



M&C Workers News

JOURNAL OF THE MANUFACTURING & CONSTRUCTION WORKERS UNION

Employment law change “anti-New Zealand” committee told

The M & C Union was represented before the Parliamentary Select Committee on the government’s proposed amendments to the Employment Relations Act by General Secretary Graeme Clarke in late August.

In addition to the submissions provided in writing, outlined on pages 8 and 9 of this issue of *M & C Workers News*, he also made oral submissions on the general direction of the law change.

“For about 100 years New Zealand labour law was very stable. From the 1970s, however, every change of Government has seen a major rewrite of industrial legislation. Between each of these rewrites there is little ongoing consistency. The human rights of workers as set out in the likes of ILO conventions have



been frequently ignored,” Graeme Clarke told the committee.

“In my service in the union movement I have seen 6 major revisions of labour law – one every 6 years. Some lawyers have told me over the years that they chose industrial law as a specialty because it changed so often that they would never be short of business.

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Industrial issues a new bi-annual publication



No result on in term talks with City Care

The last City Care collective agreement contained a couple of items to be discussed during the term of the agreement, a bonus payment, and the possibility of introducing shift work.

The unions put forward that improving the company's meeting of KPIs by involving employees more in resolving problems could increase the company's returns on their contracts with Wellington City Council and Capacity. Any increase in those returns arising from employee involvement should be shared with union members, it was suggested.

TURNED DOWN

The company turned down this proposal on the grounds that employees were already paid to meet KPIs and it would be wrong to pay twice for the same thing. This stance ignored the fact that KPIs may not be met due to communication problems and management issues which might be fixed by en-

gaging union members in creating solutions. Sadly, City Care's response is one typical of Kiwi management.

VARIATION

The company put forward a variation to the collective agreement to introduce shift work. The company's proposal would see any new employee being able to be changed between shift and day work as the employer chose. There were no benefits to shift employees arising from unsociable hours in the company's proposal.

The company's objective was to compete for work that had to be done out of day hours to which under the collective agreement a penal rate of time and a half applied. Time and a half would disappear ordinary hours regardless of when they are worked.

The company's proposal was put to a stop work meeting and rejected. It was argued that the company's proposal would create a di-



City Care not listening

vision between current and new employees as current employees would have protection for their hours of work, but new employees wouldn't.

ALTERNATIVE

Members endorsed an alternative shift work provision that protected shift workers and established normal shift conditions such as a shift payment and a shift holiday. In return union members sought some improvements to the current coverage of the collective agreement. These changes that were endorsed were put back to City Care. They were rejected because in the view of the company the proposal was "not sustainable".

From the work front...

Members turn out to disciplinary interview

Two union members employed at Viridian Glass were summoned to disciplinary interviews in May.

The company had an allegation that they had misappropriated funds arising out of the sale of glass to company employees.

The proceeds from the sale had gone into the staff barbeque fund, but the company decided, in spite of knowing and approving of the fund, and an absence of any clear

rules around its operation, that on this occasion the staff purchases amounted to theft.

OUTRAGED

Many union members were outraged at the allegation and potential dismissal. A large number attended the disciplinary interviews to tell the company that they had all done the same.

A novel approach to the potential grievance was considered by the union. If the two union members

were dismissed other members who wished to could resign their employment because of a loss of trust and confidence in the employer. The plant would be picketed and every member could take a personal grievance claim alleging constructive dismissal.

This approach did not have to be used when one of the two members was not dismissed, and the second resolved the issues to his satisfaction in mediation.

Employer records breach Act

The union has commenced an action against NZ Van Lines to get Relevant Daily Pay paid current union members, and past members, in the Employment Relations Authority.

The claim goes back to December 2006.

Last year the union issued a leaflet to members questioning whether members were being underpaid for public holidays, sick leave and bereavement leave. The company issued an open letter in reply to the leaflet saying "we're satisfied we were paying you all correctly. Even under this latest judgment (the Court of Appeal on a claim by the Postal Workers Union) we still think this is the case."

MEDIATION SOUGHT

Due to the company's failure to provide records to discuss the matter the union sought mediation. At mediation no records were supplied and the company undertook

to provide them within a month. It seemed to the union that the company was playing games with the issue of a considerable underpayment of wages and so the legal action was initiated.

The company's reply to the union's legal action stated "On receipt of details of which the applicants believe they have been paid incorrectly and for which dates, the respondent will investigate and respond."

When the time and wages record was eventually given to the union it was found that this record did not comply with the records that an employer needs to keep under the

Employment Relations Act section 130. The records need to record the dates on which sick, bereavement and public holiday leave are taken, the payments made and the time and days worked. This information is missing making a pay calculation problematic.

PENALTY

When inadequate records are kept the employer is liable to a penalty and the claim of the employee is to be preferred over the employers stance.

Working with the figures provided the underpayment could easily exceed \$50 per day for Christmas

and New Year prior to 2011. Amounts will vary at other times. The back pay owing could easily exceed \$2000 for someone employed since 2006.



Dispute raises questions over NZ Van Lines wage records

Collective agreement negotiations...

Divided bargaining sees wages fall behind prices

The negotiators for the PWUA's collective agreement with NZ Post felt the company's wage offer was poor, even given the company's declining mail volume.

The company's wage offer was a \$500 lump sum (pro rata to part timers and on-calls) for the first year to be paid following ratification, and a 1% increase on all printed and paid wage rates and allowances from the first pay cycle after 1 July 2014.

AFFORDABLE

To catch up with price rises since the 2011 – 13 agreement was settled an increase of 0.7% was needed. This is a relatively small amount and was easily affordable. The negotiators advised members that if both unions voted No a better deal was possible, but that it would be difficult to achieve if PWUA members alone voted No. In 2006 and 2008 the PWUA tried to reject a pay deal done by the EPMU. In 2006 industrial action was taken to try to get more. While some improvements were ultimately achieved, the union was unable to improve on the wage offer already accepted by the EPMU. The negotiators felt that rejection/ industrial action by PWUA members on our own would have a similar outcome this time round.

Apart from wages the main issue in the CEA negotiations was the company's clawback claims. They wanted to cut the night rate from a 37% loading on the wage rate to a 17% loading, cut paid rest breaks

in processing by half an hour and to remove the sixth shift payment for new 6 day workers.

The PWUA negotiators rejected all clawback claims firmly throughout the negotiations. It was pointed out to the company's negotiators that many New Zealand industries over the years had faced difficult times but that giving things back to the employer never saved them. Nor will giving back conditions help Post.

In reality, giving back conditions to Post and cutting wage costs is simply a transfer from workers earnings to the state that demands a dividend out of NZ Post even while it creates an unfair competitive environment for the company. It requires Post to carry competitors mail that is unprofitable for the competitor to deliver.

POSITIVE STEP

In the past the EPMU has agreed to clawbacks in order to get a larger pay rise. This time round they refused to do this. This marks as positive step forward. The PWUA hopes to build on this for the future and get the EPMU to agree to a single bargaining unit which will produce a better result for everyone.

To improve wages and conditions in Post in the future we need to apply basic trade union principles. These principles are that to be effective there must be one bargaining unit, and the principle of solidarity, different workers supporting each other, needs to prevail. Agreement to grandparenting entitlements creates divi-



sion because older workers are not looking after the interests of newer workers. The fact that for the first time the EPMU has not gone down this path represents a significant improvement.

LITTLE ELSE

There was very little else in the NZ Post offer of settlement, the main items being:

- A number of provisions were clarified, but there is no substantive change to what the agreement currently provides. These provisions are overtime; Additional Annual Leave; Warnings; Standard Job titles; PPM Base rate; and , PPM Base Rate and Sixth Shift.
- Public holidays. When this is on a pay day or a Friday payment is brought forward.
- Payment after dismissal. Paid on the next pay cycle.
- Forklift allowance. Payment is improved to include payment of the allowance for any use of a forklift.
- The Delivery Training Buddy allowance is to be increased to \$21 per day for the first week . The current rate is \$11 per day so this is a weekly rise of \$60. A DTB role is an individual

Continued opposite

Coverage issue resolved at SCA

A dispute about work coverage at SCA in Kawerau was avoided by a 3 party Heads of Agreement.

The dispute arose when SCA and the EPMU (Engineers Union) agreed to create a new position covered by the EPMU collective agreement of Operator/Maintenance. This would see production work being combined with maintenance.

The EPMU had no previous coverage of production work at SCA and didn't even raise the matter with the Pulp and Paper Workers Industry Council of the M & C Union prior to including it in their collective agreement.

This issue was reported in the March issue of *M & C Workers News*.

100% MEMBERSHIP

100% of production workers at SCA are members of the Pulp and Paper Section of the M & C Union and any reduction in membership caused by the coverage of another union would represent a worse

employment agreement in addition to the terms of the collective.

- Job Evaluation and BUIP. The lack of formal PWUA representation is to be addressed.
- Delivery Support Team Leaders. Discuss during term of agreement the application of a rolled up PPM rate being applied.

The PWUA negotiators urged a No vote subject to the EPMU doing likewise. A large number of members voted No regardless of what the EPMU decided. However, after the EPMU ratified, that was where the majority of the PWUA votes also went.

bargaining position for our union. There were important issues on the bargaining table, especially the company's wish to move from 24/7 rosters to 24/5 rosters and the impact of this on salary levels.

The Heads of Agreement deals with the development of an Operator Maintainer (OPMA) role at SCA in Kawerau. Our union, the EPMU and SCA are signatories to the Heads of Agreement.

DEMARCATATION

The agreement recognises the existing demarcation between the unions and "that over time the development of the OPMA role may affect the viability of the mechanical shift fitter role." The objective is set as being "to provide an operational role with mechanical capability that is achievable by training and development for selected operators, for business and personal growth."

The first intake of OPMA's is 7 people and is required by 1 August 2013 in time for the installation and start-up dates for new converting machines. Discussions about the development of the OPMA function by the parties is confidential.

The changes at SCA with regard

to the OPMA and the change from a 7 day a week roster to a 5 day a week roster are brought about by investment in more productive equipment that can meet demand over a 5 day week instead of 7.

Production workers at SCA are paid an annualised wage that includes penal payments for week-end work. Penal payments incorporated in the salary were worth over 22% of the total wage paid. The major issue was that the company wanted to cut the annualised wage to take out the weekend component when 5 day rosters were introduced.

OUTCOME

The outcome of the negotiations was that those who remained on a 24/7 roster would get a 2% pay rise each year for a three year term, backdated to 6 January 2013.

Those who went to a five day roster would have their 7 day roster annualised wage reduced by 5.5% in the first year and a further 5.5% in the second year. Given the pay increases this is a nett reduction of 5%.

A good one off compensation payment for each of the two years was also agreed for those who switched from 7 to 5 days.



Investment by SCA in its Kawerau mill has led to major shift changes being introduced during the term of the CEA

Bonus added to hourly rate at Bostik

The first terms of settlement from bargaining at Bostik were rejected unanimously by members.

The company had refused to move on any further on improving offers on union claims.

The company's offer was

2.25% increase on paid and printed rates,

- if 3 or more casual staff have been employed at Bostik for more than 3 months the company will consider full-time employment for the most qualified,
- temperature measures for cold and hot days to keep parts of the factory at a consistent temperature, and
- to write into the CEA the bonus system which is already in-place.

After the first offer was rejected bargaining was resumed on the 12th of July.

The company increased the wage offer to 2.5%. But this was still not enough.

The company then offered to incorporate the bonus into the hourly rate and pay a 4.25% wage increase.

SUFFICIENT

Given that the bonus going on the hourly rate would also affect overtime earnings, and that the maximum bonus had seldom been achieved and there were no transparent criteria for its payment, the next meeting felt this was sufficient improvement in the employers offer to ratify the agreement.

All of the other items in the first offer still applied in the offer that



Kevin Aitken - advocate for the Bostik CEA

was ratified. In addition, when the company takes employees out for a meal for good performance it was agreed those who could not attend would be given a meal voucher.

Advocate for the agreement, Kevin Aitken, reports that the new offer was accepted unanimously.

Tasman Tanning can afford more

Tasman Tanning members put forward a modest set of claims for bargaining this year. The wage claim was for 3% for 12 months or 5% for 24 months.

Among the claims members sought to change an attendance performance bonus (ATB) worth up to \$1.15 per hour after 18 months into a service payment. The bonus has never been attached to performance in reality and but is only paid for actual hours worked. Members felt it was time to call the payment what it was and seek to have it attract overtime payments.

The company countered this claim with their own claim to remove the ATB for a period of 6 months in the event of a warning.

Prior to bargaining a notice to all non members was given advising them of members and Union claims and inviting them to join to participate towards a fair outcome. The company initially tried to stop the Union from issuing the notice on the grounds it was inappropriate to advise non members of their claims.

LEAFLET DISTRIBUTED

The union advised that we would be distributing the notice and that it was good faith to advise those who are not members what the claims were with an invite to participate if they wish given the outcome would affect them to. The leaflet was distributed with the company's agreement that we could.

At bargaining it became obvious

that the employer representatives were unable to negotiate beyond a strict guideline. This meant that the decision makers were not at the table to hear our arguments for our claims and amendments to claims as we moved through the process. Consequently bargaining stalled with the employer reps seeking time to consult further with the decision makers.

On day two claims were amended down to what we felt was a very fair offer for recommendation to members to settle which included a 2.5% and 2.5% for a 24 month term, or 2.5 for 12 months, 6 days sick leave and the withdrawal of the claim around the ATB to be included in OT rates.

Disappointment was expressed

Continued opposite

4.5% increase at Tellus

In collective agreement negotiations Innova management sought a name change of the company as employer party to the agreement.

The new name proposed was Tallus which would continue to have the same owners. Tallus was a name previously used some decades back by the business before it became widely known as Click Clack and before it changed to Innova.

LITTLE WORK

Given there has been little work on site for some months and mostly maintenance work has been performed members were very concerned that the name change could represent the company releasing itself from the liability of redundancy compensation in the event

that the employer, who had already settled with non members on 2%, seemed determined to ensure nothing beyond that was offered. Employer reps were told that the nature of bargaining needed to have decision makers at the table so they could debate the issues with delegates and all could appreciate the total picture.

The employer sought an adjournment advising they would make an offer to settle within the next few days.

UNCHANGED OFFER

It was no surprise to receive an unchanged offer a few days later. In the union negotiators' view the offer on the table does not match what the company can reasonably afford. Certainly there was no advice about the business not doing well only that they felt the offer was fair because it was higher than CPI (less than 1%) and in line with

the business was failing. Bargaining was around the corner so the matter of the name change was deferred there.

UNDERWRITING CLAIM

In the CEA negotiations members put forward a claim asking that the parent company underwrite/guarantee redundancy compensation. This claim proved to be unachievable and technical redundancy was unenforceable as all employees were offered the same terms and conditions with Tellus.

Subsequently members voted for a two year term agreement with a 2% pay rise for the first 12 months and 2.5% for the second 12 months. Members continue to be worried about the future of their jobs. At the time of writing work had not as yet picked up.

what was happening nationally in settlements.

The union responded that the company can afford to pay more because of the hard work of members is the point, not what is happening elsewhere. If for example they were failing as a business and could not pay what was happening nationally as a consequence, would it be fair and reasonable for us to insist they pay the national average anyway?

The offer to settle is 2% 12 months or 2 and 2% for 24 months, an agreement to pay any increase earned via the review clause within two weeks (has been taking months in some cases), a maximum of \$1.00 per hour achievable via reviews and the inclusion of effluent worker grade 1.

At the time of writing this members are yet to vote to accept or reject. The Union will be recommending a vote to reject.

Collective agreement briefs

After prolonged bargaining with Masport Foundry in Auckland a collective agreement was ratified. The wage increase was 1.5% for the first year and 2% for the second. The company had tried to reduce the redundancy entitlements but the refusal of members to agree resulted in the lengthy negotiations.

UGL

The Kawerau collective agreement for Sydney based multinational company UGL was renegotiated with a 2.5% increase in wages for a one year term.

PACIFIC WALL COVERINGS

The new agreement for a two year term with the wage increase of 2.1% for the first year and 1.9% for the second year has been ratified.

The company wanted the union to agree to redundancy selection criteria in any redundancy selection. This was declined with the agreement to instead include an obligation to consult after the company had made its tentative selections.

In the event of a redundancy this stops the union being tied in to support what may be an unfair selection.

AG PRICE

A two year 2% plus 2% collective agreement was settled at the Thames heavy engineering facility for the CEA covering our union and EPMU members.

Union submission attacks ERA amendment bill

The union has made submissions to the Parliamentary Select Committee looking at the Government's proposed amendments to the Employment Relations Act. If enacted, the union said, the law would work so as to break the Government's electoral promise of reducing the income gap between New Zealand and Australian workers.

The legislation is mainly directed at enhancing the already strong hand that employers have in bargaining. Collective agreements underpin what may be secured in the labour market by individual workers. Undermining collective bargaining will weaken that base, the union said.

The union submission specifically opposed four of the proposed amendments.

The proposal that unions must

give written notice of a strike was rejected by the union. If enacted it would mean that a strike about an imminent danger to life at work would be illegal without prior written notice to the employer and the Department of Labour Chief Executive.

ABSURD

The union submission branded this as "absurd and irresponsible". It also said the demand for notice

in bargaining strikes would tend to escalate the kind of strike action taken.

The union also opposed a new provision to allow employers to make deductions from wages for partial strikes. The proposal was called unworkable in many instances which would result in the employer making a standard 10% deduction from wages permitted in the proposed law. This would tend to escalate strikes rather than promote bargaining the union said. The union submissions on the employer being able to opt out of multi-employer bargaining for collective agreements and the ending of new employee protections are outlined on page 9.

National MP promotes picketting

Another change to the Employment Relations Act has been put before Parliament by a National Party backbench MP, to repeal the "anti scab" provision in the law.

Section 97 of the Employment Relations Act provides that striking or locked out workers can not be replaced, except by existing employees of the company. If an existing employee had not been engaged to do the work when originally hired they also can not be used as replacements.

EQUAL PAIN

The design of the Employment Relations Act was to ensure that the economic loss and pain of a strike or lockout would be felt by both employer and union member.

This was a way of getting more traction to resolve disputes.

The amendment would enable an employer to lock out existing union members trying to negotiate a collective agreement and to replace them with scab labour. The 90 day probationary employment could be used to continually

change the scab workforce.

The proposed law change is a serious breach of the freedom of association according to the International Labour Organisation Committee on Freedom of Association which said the "hiring of



A peaceful picket during the Ports of Auckland dispute: The repeal of section 97 will ensure conflict as pickets will be needed to stop scabs.

workers to break a strike in a non essential service constitutes a serious violation of freedom of association." New Zealand is a signatory to international human rights treaties regarding freedom of association.

Unions should be free to bargain for new employees

The current law provides that a new employee must be employed on terms not inconsistent with the CEA for the first 30 days.

The employee can elect to join the union and secure those terms as part of the collective arrangements in the worksite.

The amendment proposes that the employer be permitted to engage a new employee on terms that are less than the CEA. Working in conjunction with 90-day probationary periods for new employees, this provision will undermine collective agreements, the union argued.

ONE SIDED

"The proposed change is one sided, it empowers employers and disempowers employees collectively. One sided legislation is unfair and will not last beyond the term of the current government, if it makes it into statute."

"If the current arrangement for the first 30 days is to be opened for negotiation by employers with

individual prospective employees, it should also be opened for negotiation with employers by unions representing their members' interests.

NEGOTIABLE

When the Employment Contracts Act was put in place the arrangements for new employees were negotiable between the union and employer. The Employment Contracts Act's author, Bill Birch, promised that the right of unions to bargain over arrangements for new employees and the coverage of collective agreements would be lawful."

The union submitted that "if the law is to be changed as proposed then it should also be amended to permit the union to negotiate a mandatory starting rate for all new employees, regardless of union membership, and mandatory employment agreement coverage, regardless of union membership.



"A significant number of employers the union deals with want one set of arrangements to be applicable to all employees, regardless of a decision about union membership. Being able to negotiate those provisions with a union that represents most or all of their employees is a valued way of establishing wages and conditions that meet the needs of both parties and that create straightforward and transparent employment relationships to the benefit of both parties".

Multi employer bargaining right essential

The union submitted that sections 44 A to 44 C of the Bill allowing employers to opt out of multi-employer collective agreement negotiations, and denying the union a right to strike to oppose such a move should not proceed.

Alternatively, the union suggested those sections should be amended so that two or more companies with a common ownership may not opt out of a multi-employer collective bargaining process,

and that two or more companies involved in competitive tendering for the same work may not opt out of a multi-employer collective bargaining process.

COMPANY LAW

Employers could use company law to their advantage in collective bargaining if they are not compelled to enter into multi-employer bargaining, the union argued:

"For example, New Zealand Bus (a subsidiary of Infratil) has three 100 per cent subsidiary companies operating public passenger

bus services in the Wellington region: Wellington City Transport (Go Wellington), Cityline (Valley Flyer), and Runcimans. The union initiates bargaining for all three companies at the same time for a multi-employer collective agreement. The employer opposes combined bargaining but is required to consent to bargaining for all three companies at the same time and place. The outcome of this bargaining has been by mutual consent the retention of three com-

Continued on page 13



Sweeping changes to workplace safety called for

An Independent Taskforce on Workplace Health and Safety was established in June 2012 by the Minister of Labour, prompted by the Pike River Mining disaster and the generally poor workplace health and safety in New Zealand. The Taskforce reported in April recommending far reaching changes to improve workplace health and safety in New Zealand.

New Zealand's workplace health and safety performance compares badly with most other developed countries.

Between 2008 - 2010 there were 102 fatal work-related deaths. This is a rate of four deaths per 100,000 workers. The rate of death in 2009

was 4.1 fatalities per 100,000 workers.

In addition to fatalities from work injuries there are premature deaths due to poor workplace health practices. These were estimated at between 500 to 800 in 2010, a majority from work related disease.

The exact number isn't known because of the generally poor quality data around workplace health and safety collected by authorities in New Zealand.

ACC CLAIMS

ACC deals with 200,000 workplace claims a year including 26,000 claims for workplace income compensation in 2010. ACC doesn't provide compensation for accredited employers who pay and manage their own compensation.

The taskforce found a number of causes for the appalling state of workplace safety and health including:

- the introduction of the Health & Safety in Employment Act

in 1992 swept away many of the specific requirements for safe workplaces;

- opposition to the regulation of business;
- staffing and funding cuts in the public sector meant that new regulations were slow to appear and proper enforcement was lacking;
- unions were under attack with membership slashed during the 1990s and beyond.

NEW AGENCY

The Taskforce has called for the establishment of a new Workplace Health and Safety Agency. While it was proposed that it be tripartite (involving the state, unions and employers representatives), this recommendation is unlikely to find favour with the current government. The government has, however, accepted the need for the new agency.

Worker participation in health and safety at work needs to be strengthened, the Taskforce said. They proposed expanded powers for Health and Safety Representatives along with greater employment protection for workers who raise health and safety issues with their employer.

The government has also been urged to introduce measures that increase the costs of poor health and safety performance. Measures proposed would include extending the manslaughter offence to com-



A cartoon depicting the power of workers striking at Blackball in 1908 for guaranteed 30 minute meal breaks and an 8 hour day.

Continued opposite

Health and safety law changes announced

In early August the government announced that health and safety law would be changed broadly in line with the recommendations of the Independent Taskforce on Workplace Health and Safety (see story opposite.)

A Bill is expected in Parliament by December this year and it will be based on current Australian legislation. High risk workplaces will be targeted. There will be stronger penalties and increased worker participation.

NEW SAFETY TEST

The new law will make "a person conducting a business or undertaking" (PCBU) responsible for workplace health and safety. The PCBU must ensure workers safety as far as is "reasonably practicable". This is different from the current level of responsibility of "all

panies. Stronger penalties and cost recovery were also advocated by the Taskforce.

SAFETY REDUCED

While the government has sounded sympathetic to the Taskforce's proposals what they are actually doing with amendments to the Employment Relations Act will reduce job safety. The government is increasing the flexibility for employers as to when and how much rest breaks and meal breaks must be provided. One of the first major strikes in New Zealand history was conducted by miners in the West Coast to obtain a prescribed meal break because such a break increased job safety.

practicable steps". All members of a management chain - supervisor, manager, director - are PCBUs. Each level of PCBU is responsible for the levels below. A worker is not a PCBU.

A positive duty of "due diligence" is being created for "officers" to proactively manage health and safety in the workplace.

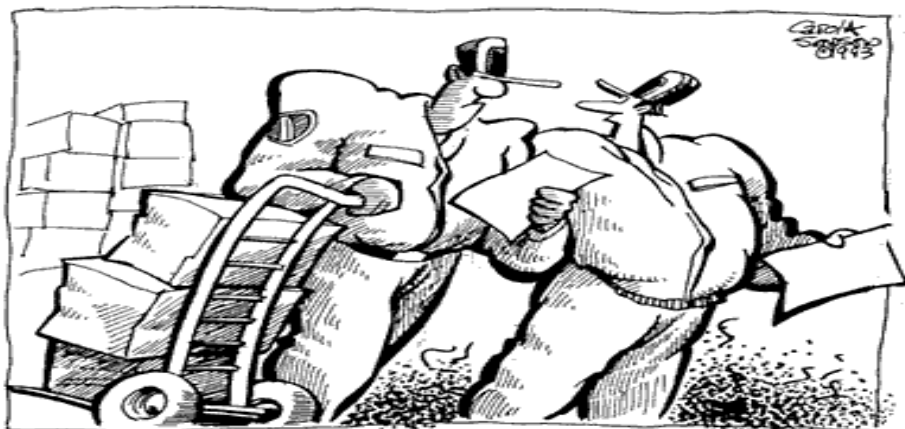
Due diligence will be a personal duty. If an officer has acted with due diligence they will not be li-

able for the failings of other PCBUs.

The actions of individuals and organisations can be investigated at any time rather than waiting for an accident. Prosecutions can be taken if an officer is falling short of carrying out due diligence.

Management of hazardous substances will change with only the new agency WorkSafe New Zealand being responsible.

It is intended that the new law will be in effect from 2014.



"I got a blank memo too. Must be another management unwritten rule"

Price increases low

The Consumer Price Index, the official measure of price rises, increased by 0.2% in the June quarter of 2013.

For the year ended June 2013 the CPI increased by 0.7%. This is the lowest level of price increase since the 1990s.

In the June quarter electricity went up 2.6%, and 3.4% for the year. Building costs and insurance went up by 9.9% in the three months to June. These increases were offset by lower petrol prices. With the recent decline in the NZ dollar petrol prices have ris-

en and the rate of inflation is expected to increase.

Bill Rosenberg, the CTU economist, issued a public statement about the latest CPI figures saying that price rises hit low income families harder.

"For the lowest 30% of our households, I estimate they have faced inflation over the year 0.2 to 0.3% percentage points higher than the official CPI. The increase in house prices, particularly rents, up 2.1% for the year, hit low income families harder than others because they are a larger part of their incomes." Rosenberg said.

Wellington Branch Manufacturing & Construction Workers Union

**ANNUAL GENERAL MEETING
WEDNESDAY 25 SEPTEMBER 2013
At Trades Hall 126 Vivian Street Wellington
2.00pm**

Business

- *Minutes of last AGM*
- *Matters Arising*
- *Secretary's Report*
- *Financial Report*
- *General Business*

Lengthy road to Masport agreement

After lengthy negotiations with Auckland foundry Masport a new collective agreement has been agreed.

The company had wanted to change a redundancy agreement that had sat outside the collective agreement since the 1990s. Resistance to this change in the light of poor business conditions occasioned the delay. The impasse was resolved by agreeing to write grandfathered redundancy provisions into the CEA with new redundancy provisions for new employees.

The new redundancy provisions provide for a maximum of 6 months pay as compensation. This is structured to provide up to 16 weeks pay for up to 10 years of service, and \$1000 per year of ser-

vice after that.

The wage increase agreed was 1.5% for the first year of the agreement and 2% for the second year.

NORTHERN AGREEMENTS SETTLED

The Kawerau based division of IMG settled a new collective agreement. The agreement is for 2% backdated to March. There was a good discussion during bargaining about some conditions that had been previously lost such as confined space welding. It is hoped these will be recovered in the next CEA.

A collective agreement with Kinleith maintenance company ABB was settled with a 5.5% wage increase and a 30 month term.



ATTEND!

FURNITURE MANUFACTURING & ASSOCIATED WORKERS UNION

ANNUAL GENERAL MEETING

**Wednesday 25 September
2013 2.00pm Wellington
Trades Hall 126 Vivian Street
Wellington**

Business

Central Branch Minutes for 2012 AGM

Minutes of 2012 National AGM

Matters arising

Secretary's Report

Financial Report

General Business

Parental leave payment rates



➤ **FROM 01 JULY 2013 THE MAXIMUM PAYMENT RATE FOR PAID PARENTAL LEAVE INCREASES TO \$488.17**

■ **For eligible employees**

You will be entitled to either your gross weekly rate of pay (your pay before tax) or \$488.17, whichever is lower.

Multi employer bargaining right essential

Continued from page 9

pany based CEAs. However, this pattern of bargaining has seen the wages and conditions at Runciman and Cityline move towards those at Wellington City Transport since 2008 when the right to require multi-employer bargaining was first utilized.

“Without the right to multi-employer bargaining NZ Bus could decide to shift bids for work to its lower cost subsidiaries with less concern about the industrial consequences. The prevailing bargaining arrangements are helping to create Wellington region wages and conditions that competitors will have to factor into their bids for work. In the early 1990s competitive tendering in Wellington saw a 10% cut in wage rates in this

industry.

“Multi-employer bargaining where the employer cannot opt out provides the basis for workers to establish fair industry rates of pay

through collective bargaining. The most efficient and highest quality company may then win tenders rather than the cheapest determined by low wages.”



Union members from three NZ Bus subsidiaries at their ratification meeting in 2013: The ERA amendment bill allows the employer to refuse to have such multi-employer bargaining.

International news...

Industrial issues new publication

Global Worker is a new publication issued twice a year by international union federation Industriall.

The first editorial by Industriall's General Secretary Jyrki Raina says that he hopes Global Worker will be inspiring and useful in day-to-day trade union work on organising and building global solidarity.

50 MILLION WORKERS

The editorial notes that Industriall was formed in June 2012 to represent 50 million workers in 140 countries throughout the "strategic chains of production from oil and gas, mining and electric power to the manufacturing of metal, chemical and garment products." The place of a printed publication is seen as containing "longer, analytical and reflective articles and profile pieces from a work-



Jyrki Raina addressing the United Auto Workers Union in the USA

ers perspective." This is intended to supplement electronic media covering the more day to day issues confronting the global union movement.

Amongst other things issue number one looks at the need for a job-focused recovery strategy for

Europe, the high price paid by Bangladeshi workers to produce cheap clothing, sustainable industrial policy and Nissan's anti-union stance in its USA operations. Copies of Global Worker will be made available through the union's offices.

WHAT'S WRONG WITH TPPA

The Trans-Pacific Partnership Agreement (TPPA), currently under negotiation between New Zealand, the US and ten other Asia/Pacific countries, poses a grave danger:

- *Most restrictions on foreign investment will be frozen and rolled back even further.*
- *Big overseas companies will be able to sue the government for millions in damages in secretive offshore tribunals, claiming that new laws and regulations have seriously undermined the value of their investments.*
- *Medicines will become more expensive as big pharmaceutical companies gain more influence and restrictions are placed on generic medicines*
- *Copyright laws will be toughened and more harshly enforced.*
- *Parallel importing will be banned, meaning that New Zealanders will have to pay far more for all sorts of ordinary products.*
- *Foreign banks and money traders will gain powers to challenge laws designed to prevent financial crises; and overseas*



Senator Elizabeth Warren (D-MA)

property dealers could contest moves such as a capital gains tax.

Illegal worker strikes in Dubai

Thousands of workers employed by Dubai's largest construction firm, Arabtec, stayed away from work to back wage demands, a rare labour protest in the Gulf emirate where trade unions are banned.

Most blue collar workers in the Gulf Arab states are migrant labourers hired on a contract basis from South Asian countries. Strikes are uncommon.

Several thousand workers engaged on various projects did not report for duty on a Sunday in June and stayed in their accommodation.

A sub-contractor confirmed the stoppage, saying he had to call back his workers from one Dubai work site after Arabtec labourers failed to show up.

Asked for comment, an Arabtec spokesperson said: "We are work-

ing to resolve the situation as quickly as possible, alongside the Ministry of Labour and the Police Authority."

The Ministry said that Arabtec was paying the workers according to contracts it had signed with them, and said their accommodation was in compliance with labour regulations.

UNPAID OVERTIME

"We are upset at the low wages and also about not being paid for overtime work," one employee said. Workers at his site were paid between \$160 and \$190 a month.

"The protest started in Abu Dhabi on Saturday, workers in Dubai have also joined," he said.

Dubai's building boom stalled in 2009 after the global slowdown but has gradually picked up as stalled projects revive and new ones start.

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

National union leaders in India with union members from Maruti Suzuki, Honda, and other factories organized a demonstration and sit-in protest against the arrest by police of over 100 workers, and ongoing brutal repression of the state against Maruti Suzuki workers.

Since March 24 MSWU had organized protest rallies and hunger strikes demanding reinstatement of 546 permanent and 1,800 contract workers dismissed by the company.

ACCORD

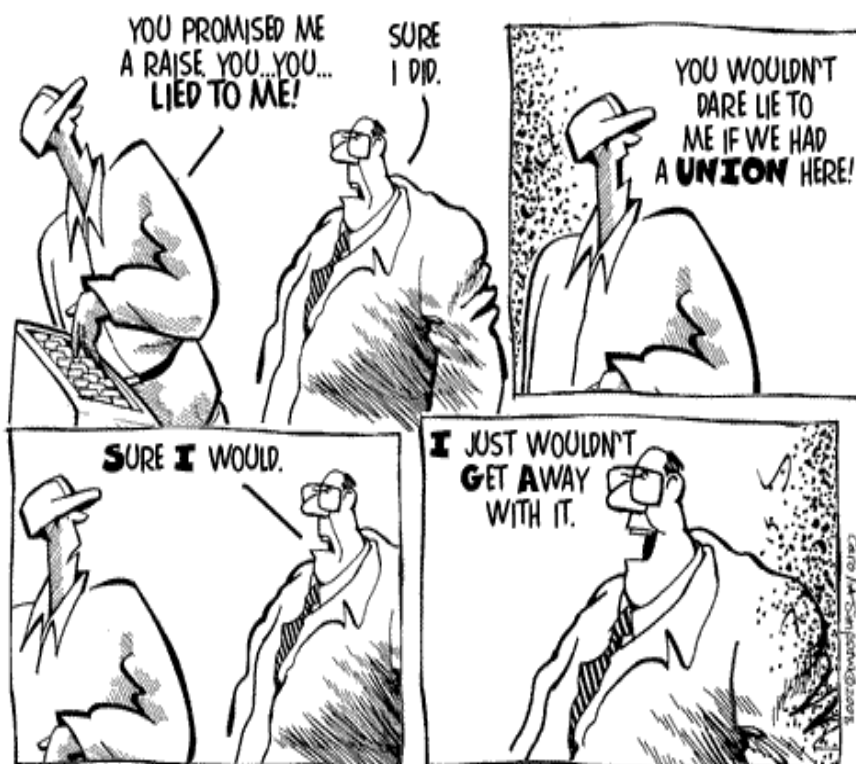
Global union federation IndustriALL has signed an Accord on Fire & Building Safety with 40 global clothing brands. This follows the building collapse in Bangladesh that claimed over 1100 lives. The Accord provides for penalties for non-compliance.

400 SACKED

4000 employed in Cambodia's Sabrina factory making Nike shoes took part in a 7 day strike in May in support of claims to increase their monthly wage to \$110 and to make temps permanent. Strikers were dispersed by 1000 riot police. 400 were dismissed for taking part in the strike and 16 were imprisoned.

GEORGIA STRIKE

An 11 day strike at a UK company Stemcor's subsidiary in Georgia produced a 10% wage rise with CPI adjustments.



EMPLOYMENT LAW CHANGE ANTI-NEW ZEALAND

"This legislation will be changed at the next change of government within 6 years because it is biased. "The right of freedom of association, for example, is vitiated by effectively precluding collective bargaining for multi-employer agreements."

Graeme Clarke went on to outline how the law change is anti-New Zealand because it is aimed at eroding the bargaining power of workers.

ECONOMIC ISSUE

One of the enduring economic issues facing New Zealand since the UK's gradual entry into the European Union from the 1960s has been an adverse balance of payments. The gap has been bridged often by foreign corporations buying up chunks of New Zealand's economy. Today when our export products have diversified to a degree, and our trading partners have diversified, we still have an on-going adverse balance of payments because of the huge outflows to our foreign masters.

"I recently undertook bargaining with a foreign owned company whose share capital investment in New Zealand was \$100, they operate with negative equity of \$3 million, and a \$40 million + loan and letter from the parent company guaranteeing the payment of creditors in New Zealand. This meant that they could declare as

little or as much profit as they like in New Zealand, and pay as much tax as they liked, because money being transferred back to the parent to repay debt influences the company's bottom line.

"Under the current law this company refused to make a collective agreement, making offers of a wage rise to individuals which had the effect of undermining collective bargaining.

"They offered the minimum code to their unionised employees as a collective agreement in return for a long list of every conceivable right an employer might like to have absolute control over their employees. This eroded the terms of the current individual employment agreements.

"What union members remained at the end of this exercise did not want to ratify a collective agreement on those terms.

DO THEY NEED MORE POWER?

"Does this company need a change to allow them to refuse to conclude a collective agreement? Do they need more power against their workers?" Graeme Clarke asked the Committee.

This legislation is enhancing the rights of such employers to take more off their employees, which ultimately is transferred to the overseas parent, thus adversely impacting on improving living standards in New Zealand and



Graeme Clarke

the on-going balance of payments issue.

PATRIOTIC DUTY

It is the patriotic duty of New Zealand unions to ensure that "foreign owned companies pay well so as to keep as much of the wealth workers create in New Zealand at home. Why does this government want to stop this? I don't understand why law changes of this kind are being put forward," Graeme Clarke concluded.

In keeping with all previous submitters the government's representatives on the committee asked no questions, and made no comment, underscoring that Parliament is a place where minds are already made up and the opinions of citizens are ignored and treated as irrelevant.



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