pacific Partnership Agreement (TPPA) will make medicine more expensive in New Zealand by restricting access to generic medicines.

New Zealand's Pharmaceutical Management Agency (PHARMAC) has been highly successful in facilitating affordable access to medicines through a combination of aggressive price negotiations, innovative procurement mechanisms, and careful evaluation of value for money.

US AGENDA

Through the TPPA the US is seeking to eliminate therapeutic reference pricing, introduce appeals processes for pharmaceutical companies to challenge formula listing and pricing decisions, and introduce onerous disclosure and "transparency" provisions that facilitate industry involvement in decision-making around coverage and pricing of medicines.

The leaked US proposal will force signatory nations to observe an "automatic monopoly period" of up to 12 years for patented life-saving drugs. These include, but are not limited to, medicines that treat diseases such as cancer and HIV.

The clause will prevent generic versions of the drugs from entering the market during the

period of exclusivity, forcing patients to rely on the brand-name versions, which are usually sold at a much higher price.

Another proposed change will not allow member nations to let cost-cutting generic drugs compete against brand-name medicines.

A vital tool to give exemptions to cheaper alternative medicine has been superseded by a subjective evaluation to determine if allowing exceptions to would "prejudice" patent holders' rights.

PATENT HOLDERS RIGHTS

"This will mean that the procedure is more restrictive and open to interpretation, and therefore lobbying and manipulation," WikiLeaks said in a statement accompanying the release.

"In short, the TPP will greatly reduce the ability for creating more affordable drugs to save more lives, and increase the pharmaceutical industry's ability to retain monopolies."

The current government seems determined to press on with the TPPA in spite of the concerns about its impact on ordinary Kiwis' living standards.



"It's the same the whole world over..."

Apple microchip supplier NXP, based in the Philippines, illegally sacked 24 union leaders during collective bargaining in May. The Department of Labour has mediated proposing a 5.2% pay rise and reinstatement of half the unionists. NXP supplies the payment chip in the latest iPhone. Union members are demanding DoL upholds the law.

GLOBAL DAY OF ACTION

Cambodian garment workers unions held a day of action on 17 September to press their demand for a weekly wage of \$51. \$49 is considered the minimum amount needed per week to live. The increase sought is a 77% rise on current pay levels. Global union federations have backed the day turning it into an international event.

CAMPAIGN WINS

Dutch semi-conductor company NXP, a major supplier to Apple, tried to break the union in its Philippines special economic zone factory in collusion with the government. 24 union leaders were sacked in the course of collective agreement bargaining. The union fought back enlisting international help. Apple got 150,000 petitions and 14,000 complaints. Numerous solidarity actions persuaded NXP to back down offering a 12% pay increase, reinstating 12 union leaders and making many temps permanent.

Vulcan Steel found to have issued warning under duress

A recent case taken to the Christchurch Employment Relations Authority (ERA) by M&C Union representatives Phil Yarrall and Lou Yukich on behalf of Errol Walker, a member employed by Vulcan Steel Ltd in Christchurch, had a favourable outcome for the member.

Errol had raised a personal grievance against the Company for a letter the Company wished Errol to sign regarding an alleged breach of their Drug and Alcohol policy.

SUSPENDED

Errol was suspended from work earlier this year when he arrived for work still having a little alcohol in his system from the previous night out. Errol was breath tested by the company and was under the new driving limit. However, he was only allowed to return to work if he signed a declaration that he would "accept the full and final written warning and will not seek to challenge it".

Errol raised a second personal grievance for a letter given to him for errors he allegedly committed at work. Errol also raised a personal grievance in relation to having his pay docked for attending the mediation relating to the company's initial issuing of the final written warning for breaching the Drug and



Phil Yarrall appeared for Errol Walker in the Employment Court with Lou Yukich

Alcohol policy. There was also an issue where Errol deemed himself discriminated against by the Company on the basis of him being a union member.

DURESS

The Authority found that Errol, having signed the declaration to not challenge his warning, did so under duress. He was unjustifiably disadvantaged by the warning and no fair and reasonable employer could have issued him with a written warning in that way.

The Authority was also of the view that when the employer is directed to attend mediation with an employee, the employer acts in breach of its duty of good faith when it

elects to withhold pay from that employee for attending the mediation meeting.

The object of the mediation is to seek to resolve an existing employment relationship problem and the mediation should not be undermined by the employer.

DISADVANTAGED

Errol was found to be unjustifiably disadvantaged when the company issued him a letter outlining errors that he had supposedly made in his work. The company didn't first investigate the circumstances in which those errors occurred in accordance with a fair process.

And finally the Authority also found that Errol had been discriminated against contrary to s.104 of the Act by reason directly of his involvement in the activities of the union, namely having previously submitted a personal grievance to his employer.

The company was ordered to pay Errol two hours pay for time spent attending mediation. The sum of \$8000 compensation was awarded pursuant to s.123(1)(c) (i) of the Employment Relations Act in respect of the warnings. It was ordered that all copies of the final written warning and the letter alleging work error s be removed from his personnel file. These are and not to be relied upon in any future disciplinary actions.

The company is appealing this decision to the Employment Court.

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The union may be contacted at PO Box 6287 Wellington New Zealand. Phone (04) 3858264, Fax (04) 3848007, email to m.c.union@TradesHall.org.nz

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