



M&C Workers News

JOURNAL OF THE MANUFACTURING & CONSTRUCTION WORKERS UNION

Law change to help employers cut wages

At the end of April the government's proposed changes to the Employment Relations Act were revealed. The law change is yet to have its first reading in Parliament. The changes are clearly directed at increasing the power of employers in collective bargaining with unions. They go beyond what the National Party stood on in the last election. For example, the right to strike is to be further restricted by requiring written notice.

The impact of the law changes are directly contrary to the government's pledge at the last election to have living standards in New Zealand catch up with Australia.

Unions play a vital role in improving wages and conditions for all workers whether they are union members or not.

While unions represent only 20% of the

workforce, by collectively bargaining for their members and improving wages and conditions they influence what employers of non-unionised labour must pay. Reduce the effectiveness of collective bargaining and the whole labour market is repressed.

The government has revealed clearly in these proposed changes to the Employment Relations Act that they have no interest in workers in New Zealand getting the same rates of pay as Aussies. Their only interest is ensuring that employers, often foreign owned, can take larger and larger profits.

Meanwhile many of our kids are going to school hungry. Didn't happen in the 1960s and 70s, but it happens now. The government plans to make it worse.

The specific changes to the law are looked at on page 16.

Also in this issue...

From the workfront... pages 2 & 3

Posties win RDP claim in the Supreme Court

Collective agreement negotiations... pages 4 - 7

Good deal for Wellington region bus drivers

Union conference meets... pages 8 & 9

The annual conference of the M & C Union hears from CFMEU leader

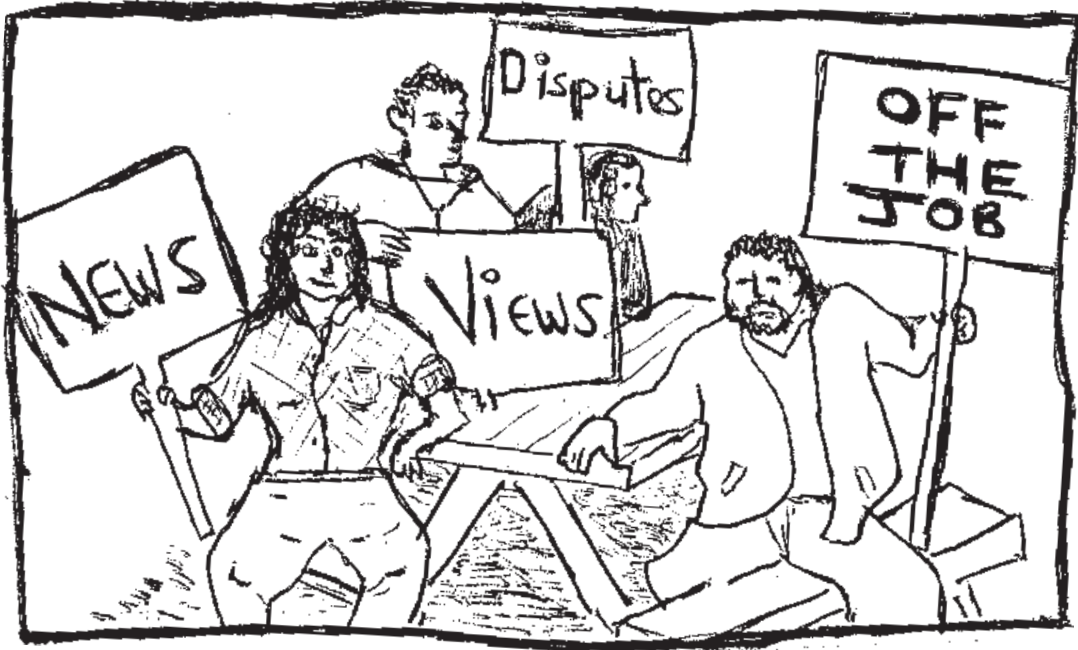
Health & Safety... page 10

Enquiries from retired boilermakers prompt reminder on ACC hearing loss claims.

Union helps activist in Employment Court... page 11

International news... pages 14 & 15

Safety conditions in Asian factories are a concern for all trade unionists.



ERA finds Cudby & Meade must pay holiday pay

The union took furniture maker Cudby & Meade to the Employment Relations Authority (ERA) in respect of unpaid union fees and unpaid holiday pay.

The holiday pay affected a long-standing union member, David Stevens. He left Cudby & Meade in 2009 after continual disputes about non-payment of wages.

SETTLEMENT

The non-payment of wages issue was taken to the ERA where an agreement was reached between the union and the company. By this time David had left Cudby & Meade and a confidential settlement of all matters was agreed in the ERA.

The company's contention about the holiday pay was that the 2009 settlement included payment in respect of \$6,720 of holiday pay. David argued that it had nothing to do with holiday pay.

In addition the company was failing to carry out its obligation to pay union fees deducted from the remaining member's wages to the union. At last count the amount of fees owed was \$490.

The ERA ruled that the holiday pay was owing because no-one can contract out of the Holidays Act. The ERA also ruled that the union fees had to be paid.

More lay-offs at Axiam Metals

In April Axiam Metals laid off another 16 staff.

This round of redundancies did not come as a shock to members after 43 staff were made redundant in August last year and 4 day weeks occurred late last year when orders suddenly dropped off. The Collective Agreement contains a small compensation package plus 4 or 6 weeks notice period depending on service.

The redundancies were the result of a very sudden work order dip in February March.

Only two of our members were made redundant as a result of the

selection criteria agreed.

The redundancy also brought to light a dispute about annual leave. The company claimed a "casual" employee who was a member got holiday pay included in his hourly rate and he was not due any annual leave on termination.

However, the Holidays Act states a pay as you go 8% loading on wages paid weekly for holiday pay can only be done for employees whose work is intermittent or irregular, or if they have a fixed term employment agreement. As neither of these situations applied there is a dispute to recover holiday pay.

From the work front...

Posties win relevant daily pay claim

The Supreme Court has ruled that the Appeal Court ruling on relevant daily pay will stand.

NZ Post's application to have an appeal heard has been dismissed without a hearing on the grounds that "there is no appearance of a miscarriage of justice."

Until 2011 the Holidays Act required that for sick leave, bereavement leave or public holidays, relevant daily pay had to be paid. This was the amount the employee would have received had they worked on the day concerned.

WORKLOAD VARIES

When it is not possible to say how much the employee would have earned, in the case of Posties because their workload varies on a daily basis and overtime if required is compulsory, relevant

daily pay according to the Act was the daily average of the previous four weeks earnings.

Post rejected the union contention in 2008 that the company's insistence on only paying ordinary earnings was a breach of the Holidays Act.

The PWUA commenced legal proceedings and lost in the Employment

Relations Authority. This decision was appealed to the Employment Court. The PWUA lost there as well when the Employment Court accepted the stance taken by the EPMU in the hearing. The EPMU asked the PWUA to appear at the Employment Court saying they supported the PWUA claim. In the Employment Court hearing the EPMU did not support the PWUA. The PWUA appealed again to the



Appeal Court where the union claim was at last successful.

LAW CHANGED

The Supreme Court decision points out that the law in this area was changed in 2011 in three different ways:

- "the averaging period is the preceding 52 weeks rather than the preceding 4 weeks;
- it is cast in permissive rather than mandatory terms: "An employer may..."; and
- it is broader in application than the former s 9 (3) as it applies if either it is not possible or practicable to apply s 9 (1) or the employee's daily pay rate varies during the pay period when the holiday or leave falls."

The Supreme Court went on to say "How s 9 (1) is to be applied in relation to the new s 9A will have to be determined if and when issues arise as to their application."

The task of calculating how much Posties may be owed is a major one.

PRICES RISE 0.9%

The Consumer Price Index rose for the year ended March 2013 by 0.9%.

The CPI increase for the March quarter was 0.4%.

The rate of inflation for the year ended December was also below 1%.

The main contributor to the annual increase in prices were cigarettes and tobacco, up 12%, electricity, up 5.2%, house rentals up 2.2%, new

houses up 3.3% and local authority rates up 4.3%.

The prices for some items fell - telecommunications by 7.2%, computers, TVs etc by 12% and fresh milk by 7.7%.

The CPI measures the rate of price change for goods and services purchased by household in New Zealand. 3000 shops across New Zealand are visited to collect the prices and changes to product sizes and specifications.

Collective agreement negotiations...

Wellington region bus CEAs get 8.3% deal

Negotiations with NZ Bus for its Wellington region subsidiary companies produced a reasonable pay rising totaling 8.3% for a three year term.

Initially the company didn't want the agreements for the three companies - Go Wellington, Valley Flyer and Runcimans - to be negotiated together. But the unions insisted and, as bargaining had been initiated for a multi-employer agreement, under current law the company could not refuse joint bargaining meetings.

CLAIMS 56 PAGES

When the negotiations got underway the company presented their claims. The company claims totaled 56 pages and were aimed

at reproducing the conditions (or lack thereof) that exist in its Auckland operations.

The rationale for the company's claims was that public passenger urban bus transport would soon be put up for tender and other companies could bid for the work in the Wellington region. The government is changing the rules that apply to the tender process making it easier for a company paying lower wages to get the work.

REDUCE PENAL RATES

What NZ Bus was saying was to win the work in the next round of tendering, they wanted to reduce penal and overtime rates and paid annual leave to ensure they were cost competitive.

The unions advocates, Graeme Clarke and Kevin O'Sullivan, responded to these claims saying that agreement was not possible while they remained on the table.

The company was told: "If we lower your wage bill, that will encourage your competitors, who don't currently employ anyone in Wellington, to bid with even

lower pay rates and conditions than they otherwise might. That means if NZ Bus loses the work due to competitive tendering, drivers will wind up working for competitors on lower pay rates than they otherwise would if NZ Bus remains with its current arrangements."

"Why then would we agree to take less at NZ Bus?", the company was asked.

Eventually it was agreed to refer some of the company and union claims to a working party. The unions' view is that the work could be organised more efficiently at a lower cost without cutting conditions. Any change is subject to a vote of union members.

During the negotiations it was pointed out to NZ Bus that the lowest wage rates and worst conditions actually applied to their own employees at Runcimans. It was agreed to change the Runciman's agreement so that if it took up urban public passenger work that they must pay the Valley Flyer rate for that work.

SUBSEQUENT PARTIES

The unions also made it clear that if NZ Bus lost any work the unions would be trying to recruit the new employees of the rival company. It would assist if there was a guarantee that any other bus company could become party to the applicable NZ Bus CEA. The company declined to accept such a subsequent parties provision on the basis that it was legally unen-

Continued opposite



The government is changing the rules again to increase competition in the urban bus industry - the union is determined that there will be no repeated of 1990 wage cuts when competition was first introduced.

Converga working party to examine pay structure

The Converga Group Limited collective agreement was ratified by members in March after lengthy negotiations.

Previously Converga had been a trading name employed by NZ Post subsidiary Datam. Workers on the Converga client sites had their own collective agreement, distinct from the Datam CEA.

ORCHESTRATED CUT

The wages rates and conditions of Converga workers are the worst in the NZ Post group of companies as a consequence of a decision made in the 1990s by Post to get out of managing mail for clients. The work ultimately went to a company called Outsource Solutions which paid very low wages and minimal conditions. Later Out-

forceable.

The wage increase that was finally agreed was in four steps. The first year sees a backdated increase of 2.75%. The next increase after one year is 1.7%, then 8 months later a further 1.7%, and another 8 months later a final increase of 1.9%.

Because of the short gaps between pay rises of the second two years it is expected that wage increases will be significantly above the rate of price rises.

STANDARDISING

Some continuing moves were made towards standardising the three collective agreements. Sick leave at Valley Flyer and Runcimans was increased to 6 days per year in line with the Go Welling-

source Solutions was purchased by Post subsidiary Datam.

The effect of these changes was to cut the wages and conditions that had applied for this work when it was covered by the NZ Post CEA. In the Converga CEA negotiations the union could not get better than a 2% wage rise for those on the printed rates, and a 2% lump sum for those on substantially more than the printed rates. The 2% increase lifted the minimum start rate to \$14.15 per hour and the top rate in the CEA to \$18.07.

WORKING PARTY

It was accepted in the negotiations, however, that a better remuneration system was required. It was agreed to establish a working party to revise the classifications of jobs and the associated remuneration during the term of the agreement.

ton CEA. A new provision allowing employees to take up to a year off with guaranteed reemployment was also accepted.

The unions agreed to a new standard cash handling provision.

Other items agreed included:

- a reimbursing payment for using a personal car to get between depots in the Hutt Valley when the work assignment changes;
- agreed changes to facilities in any new workshop;
- payment towards the cost of prescription safety glasses in the workshop;
- garage service workers to be paid the higher garage assistants rate but lose their weekly allowance, a net minimum increase of 16 cph.



David Thomson advocated for the Converga CEA negotiations

The working party is to start before the end of May.

Other changes to the CEA included

- increasing the meal allowance to \$14 when more than 9.5 hours are worked in a day without 24 hours notice,
- a 12 month term to October 2012 and backdating,
- no use of ER Act 90 day trial periods,
- increasing annual leave entitlement by 2 days per year in return for deleting the birthday leave entitlement.

2% pay rise at Hales

Hales Manufacturing and Partitions CEA negotiations have been completed with members ratifying on the company's offer of 2% pay increase and a one year term. The Lower Hutt members reported that although there is work much of the year has had its highs and lows. Manufacturing had more lows than highs.

Hour bank improved at Axiam Plastic

Axiam Plastics bargaining saw the employer put forward claims, among others, to end the 4 day 10 hour shift and to reduce the overtime rate to time and a quarter.

Members presented a modest set of claims which included any hours worked that are put into their individual hour bank will be at the overtime rate.

HOURLY BANK

Prior to our union being on site an hour bank system was introduced. Anyone who agreed to work additional hours to those rostered did so on the basis that the hours worked would be banked at the ordinary rate. There had also been a system established which allowed the employer to call work after 8 hours either additional or overtime hours. Additional meant it would be banked and overtime meant it was paid at the OT rate of time and a half. This system suited some and they would utilise it as a bank and cash up the banked hours when wanted.

Ending the 4 10 hour days was due to the fact that the work performed by that particular shift has reduced to such level that the company can

no longer provide 40 hours work per week regularly. Due to the 4 10 hour days it was not possible to offer other work due to shifts working in sync with each other. The employer maintained that in order to keep this shift gainfully employed for 40 hours per week the shift needed to change to 5 days at 8 hours which meant they could perform other work. The logic appeared to stack up. This issue affected approximately 8 members.

The employer also presented a new flat rate for supervisors. This was designed to avoid disadvantaging them due to the fact they had to work up to 5 hours overtime per week as part of their supervisor role and if the OT rate dropped to time and a quarter then supervisors who are members would take a reduction in income. A formula was worked out which meant any supervisor working up to 8 hours OT per week was better off and it was agreed any OT beyond the 5 needed in their role would be voluntary. Any supervisor working their 40 plus 5 was better off on the proposed new flat rate.

OFFER TO SETTLE

Within the offer to settle which included a 2% increase was an agreement that allowed either additional or OT hours worked to be banked or paid at time and a quarter. The employer maintained that the new OT rate proposed would equate to more OT hours offered and therefore more income over a

12 month period overall for anyone choosing to do the OT. The new OT rate was to be a 12 month trial at which point the OT rate would revert back to time and a half requiring further agreement from members for it to stay at time and a quarter.

Despite our advice that we could not see how members would agree



Axiam Plastics

to ratify the proposed changes it was taken to a meeting. Members voted the offer down by a vast majority. Members were not happy with the new OT rate, most supervisors did not like the flat rate system and the majority of members wanted to support their colleagues on 4/10 hour shifts.

AMENDED OFFER

Subsequently the offer was amended to retain OT at the current rate, allow the member to choose to be paid OT or bank it at the OT rate (but with no ability to cash up banked hours unless leaving). The flat rate offer to supervisors was withdrawn and the request to end the 4/10 hour shifts was removed from bargaining in favour of a consultation process involving those affected. A 2% increase was offered. Members ratified the new offer.

3% at Lyle

Lyle Engineering in Rotorua renegotiated the collective agreement with the union recently.

Northern District Secretary Ray Mavor reports that the agreement was settled for a two year term.

Members ratified a 3% wage increase for the first year with a further 3% pay rise for the second year.

Continued on page 12

Masport attacks redundancy

Masport collective agreement negotiations proved difficult this year, the major issue being the redundancy agreement.

The redundancy agreement was done in the 1990s and sits outside of the CEA. It is a good agreement. It is too generous for the employer, however, and they wanted to roll back some provisions, especially compensation.

REVIEW

While the redundancy agreement allowed it to be reviewed and the redundancy agreement could be terminated by the employer, the provisions of the collective agreement kept the redundancy terms

intact.

The employer asked in the CEA negotiations for their redundancy changes and held the negotiations up pressing their demands. The M&C and EPMU negotiators stood firm against the company's redundancy roll back plans.

The unions did agree to discuss the redundancy provisions during the term of a two year agreement with a modest pay rise. As *M & C Workers News* goes to print the CEA is still not finalised



A picket at Masport's foundry: By sticking together M&C and EPMU members have kept decent wages and conditions over the years

because of the stance of the employer wanting to secure the outcome of the review before it had taken place.

Redundancies cause roll over

Bargaining at Axiam Metals was deferred this year with the agreement being rolled over for a further 6 months.

As reported on page 2 of this issue of *M&C Workers News* a large number of redundancies occurred last year and this.

A date was agreed for bargaining, claims had been exchanged and a Bargaining Process Arrangement agreed to. However, a couple of weeks out from bargaining the company requested an urgent meeting to discuss a downturn in work with further redundancies. The nature of the downturn in work and resulting redundancies meant all parties saw no sense in continuing with the bargaining process and members agreed to roll over current collective agreement for a further 6 months.

A meeting was set to determine the selection criteria with regard to the

redundancies and in particular to determine what "all things being equal" meant when selecting those to be made redundant.

A criteria to restructure was agreed for selection that included looking at what customers the business had left, the skills required to produce the products department to department and service of the employees. A scoring system taking into account the above was created with the lowest scores being those chosen for redundancy.

VOLUNTEERS

Prior to selection, volunteers were called for. The company advised no casuals were currently employed. The total number affected was 12 which included 4 admin. The final outcome of selection for our union was two members, one of whom volunteered. Members have been left feeling very uncertain about their futures with Axiam

Metals and only time will tell. Axiam Metals once employed up to 200 staff over its two plants previously known as Axiam Engineering and Axiam Die Casting. Following this round of redundancy there are approximately 50 staff.

The Union will re-initiate for bargaining on 01 August with the agreement expiring on 30 September 2013.

The delegates Richard Herewini, Steve Callaghan and Mel Booth put in huge efforts on behalf of members that went far beyond what could be reasonably be expected of them.

Axiam is recognised locally and internationally as a very good competitive manufacturing company able to produce high level products with a high quality finish. However, the reality is no matter how good Axiam is the fact is the demand for their business is not there currently.

CFMEU report:

Free trade Taliban destroying Oz and NZ manufacturing

Alex Millar from the CFMEU visited Wellington to attend the 25th annual conference of the Manufacturing & Construction Workers Union.

Alex has developed a close working relationship with New Zealand Pulp and Paper unions, especially the Kawerau Industry Council of our union. He was invited to discuss the common problems being faced by Kiwi and Aussie workers and the approach taken by the CFMEU to campaigning on behalf of its members. Some extracts of his report are printed below.

The CFMEU has 120,000 members and 400 staff. Over the last two years the pulp and paper membership in the union has declined from 2000 to 1400.

Over the last year manufacturing jobs have fallen by 58,000 in Australia. Australia now has a two tier economy, a booming mining sector and an ailing economy elsewhere, especially manufacturing.

MIGRANT LABOUR

One issue that confronts unions in Australia is the use of temporary labour. Migrants are being brought to Australia on fixed term contracts because it is alleged there are no Australians available to do the job. This is not true, the real motive is to reduce wages and conditions and to deunionise.

In the mining industry the big companies will not employ from local communities. One example is a young man who lived in Cairns and sought a job in a local mine. He could not get a job until he got a Brisbane address. He now flies in for his working stint and then flies back to Brisbane for his time off. There are a large number of mining communities like this. The only benefit for the local community is the creation of a large

airport. When the mining is finished all that is left from the wealth is an airport, no other infrastructural benefits are derived by the local community.

The mining boom has the effect of creating a high dollar. The high dollar undermines manufacturing. The policy makers see Australia being the food bowl of Asia. Australia supplies the food to Asia and Asia supplies the manufactured goods to Australia. Free trade ideology has captured Australia, and New Zealand, to such an extent that one Swedish trade unionist recently described the trade representatives of both countries as the Free Trade Taliban.

ASSISTING INDONESIAN UNIONISTS

Products being produced in Asia for the Australian market don't meet the same quality standards, and the workers who produce them work in vastly inferior conditions for poor wages. The CFMEU is trying to assist Indonesian trade unionists who want to improve their livelihoods. Our argument is not with those workers in other countries, it is with the policy makers and business owners. Another feature of Australian po-



Alex Millar

litical life is the Productivity Commission. This is run by free trade ideologues. It's espouses the need for a public interest test. If a product can be obtained cheaper from overseas, then it is in the public interest that it be imported. This kind of approach isn't seen in the US or other countries. They impose tariffs and other restrictions on trade to protect their interests

CAMPAIGN

The CFMEU campaign against this approach resulted such a policy not included in recent changes to Australia's Anti-Dumping Regime.

The political situation is dire in Australia for working people. Because of the actions of the current government many workers will vote the Labour government out of office at the next election. It could be that only a rump of Labour remains in Parliament. It will be out of office for a decade and until it again becomes relevant to workers.

Union adopts policy on law change

The Government's recently announced changes to the Employment Relations Act was high on the list of topics for discussion by delegates to the 2013 annual conference.

The changes the Government is hoping to get through Parliament (for details see the report on page 16) include some issues that they did not stand on in the last election. Chief amongst these is the requirement that written notice must be given for all strikes. The idea of written notice seems to be driven by the proposal that employers will be able to make a deduction from wages with respect to limited industrial action.

ASSESS IMPACT

The conference decided that the General Secretary would assess the impact of the law changes and would discuss these with other officials of the union. Following this the union will ensure that all officials are advised how to deal with the proposed changes so as to ensure that the union remains

effective in representing members interests, including by taking industrial action when required.

The conference also considered what submissions the union should make concerning the proposed law changes.

ONE-SIDED

The proposal that new employees do not have to be offered the terms of a collective agreement in the first 30 days of employment if the employer so chose was considered to be one-sided in the employers favour.

The union will make submissions that it should be allowed, by agreement with an employer, to have a collective agreement that covers all employees regardless of whether they choose to join the union or not.

A single bargaining unit is always preferable for workers. This used to be possible under the Employment Contracts Act until the "join the union, join the collective agreement" provision came in with the current Act.

A third area to receive some attention is the employers right to opt

out of multi-employer bargaining. Often related companies have separate agreements and to be forced to negotiate them separately hands the employer an advantage. New Zealand Bus, for example, has three companies operating in the Wellington Region. Negotiating all three CEA's together can at present be required by the union and this works to the advantage of those members who are currently paid the least.

NATIONAL OFFICERS RE ELECTED

Elections were held for the National Officers.

The incumbents were all re-elected.

The National President is Greg Hopkins, a boilermaker employed at CWF Hamilton in Christchurch.

Vice President is Nick Kelly, formerly a bus driver in Wellington, but now an organiser with the PSA.

General Secretary is Graeme Clarke.

Life memberships

The conference accepted a request by the Otago District to confer life membership on two members recently retired.

The members concerned were Kevin Hayes and Rima Ravenga.

Kevin was a delegate to many national union conferences and an active District Committee member and union delegate.

Rima was active in the moulding industry and a member for many years.



Workers rights are under attack: The National Party should see more demos



ACC coverage of hearing loss

Workers in some occupations are prone to hearing loss because of the work performed. Older workers who were exposed to hazardous noise levels at work because of a lack of hearing protection are particularly susceptible.

One trade covered by the union where hearing loss is prevalent is boilermaking.

ACC covers not only hearing loss caused by an accident, but also from a work-related gradual process, disease or infection. The classic cause is occupational noise induced hearing loss.

6% MINIMUM

A minimum of 6% hearing loss in

both ears is required for ACC coverage.

Getting ACC to accept a hearing loss work injury claim can be problematic. ACC does not cover the portion of hearing loss caused by

- the aging process
- illness
- or conditions that are hereditary or existing from birth.

ACC may try to argue that the occupational part of hearing loss is less, and that attributable to a cause not covered, for example aging, is more.

ACC WILL CHECK

When making a claim details of current and previous employment are required. ACC will check with previous employers about your exposure to noise at work.

The union's advice is that any problems of industrial deafness should be dealt with by a specialist ear doctor, called an Otolaryngologist. They have the full medical training to give positive support to those suffering the effect of noise pollution at work.

NOCURE

The threshold of possible hearing damage is a noise level of 85 decibels over an 8 hour day. Normal speech is 60 decibels. A lawn mower is 95 decibels. Using a lawn mower for more than 60 minutes can cause hearing damage.

Above 115 decibels damage is instant. A chainsaw causes noise at this level.

Deafness caused by exposure to excessive noise cannot be cured. If ACC accepts a claim it will make a contribution towards hearing aids. How much of a contribution is determined by the degree to which the hearing loss is attributable to excessive noise levels at work as opposed to the effects of aging.

Stop hearing loss by using the appropriate level of hearing protection at work. Raise the issue in union meetings. The employer has an obligation to eliminate or minimise exposure to noise hazards.



Boilermaking has hazardous noise levels

Union activist helped to get his job back

Derek Gilbert was recently reinstated by the Employment Court when it found he had been unjustifiably dismissed by his employer, Transfield Services. Derek was also awarded all lost wages (about two and a half years worth) and \$15,000 compensation and costs.

Derek was employed as a telecommunications Inside Plant Technician, a position he had held for almost 40 years since starting at the Post Office in 1970.

COMPETENT UNION DELEGATE

Phil Yarrall, our Canterbury District Secretary, formerly was also an Inside Plant Technician and knew Derek throughout this time. Phil described Derek as a competent and conscientious employee who was an equally competent Union Delegate for the EPMU.

Derek led a successful two and a half year campaign for a new CEA for Telecom Technicians employed by Transfield Services. Most of what was lost under the 1991 Employment Contracts Act was effectively restored. It was a bitter war of attrition which led to successful litigation against Transfield Services and senior management resignations.

Standby allowances went from a miserable \$20 per week to \$175, penal rates increased and there were substantial backdated wage increases.

Two years later whilst Derek was involved with negotiating for a later CEA he was selected for redundancy by Transfield. He chal-

lenged the process but was made redundant 1 October 2009.

Derek felt that Transfield had selected him because of his activism but also challenged his redundancy claiming fundamental breaches in the expired CEA as well as the Employment Relations Act.

When Derek turned to his union, the EPMU, for help he was surprised to find that interim reinstatement was not an option for them to pursue. Luckily Derek was also

a member of the Electrical Union and Lou Yukich picked up the case and put it on a path to success.

EPMU DISENGAGED

At this point the EPMU, rather than assist, disengaged itself. Derek was not successful at the Employment Relations Authority. Even if Derek had won at this point, Transfield, a multinational company with deep pockets employing one of the most expensive law firms in New Zealand, Russell McVeagh, was bound to appeal anyway.

The EPMU had numerous other personal grievances turning on Derek's case but these cases were closed. Lou Yukich supported Derek in mounting his case including with the "document bundle" prepared for the Court.



EPMU picket for teleco CEA

Various holdups by earthquakes and extra court time required for the six company witnesses to be heard and cross examined meant that the court did not deliver judgement until 29 April 2013.

Although the discrimination claim, that Derek had been selected for redundancy because he was active in the EPMU, was dismissed, Chief Judge Colgan said it was not comprehensively so.

It was a different story however on the remaining substantive matters. The judgement read like a textbook for employers of what not to do in a redundancy situation.

Chief Judge Colgan described the stance of not identifying the position Derek held being that of an Inside Plant Technician as "fatally

Continued on page 13

BILL TO GIVE EMPLOYERS HELP TO CUT WAGES

Continued from page 16

petitors.

This law change will allow employers to use corporate law to weaken the bargaining power of their employees.

UNION REFUSED SEPARATE NEGOTIATION

For example, negotiations in Wellington for public transport four companies - Go Wellington, Valley Flyer, Runcimans and Mana. The first three companies are owned by NZ Bus. At the last CEA negotiation NZ Bus said they wanted to negotiate with each separately. The union refused.

There is no doubt that a better deal was obtained because the three companies had to negotiate at the

same time.

This law change will also encourage companies to compete with each other by paying lower wages to win work in contracting industries.

The Bill repeals the requirement for the employer to engage new employees on the terms and conditions of a collective agreement. The express reason for this change stated by the Government in Cabinet papers is to enable employers to engage new workers for less than the collective agreement provides. Because of the 90 day probationary employment period that the employer can also impose many new workers will not join the union to get what the collective agreement offers.

Other changes in the Bill include

- restoring the right of employers to not conclude a collective agreement;
- to allow the employer to apply for a court decision that bargaining is at an end;
- changes to reduce employment protection where one company loses a contract for work to another company;
- changes to penalties for unlawful industrial action in public transport.

HOURLY BANK IMPROVED AT AXIAM PLASTIC

Continued from page 6

The matter of the 4/10 hour shifts is on-going. The company has presented the matter for consultation and advises that the shift must change to 5 days or those working it can choose redundancy. The Union is seeking to minimise the effect on members as much as is possible. Currently those members have been working this shift for many years and their lives are built around those hours. Personal and family difficulties will arise as a result of the change. It is those difficulties we are looking to minimise where we can.

In the bargaining the EPMU and M&C Union continue to work cooperatively on site for the betterment of all.

The delegates on site, Ken and Doug, are thanked for ensuring members' views are well represented and that they are informed. The work delegates perform is unpaid and often very stressful.

Canterbury Branch

M & C WORKERS UNION AGM 30th AUGUST 2013

At Opawa Bowling Club 81 Opawa Rd

9.30 am for members at Scotts Eng.

1.30 pm for rest of members

Agenda

1 MINUTES

2 SECRETARY'S REPORT.

3 PRESENTATION OF AUDITED ACCOUNTS.

4 ELECTION OF OFFICERS.

♦ PRESIDENT

♦ VICE PRESIDENT

♦ SECRETARY

♦ BOILERMAKER INDUSTRY REP

♦ SHIPWRIGHT INDUSTRY REP

♦ ENGINE DRIVER INDUSTRY REP

♦ ENGINEERS INDUSTRY REP

♦ TWO TRUSTEES

5 GENERAL BUSINESS

Post wants major cuts

New Zealand Post CEA negotiations started at the end of May. The company presented claims to cut back pay and conditions in the mail processing sector.

Two claims representing a saving of millions of dollars to Post involved cutting the night rate reducing a 37% loading on the hourly wage rate to 17%, and removing 30 minutes paid meal break daily. The loss of earnings from meal breaks could be offset by a mail officer by working 30 minutes longer.

The PWUA advocate Graeme Clarke told NZ Post that the union opposed both claims.

The company amended the night rate cut to one of grandparenting the payment to current staff so that any new employees would get less. This was rejected also as it undermines solidarity between old and new employees that a union relies on to be effective in bargaining.

The PWUA negotiators rejected the cut in paid breaks pointing out that work measurement was being introduced into processing and the level of paid break being proposed was substantially less than currently applying in the Delivery work measurement.

Undermining a fully effective defence of these conditions is the refusal of the EPMU to work with the PWUA.



UNION ACTIVIST HELPED TO GET HIS JOB BACK

Continued from page 12

flawed at the outset". Further, that the employer had advertised for just such positions after Derek's redundancy. Equally critical in the 53 page judgement were comments about the selection criteria not taking into account technical skills, deliberately misleading Derek on four counts as well as non disclosure of information on twelve counts.

The Chief Judge described the company's use of psychometric testing for an assessment tool as

"of dubious value" for recruitment and "incapable of providing meaningful explanation" for the purposes of redundancy selection.

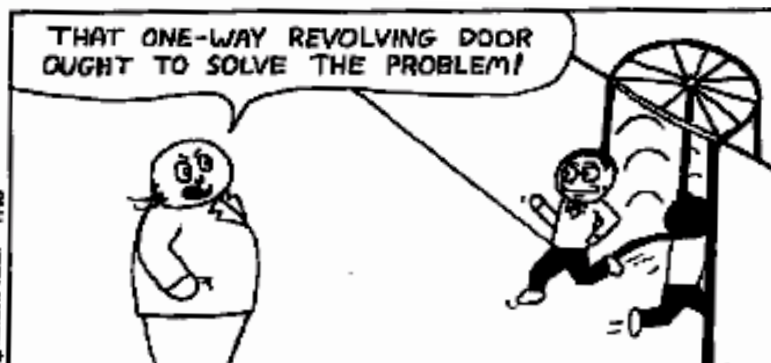
PERFORMANCE IGNORED

Transfield also ignored Derek's past performance reviews which included technical skills which the Chief Judge called "extraordinary" saying it "beggars belief" why they still use these reviews if they were deemed to be of no value during the restructure.

Also of interest to unions involved was Transfield's reliance upon the

EPMUs agreement to, or at least acquiescence in, the company's redundancy process. The Chief Judge referring to Derek's "vested rights" in Transfield's compliance with his CEA said there were not to be compromised by such consultation. It was widely known at the time that Derek was challenging his dismissal on behalf of all EPMU members.

There will be further developments from this case. 150 employees lost their jobs nationwide with Transfield Services at this time. The cost of this one case would exceed \$500,000.



International news...

Bangladeshi factory collapse highlights retailer complicity

The death toll in the Bangladesh clothing factory collapse has steadily risen as more bodies are pulled from the rubble. Over 900 have died.

On 9 May another factory fire in Bangladesh killed 8.

The reality of the clothing industry throughout Asia is one of no unions, starvation wages, and no job safety. Often workers work in factories that are locked with sleeping quarters on a top story, the production area on lower floors and the store on the ground floor.

This has been the cause of many deaths in the clothing industry in a number of Asian countries.

Asian manufacturers involved in these crimes against working people are often producing for the clothing market in developed countries.

The companies involved in the Bangladesh factory collapse pro-



Victims being dug from the clothing factory rubble.

duced for several well known western brands including UK retailer Primark, USA retailer Wal-Mart and other well known brands such as Benetton.

Slovenia curbs temporary work

On 5 March a new law passed in Slovenia to make temporary work more expensive, and therefore less attractive, for employers.

Currently, workers in the same position for 2 years must be given an ongoing employment contract. The new law means that an employer cannot have a position that is temporary for more than 2 years, regardless of how many people have occupied that position. If the employer does not convert the position to permanent after a 2 year period, severance pay must be paid to the worker. In addition, unemployment tax for workers in this situation is 5 times higher than for regular workers, a strong disincentive for employers to rely on temporary work.

The second legal change introduc-

es a quota for agency work. Temporary agency work must now not exceed 25 per cent of an employer's total workforce and not be used for more than 2 years.

BAN ON AGENCIES

An employer cannot use agency workers to break strikes, nor if there have been redundancies within the last 12 months. The new law also introduces joint liability for employers and agencies: if an agency does not pay a worker's salary, the employer at the place of employment must pay it.

This positive result came after a government proposal to allow students, pensioners and unemployed people to work in temporary jobs outside the protections of the employment law was defeated by referendum in 2011.

RESPONSIBILITY

The responsibility of these retail corporations is most clearly illustrated by the tiny percentage of their profits that go to labour costs and safety costs. An average of NZ 2.2 cents of profit on a T-shirt would double the salary of a Bangladeshi clothing worker that made it. An average of NZ 12 cents of profit on each garment would pay for the transformation of the safety standards across the entire industry in Bangladesh.

All the purchasers of clothing sourced from any Asian factory have a moral duty to ensure that the low price that has caused them to desert local manufacturers is not obtained by appalling wages and safety standards. The right of those workers to form unions and bargain collectively is the surest way of stopping these kinds of tragedies in the future.

US union acts to keep Saturday delivery

The United States Constitution contains the duty to preserve the United States Postal Service (USPS).

The founding document is clear. Article I, Section 8, Clause 7 gives Congress the power and the responsibility: "To establish Post Offices and post Roads."

Congress has shirked its duty in recent years. The Republican-controlled House and Senate, working with former President George W. Bush, manufactured a crisis for the postal service in 2006, when they required the USPS to prefund its future healthcare benefit payments to retirees for the next seventy-five years. It required the service to divert more than \$5 billion annually to prepay the health benefits of retirees who were yet to be hired!

In addition there is a Congressional push to end Saturday delivery that the Posties' union, the National Association of Letter Carriers, describes as "a disastrous idea that would have a profoundly negative effect on the Postal Service and on millions of customers."

CLOSURES

Proposals have also been floated to close thousands of post offices, especially in rural areas. Postal sorting centres are being closed. Plans have been advanced to slash the workforce and to dramatically downsize the USPS.

While the scheming to impose an austerity agenda on the postal service has, at some points, been interrupted by Congress, a steady

assault on the service continues—urged on by private carriers that hope to see the service decline so that they can, through privatization, take over the most lucrative components of the USPS.

PLANS

There are sound plans to stabilize the finances of the postal service and to allow it to compete. These reforms will not just ease the cur-



Letter Carriers Union members at a demonstration to retain Saturday delivery

rent crisis; they will put the service on solid footing to compete in the twenty-first century—as postal services do around the world.

The only question is whether members of Congress will side with the public interest in maintaining a strong and innovative postal service, or with the campaign donors and lobbyists who want to carve up the USPS and replace service with profiteering.

Members of Congress, led by Vermont Senator Bernie Sanders, are fighting to save Saturday service permanently, and to free the postal service to compete. Postal workers and community activists rallied nationwide on the last Sunday of March to demand immediate Congressional action.

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

European unions combined to stage rallies in a number of countries on 13 and 14 March to oppose continuing austerity. The rallies highlighted youth unemployment, averaging 24% across Europe, and as high as 55% in Greece and Spain.

IRAQI ARRESTED

Hassan Juma'a Awad, leader of the Iraqi Federation of Oil Unions was arrested in March on criminal charges for his part in organising a strike and demonstration at Southern Oil. The demands of the strike included payment of full benefits, permanent employment, and an end to company corruption. Strikes and demonstrations are lawful under the Iraq constitution.

20 YEAR TEMPS

Indonesia's Mining & Energy Union has been protesting at the illegal employment of temps at state owned mining companies. 5802 workers have been employed for up to 20 years on rolling contracts. The protests have been met with dismissals of union members and the arrest of union leaders.

BLACKMAIL

Russian aluminum smelter Fusal locked out its Guinea employees for seeking to negotiate a collective agreement. The company's price for reopening was to demand an exclusive bauxite mining deal from the government. The government agreed but the smelter is still closed.

Law change to help employers cut wages

The Employment Relations Act Amendment Bill currently before Parliament makes a number of changes to the right to strike.

A major change is that all strikes will require written notice. This notice has to be sent to the employer and the chief executive of the Department of Labour.

The notice by the union has to specify the period of notice given, the nature of the proposed strike including whether or not it is continuous, the places where the strike will occur, the time and date on which the strike will begin, and the time and date on which the strike will end.

PRIOR NOTICE FOR SAFETY STRIKE

The strike notice must even be given for a strike about health and safety.

The impact of this proposed change will be to promote lack of safety at work, and litigation about whether a strike was lawful. The requirement to give a date and time on which the strike will cease may be impossible. It will probably make bargaining more difficult.

When a strike notice is withdrawn



Union members from Go Wellington and Valley Flyer: The proposed law change will stop multi employer bargaining advantaging NZ Bus.

it is not withdrawn by the union, but by the employee.

The law ushers in the right of employers to make deductions from pay of union members who are party to partial strikes by giving written notice. This could mean that a partial strike by one group of members could result in a deduction from the pay of other union members even though they are not engaged in any strike action.

EMPLOYER CHOOSES

The proposed law allows employers to choose one of two methods for calculating the deduction. The first is to calculate how much time the work performed took during the strike, determining what percentage of the hours normally

worked that was, then paying that percentage of the days pay.

The second method is to impose a 10% deduction from wages regardless of how much time was actually lost.

This law will probably escalate strikes.

OPTING OUT

Another important change is to multi-employer collective agreements. Any employer asked to bargain for a multi-employer agreement can opt out. According to the authors of the bill the grounds for this are that employers should not be required to negotiate with other employers who may be their com-

Continued on page 12

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APN Print - Wanganui
Phone 0800 111 500
www.apnprint.co.nz

Issue number 96 of "M & C Workers News" was prepared by the National Office of the Manufacturing & Construction Workers Union.

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