

CHRONICLE

August 1999

With a general election on the horizon, the political parties started to release policy statements. The Government released its Bright Future Package which signalled further return from free market ideologies in the pursuit of the "knowledge economy". The Bright Future Package was launched as a first element of National's industry policy and it included an extra \$47 million over four years mainly for science scholarships and a promised review of tax breaks for research and development. The Alliance Party announced a \$200 million economic development fund and the party also re-stated its intention to seek four weeks of statutory annual holidays. Labour's deputy leader, Michael Cullen, told a conference organised by the Employers' Federation that Labour would re-introduce the right to strike for a multi-employer collective employment contract but this would not involve a legitimisation of secondary strike actions.

There was a constant stream of media reports about excesses in the public sector and the lack of ministerial control over departmental spending. Work and Income New Zealand (WINZ) and its Chief Executive, Christine Rankin, continued to be targeted with further revelations about departmental spending (see *July Chronicle*). State Services Commissioner, Michael Wintringham, censured Ms Rankin for WINZ's "lack of financial discipline" and he indicated that the events would influence the payment of Ms Rankin's annual bonus. The manager involved in debacle over chartering of an aeroplane for a conference resigned and then took her case to the Employment Tribunal.

The INCIS computer project at the Police Force created further problems for IBM and the company announced that it would reduce its staff by up 200 people. IBM has also lost a major Telecom contract to its rival EDS (see below). Revelations of a \$400,000 salary package for Lotteries Commission head, David Bale, created further furore. The Government denounced it as excessive while the State Services Commissioner, Michael Wintringham, said that Lotteries Commission consultation with the State Services Commission had been inadequate. The Lotteries Commission employs around 100 people.

Pilots at Ansett New Zealand staged three 24-hour strikes during August which prompted the company to serve lockout notices when another 24-hour strike was announced for 13 September. The strike was about Ansett's attempt to save money through employing 35 fewer pilots and increasing flying time as part of a new collective contract. The strikes cost Ansett around \$2.25 million in lost revenue as over 300 flights had to be cancelled.

Further strikes at Fisher & Paykel were averted when the parties settled (see *July Chronicle*). The two-year collective contract involved a 3.25 percent pay rise and it was accepted by

56 percent of the 1,700 workers covered by the contract. Prior to the settlement, Fisher & Paykel had obtained an Employment Court injunction against strike action at its healthcare division as it could be classified as an "essential service".

Protracted contract negotiations at the Stagecoach bus company in Auckland continued when threats of court injunctions changed the parties' tactics. The company agreed to avoid direct contact with union members after the Tramways Union had threatened to seek an injunction if the company directly addressed its members. So far the collective employment contract had been signed by around 400 out of the 900 employees. The union had called off a seven-hour stopwork meeting for 600 bus drivers after injunction threats from the company.

Over 100 boatbuilders employed by the builder of superyachts, Sensation Yachts, went on a one-day strike when the request for a collective employment contract was turned down. The company increased its staff from around 50 to 350 employees over the last 18 months and it rejected several demands for a collective contract over the last year.

A three-day strike by laboratory workers at Auckland Healthcare put pressure on various services relying on laboratory tests. The strike involved more than 200 of the 300 laboratory workers employed by Auckland Healthcare and was prompted by the company's rejection of a three percent pay demand in a one-year collective employment contract. The company offered a two-year contract with two annual pay increases of 1 percent each.

A number of organisations announced extra pay for staff working during New Year's millennium celebrations. *NZ Herald* reported that "employers are buckling under pressure from staff demanding extra money for working during millennium celebrations, with payments of up to \$500 a shift." It was also reported that Auckland restaurants were facing a shortage of trained staff over the next six months. While the APEC meeting, the millennium celebrations and America's Cup were all providing a boost to restaurants there had been an exodus of skilled staff to Sydney during recent months. While pay rates had gone up recently they were still low compared to Sydney pay rates and, over the last year, many experienced people had left the industry because of a low pay premium for skills and experience.

Following an agreement between Telecom and EDS that EDS will run part of Telecom's information system in the future, 600 Telecom staff had to sign new employment contracts with EDS. This raised concerns whether the employees were entitled to redundancy and whether the new EDS employment contract had inferior conditions compared to the Telecom contract. While the Engineering, Printing and Manufacturing Union expressed concern, a spokesperson for EDS maintained that employees would not be worse off in their new employment situation.

Following the loss of 480 jobs at Tranz Rail in 1998-99, the union pointed out that Tranz Rail had already allocated a substantial amount of money for redundancy payments (\$15.5

million) for the coming year. As last year's 480 redundancies cost the company around \$18.9 million, this would indicate that nearly 400 redundancies could be covered by the allocated budget. Tranz Rail had 3155 employees in June.

The worry about New Zealand's poor productivity growth in the 1990s was countered by the Australian-Canadian duo of Denis Lawrence and Erwin Diewert when they maintained in the *NZ Herald* that New Zealand was "not doing all that badly". Based on their research of productivity, which was commissioned by the Treasury, they found an average growth rate of 1.7 percent between 1993 and 1998 in multifactor productivity. The estimations by Lawrence & Diewert were attacked by Bob Edlin in the *Sunday Star-Times* because of their reliance on multifactor productivity (as opposed to labour productivity) as well as having calculation problems.

A particularly vicious sexual harassment case was reported in newspapers and television where a young woman was subjected to four months of harassment. The Employment Tribunal awarded \$25,000 - of which \$15,000 covered loss of earnings - to the young woman. The Tribunal berated the company for its failure to support the woman, failure to investigate the complaints and for having no sexual harassment policy.

A survey by the Employers and Manufacturers Association (Northern) found that companies had obtained significant savings on their accident insurance premiums following better deals as part of the ACC reforms. The lower costs included the extra levy to cover the residual liabilities of ACC.

The kindergarten teachers' attempt to obtain pay parity with primary school teachers received a boost when a report by Janice Burns from Top Hat Consultants found that their work was undervalued. According to the *NZ Herald*, the report "found the role of a kindergarten teacher was not smaller than a primary teacher's, and the qualification and registration requirements were the same".

Statistics New Zealand's labour cost index showed that wage and salary rates changes continued their downward trend, with a 1.4 percent rise in the June year. The annual rate has declined in every quarterly survey since a 2.5 percent rise was recorded in June 1997.

September 1999

The protracted industrial conflict between Ansett and its pilots hardened during the month as the airline countered another planned 24-hour strike by a lockout of most of its pilots. The fourth 24-hour strike went ahead on 13 September and it again caused Ansett to cancel many of its flights. However, cancellations of flights during the school holiday period had already been common as pilots reported sick following the lockout notice from Ansett. The lockout started on 16 September and it covered 125 of Ansett's 146 pilots (with another 15 pilots to be covered by the lockout at a later stage). The unions tried to propose a mediation process to overcome the stalemate but this was rejected by Ansett as it did not

deal with the original trigger for the dispute: the company's need for cost savings and longer working hours. The union sought an injunction against the lockout but this was not awarded by the Employment Court. Another injunction preventing the airline from contacting pilots directly was granted. While several Ansett pilots started to take overseas jobs there were rumours of overseas pilots being employed instead of the pilots that were locked out. Finally, Air New Zealand reaped substantial benefits from the dispute with its flights (including several additional flights) being fully booked.

The focus on public sector arrangements continued with media reports of excessive salaries, "golden handshakes" and lack of accountability. The "culture of extravagance" in the public sector generated both Government and Opposition criticisms. The high point proved the resignation of the Lotteries Commission's Chief Executive, David Bale, after revelations of his pay packet, and expensive travel arrangements by Commission staff. The Lotteries Commission chairman, former National Party President Geoff Thomson, survived the debate despite criticism from Cabinet Ministers.

The lack of accountability was further highlighted when it was revealed that the salary package of ACC Chief Executive, Garry Wilson, had not been cleared with the State Services Commission. The Minister of State-Owned Enterprises, Tony Ryall released a list of top salaries which showed that 23 people were earning in excess of \$300,000, with the highest salary package being \$810,000-\$820,000. Minister of Tertiary Education, Max Bradford, called on former Qualification Authority Chief Executive, Doug Blackmuir, to return his \$160,000 "golden handshake" (see June *Chronicle*) but the plea was not heeded.

Hailed as the most important public sector reform this decade, the State Services Minister, Simon Upton, announced that the State Services Commission would obtain more power and policy input in an effort to counter both accountability failures and Treasury's dominant influence on public policy advice. In particular, the changes would put in place more formal arrangements for monitoring the governments ownership interest and the departments' ability to deliver expected outcomes. According to the *Independent*: "State Services Minister Simon Upton says the government has become very good at purchasing services and getting value for money, but this has been at the expense of the ownership side of the equation."

After weeks of heated debate and rumours, the Labour Party finally released its employment relations policy. It promised a repeal of the Employment Contracts Act through its Employment Relations Act. This Act would promote multi-employer collective employment contracts, keep voluntary union membership, retain the Employment Tribunal and Court, and bring New Zealand legislation in line with International Labour Organisation conventions. While the policy was attacked by the Employers' Federation and the Government, it was characterised as a moderate policy by Labour's Deputy Leader, Michael Cullen. According to the *Dominion*, Mr Cullen said: "If this had been our policy in 1990 some members of our party would have accused us of being class traitors."

The Labour Party and Alliance promised to introduce pay parity for kindergarten teachers. However, pay parity would only be implemented in the second term of a coalition government, according to the Labour Party.

Alliance's women's affairs spokeswoman, Phillida Bunkle, promised to promote equal employment opportunities, family-friendly workplaces and paid parental leave. According to the *NZ Herald*, Ms Bunkle also wanted to ensure pay equity for women: "We want to see effective legislation that will ensure there is equal pay for work of equal value."

Nurses at Tauranga Hospital settled their collective employment contract when the employer increased the pay offer following strike action. While other terms and conditions had been agreed, the initial pay offer sparked a 48-hour strike action and another 24-hour strike was planned. However, the employer increased the original 1.75 percent pay offer to a 3 percent increase in wages and allowances in the 21-month contract.

A second strike by Auckland Healthcare laboratory workers was cancelled when a one-year collective employment contract was agreed. The company increased its pay offer from 1 percent to 1.5 percent and the length of the contract was reduced from two years to one year.

The exodus of rural general practitioners prompted the Health Funding Authority to re-allocate its \$3 million subsidies to rural GPs. Following negotiations with the Medical Association, rural doctors may get between \$2,000 and \$20,000 dependent on their location. However, Chairwoman of the Rural GP Network, Dr Helen Kingston, also suggested that the Government waive doctors' student loans in return for a five-year bonding period.

The Parental Leave Bill proposed by Alliance MP Laila Harre and stipulating 12 weeks' paid parental leave (see March *Chronicle*) was defeated by the Government in Parliament with 60 votes against 58. The Government favoured its own so-called "baby bonus" whereby parents receive a tax credit.

The workplace insurance changes associated with the ACC reforms still featured in many media reports. Several major organisations, including Wellington City Council and Capital Coast Health, documented that they had obtained large savings by shifting to private insurers, partly because private insurers had been in fierce competition to obtain larger market share in the transition period. The *Dominion* reported that the ACC was proposing a reduction in levies paid by workers, despite a government decision to increase workers' levies five months earlier. The ACC subsidiary Catalyst Insurer Services announced that between 100 and 150 jobs (out of a total of 1250 staff) would be lost as fewer claims handled by the company necessitated a restructuring of the organisation.

Clear Communications announced that it would cut at least 150 jobs as the company was faced with large financial losses. While a number of temporary employees would lose

their jobs the job cuts would also entail significant redundancy payments to permanent employees.

Employers' Federation Chief Executive, Steve Marshall, announced his retirement. Mr Marshall, a strong supporter of the Employment Contracts Act, was a high profile head of the employers in the 1990s where he often supported free market policies and the curtailment of administrative and cost burdens on employers.

A survey conducted by the Post Primary Teachers Association found that many teachers had taken stress-related sick leave and many teachers had left or had made plans to leave teaching because of the workload.

October 1999

The lockout of Ansett New Zealand's pilots finished when the pilots and their union - the Air Line Pilots' Association - accepted the new collective employment contract proposed by the company. This was a major victory for Ansett since the pilots had to accept the same contract that originally prompted their strike action and the pilots also missed out on the "signing-on bonus" of \$12,000. The pilots also agreed to the changes in flying times which would increase the current 85 hours for every 30 days to 100 hours for every 28 days. According to the *Dominion*, "the union had also lost ground on superannuation and sick leave entitlements."

Meanwhile Air New Zealand settled a collective employment contract covering over 100 senior flight crew and the company expected to settle the contract of 300 pilots in the near future.

Victoria University Staff staged two 12-hour strikes in an effort to improve the employer's pay offer of a nil percent general pay rise. The staff also passed a vote of no confidence in Vice-chancellor Michael Irving. Students were also protesting against fee rises with Victoria University likely to join other universities in increasing student fees.

Stagecoach buses were again hit by strike action. In Auckland, around 300 drivers staged four short strikes while another 625 drivers had signed the new collective contract. After the strikes, the parties agreed to seek assistance from a mediator. In Wellington, a stopwork meeting to discuss the employment contract (expiring at the end of the month) forced the cancellation of bus services.

The Court of Appeal finally put a stop to the mass sacking of the country's firefighters when it upheld an injunction against the Fire Service's restructuring plans which the Employment Court issued in October last year (see October 1998 *Chronicle*). The plans to cut the size of some fire-engine crews from four to three firefighters would also be difficult to proceed with for the Fire Service.

The Labour Party promised an immediate review of the statutory minimum wage if it gained office after November's general election.

The National Party re-launched its pledge to institute probationary periods for personal grievance entitlements and to allow workers to sell their holidays for cash.

A raid on a West Auckland clothing factory by the police brought media allegations that "sweatshops" were rife. The *NZ Herald* reported that "Hundreds of Asians are believed to be sewing in Auckland sweatshops after being lured by unscrupulous clothing companies."

The depletion of rural services prompted the Government to change the allocation of extra payments to rural general practitioners, and the Labour Party announced their own 10-point plan to improve rural services. The plan, estimated to cost around \$20 million, included incentives to entice doctors and teachers to rural areas, as well as training incentives.

The Minister of Defence, Max Bradford, announced that soldiers serving in East Timor would have their allowance doubled. However, a random audit by Work and Income NZ (WINZ) found that more than 100 Army personnel were receiving income support they were not entitled to.

The media reports of large pay-outs - "golden handshakes" - to executives in the public sector continued with revelations of a \$200,000 golden handshake to the former chief executive of Solid Energy, Ian Collinson.

It was revealed in a report from the State Services Commission that senior public servants were awarded pay rises of 6.7 percent in the past year. This increase followed a rise of 6.5 percent the previous year. Members of Parliament were awarded a more modest 3.75 percent pay rise by the Higher Salaries Commission.

A hard-hitting report from a parliamentary inquiry into the Inland Revenue Department's approach to taxpayers and the restructuring of the department made it questionable whether Inland Revenue Commissioner Graham Holland would be re-appointed when his contract expired in March 2000.

The Government decided to reduce workers' ACC levy by 10 cents to \$1.20 for every \$100 of income; half of the 20 cents reduction suggested by the AAC. The employers' levy covering residual claims dropped by over 25 percent to 40 cents for every \$100 of income.

Celebrations of Labour Day brought a focus on the rise in weekly working hours by full-time employees. The *NZ Herald* reported that the number of employees working more than 40 hours per week had increased by around 25 percent over the last decade.

Figures from Statistics New Zealand showed that the gender pay gap is closing. Hourly earnings of women working full-time were 86 percent of hourly earnings of full-time men. This compares to 84.6 percent the previous year. However, the *NZ Herald* reported that "ethnic income gaps on the other hand do not appear to be closing." Interestingly, the *NZ Herald* stated in another article that the gender pay gap - based on the average ordinary time, hourly earnings - had increased from 82.7 percent to 83.9 percent over the May to May year.

Figures from the Labour Department showed a decline in workplace fatalities in the year to 30 June 1999 compared with the previous year. Forty-four people died in workplace accidents in the 1998-99 year which were 12 fewer fatalities than the previous year. Nearly 80 percent of all fatalities occurred in just three industries: construction, agriculture and forestry.

The announcement by lingerie company Bendon that it would stop manufacturing underwear in New Zealand during the next six months, sent ripples through the textile industry and became a major item in the election campaign. Bendon would close its factories in Te Aroha and East Tamaki before Christmas with more than 100 jobs lost while the Te Rapa plant would be shut by the end of March if no buyers had been found. The Te Rapa plant employs around 250 workers.

The reported shortage of skilled restaurant staff in Auckland had spread to the rest of New Zealand as higher wages in Auckland and Sydney attracted staff throughout the country. The *Dominion* reported that the emphasis was on skilled staff and these employees were often offered incentives to shift employers.

A survey of employers' opinions about the Holidays Act conducted by law firm Simpson Grierson found that employers have trouble understanding the Holidays Act and they often flouted its provisions.

November 1999

The general election increased the media profile of employment relations with political parties, employers and unions participating in a lively debate. The Government accused the Labour and Alliance parties of planning a return to old-fashioned employment relations and re-instituting union monopoly power. Employers and their representatives were vocal in their support for the Employment Contracts Act and similar reform initiatives. Chief Executive of the Employers' Federation, Steve Marshall, claimed that a move away from the ECA would see unemployment rise to 11 percent in 18 months. However, the CTU relished a change in the employment environment and claimed that New Zealand had fallen out of step with the rest of the world who had seen the necessity of collective bargaining and employee rights. CTU advocated a redress in the balance of power by giving unions a more central role as worker representatives.

The Insurance Council and the Employers' Federation were also vocal in their support of the recent ACC reforms, especially the privatisation of the employer's account. Figures were released which showed that employers had saved at least \$218 million on the scheme. Nevertheless, the Labour Party expressly stated its clear intention to reverse the privatisation of ACC.

The *Independent* reported that ACC's unfunded long term liabilities - the so-called "tail" - had dropped sharply by \$132 million over the last year. Additionally, the newspaper wrote: "Speculation is rife in the insurance company that the ACC is considering reinsuring or tendering out management of it "tail"."

A dispute surfaced between Air New Zealand and its flight attendants when the company announced the relocation of 288 staff to be based in Sydney and London. Other contentious issues discussed were crew numbers and the amount of rest-time between shifts. A planned strike by Los Angeles based staff was called off when Air New Zealand applied to the Employment Court for an injunction questioning the legality of taking action in another location. A spokesperson for Air New Zealand claimed that the issues in question were not negotiable items, but rather a management decision.

Auckland commuters had faced several days of disruptions before of the protracted dispute between Stagecoach and its drivers finally came to an end. The company's attempt to bring all employees under the one contract had resulted in nearly 14 months of contract negotiations. Around 75 percent of the company's 900 drivers had already signed the three-year contract and the rest of the drivers signed when the issues surrounding meal breaks and split shifts were resolved. The pay rise of two percent per year was never a major issue of the contract dispute. During the dispute, over 60 drivers decided to leave the company.

The cost-saving saga continued at Ansett New Zealand when the company announced that it would increase the number of redundancies from 35 to 50 pilots.

Several minor industrial disputes arose during the month. Victoria University staff protested over staff cuts in the Humanities and Social Sciences Department. Staff at Pacifica Shipping protested over a planned takeover while staff at the Bank of New Zealand took action over the use of performance targets being arbitrarily raised each year and staff being treated like "sweated labour". Nurses at Masterton Hospital took industrial action and demanded more staff, an unspecified pay rise and a one-off payment of \$300.

Early childhood teachers settled their collective employment contract when they agreed to a two-year contract which included two pay rises: a one percent pay rise backdated to 1 October and another 1.5 percent pay rise from June 2000.

The Employment Court awarded a former senior public servant \$280,000 for wrongful dismissal. The plaintiff had successfully claimed that her position had not changed

throughout the restructuring that had taken place and, therefore, she had been wrongfully dismissed.

A report showed that 37 percent of employment complaints to the Human Rights Commission are for sexual harassment. Coincidentally, the EEO Trust announced an increase in membership by 98 new organisations to a total membership of 246 organisations.

The Labour Department's Occupational Safety and Health Service (OSH) investigated Tranz Rail after an employee had his foot crushed under a carriage. This came on top of a \$27,000 fine imposed on Tranz Rail four weeks earlier for an employee who lost his leg in a shunting accident.

A study by ACC's health and safety consultancy firm, Prism, estimated that each worker costs their employer between \$1000-\$5000 a year in absenteeism. The report stressed the need to develop safe work environments and promote employee health.

'Around 180 former employees were suing Capital Coast Health for \$9 million, claiming a breach in their employment contracts when catering and domestic services were outsourced to a private firm. The employees alleged that their previous employers had instigated a review of services without notifying the employees' unions. However, Capital Coast Health claimed that they were only gathering information and the union was notified at the correct time.

The Labour Department froze the property, bank accounts and other assets of a West Auckland clothing manufacturer. The business was suspected of importing Thai nationals to work in a clothing "sweatshop". The Labour Department also reported that eight employees had been underpaid \$250,000 over a 30-month period.

New Zealand accountants and lawyers were sought after by Australian organisations for their GST experience, due to the Australian government's plan to introduce the tax next July. The exodus was likely to lead to a skills shortage in New Zealand, according to Ernst and Young's Australian director of GST, Carolyn Mall.

Various organisations announced staff losses over the past month. They included: 25 jobs at Victoria University, 16 jobs at ERG Connect, 9 jobs at BOC Gases, 10 jobs at Hort Research, 171 jobs at the Adventist Hospital (St Heliers), 107 jobs at CityJet, and 40 jobs at Devonport Naval dockyard. Over 7000 students had signed on for summer jobs at Student Job Search but the service had only 3700 jobs available.

On the other hand, staff shortages caused Whangarei Area Hospital to ration its services, as it had difficulty in staffing operating rooms. Carter Holt Harvey also announced plans to build a multi-million dollar timber processing plant near Marsden Point. The project would create 250 jobs during the construction phase, with 60 permanent jobs once it was completed.

The Global Managing Partner of Anderson Consultancy, Peter Holmes, estimated that the government could save more than 20 percent on costs through outsourcing functions to the private sector. He also stated that in terms of outsourcing non-critical functions, New Zealand had moved from being a leader in the field to being in the middle of the pack.

The New Zealand Medical Association blamed rising student loans as the driving force behind the continual brain-drain overseas and thus creating critical shortages in junior doctor ranks. Central Coast Health, Hutt Valley Health and Canterbury Health all faced significant shortages of junior doctors.

December 1999

The swift move by the Coalition Government to repeal last years ACC reforms attracted major media interest. Ruth Dyson, Labour's ACC spokesperson, announced that draft legislation had been prepared and was expected to be in Parliament by March. Labour announced that the negotiation of new contracts with private insurers would cease after 1 April 2000. Also from that date, all self-employed and new business would automatically be covered by ACC. Finally, all private contracts would cease on 1 July when the ACC again would become the sole supplier of accident insurance.

The Government estimated that reversing privatisation would cost around \$100 million. However, the Insurance Council estimated the cost of reversing the privatisation to be \$1.1 billion (not \$100 million) and it advocated that the reforms should be allowed to run for a year. Private ACC insurers also threatened to sue the Crown to recoup start-up costs from the endeavour. Due to Labour's early announcement of its plans during the ACC reform process (see July *Chronicle*), this was not seen as a credible threat. The *Independent* quoted Sir Geoffrey Palmer: "Any remedy here is completely hopeless because I recall, when the thing went through, Labour said in the House it would do this."

Finally, the Insurance Council claimed that businesses had reaped savings of approximately \$300 million from privatisation. Government figures showed, however, that the average premium was \$1.21c per \$100 of earnings, with employers with 100 or more employees paying on average \$0.95c. This indicated that smaller employers had obtained little or no benefits of the reform. Additionally, ACC estimated that if privatisation had not occurred it would have charged an average premium of \$1.10.

The Coalition Government announced its decision to increase the statutory minimum wage by 55 cents to \$7.55 from March 2000. This was a \$22 rise in the statutory weekly wage for a 40-hour week. Youth minimum rates were increased by 35 cents to \$4.55. A further review into the role of youth rates was also promised.

Prime Minister Helen Clark announced that Labour planned to replace the Employment Contracts Act by introducing a new Bill by March 2000. The new legislation would

require "good faith bargaining" and allow multi-union, multi-employer bargaining, in line with ILO conventions.

An industrial dispute at Lyttleton Port ended in tragedy when a woman was killed while she was on a picket line. A motorist ran over the women as he drove out of the Port's gates and through the picket. The strike was caused by the Port's decision to contract out the loading of coal to a West Coast firm.

The "brain drain" phenomenon received heightened press coverage when it was announced that a research team of a professor and five doctoral students from Waikato University had been headhunted by an American firm. This announcement was followed by news that five sociologists from the University of Auckland were also moving overseas. With the rise in graduates moving overseas (see below), the lack of funds for staff and research attracted considerable media attention.

Massey University staff were investigating whether they could take legal action to fight restructuring. The restructuring proposal involved the contracting out of work for about 60 staff in the works and services department.

Inland Revenue workers held rallies over the past month in an attempt to get their employment negotiations back on track. Their collective contract expired 18 months ago and little progress had been made in the negotiation of a new contract.

WestpacTrust bank staff held stop-work meetings to consider a new pay offer. The employer's offer included a new performance pay system which gave employees no guarantee of a pay rise. Hutt Hospital lab workers struck after a clash with management over pay. The strike was caused by management's unwillingness to budge on a proposed 1.2 percent pay increase this year with a further one percent increase next year. TVNZ announced a 1.7 percent pay rise to News and Current Affairs staff below senior executive level and not on casual contracts. However, staff were told that the bonus would impact on next year's pay reviews.

Taxpayers spent more than \$300,000 so ACC could defend itself against a personal grievance action brought against it by a former manager. The Employment Court judge criticised the plaintiff for bringing the case and said it was "devoid of sustainable merit".

A 17 years old trainee chef was awarded \$8000 by the Human Rights Commission's complaints review tribunal. The trainee had accused a supervisor of subjecting her to language and physical behaviour of a sexual nature. Another women settled her case before going to the tribunal. She had accused an employer of denying her a short-term labouring job because she was a woman. The employer agreed to apologise to the woman and pay \$750 for humiliation, loss of dignity and injured feelings. The tribunal also ordered an Auckland business, and its biggest shareholder, to pay \$7500 to a former employee for sexual harassment. In related news, New Zealand was expected to sign a

United Nations protocol that would enable women to take sex discrimination complaints to an international body if they were not heard at home.

Work and Income New Zealand (WINZ) announced plans to focus more on improving the status of Maori. Maori were over-represented in unemployment and income support figures, as well as low skills occupations. Minister of Social Welfare, Steve Maharey was considering plans by WINZ to put more resources into older workers since those over 55 years of age were not work-tested and this was claimed to increase the likelihood of "early retirement". However, the Minister turned down a recommendation made by WINZ to allow private agencies to find jobs for the unemployed. Mr Maharey stated that such a plan would fragment the service and ran against the beliefs of the current government.

The Coalition Government announced plans to push the World Trade Organisation to include employment and environmental issues on its trade agenda. This would bring New Zealand in line with current US trade policy.

New Zealanders moving to Australia will have to wait two years before they can claim the dole or other benefits. The change, up from six months, comes into force from 1 February 2000. New Zealand had already instituted the same scheme for Australians moving to New Zealand.

Amongst the job losses announced were: 75 jobs at NZ Electrical Lamp Manufacturers, 82 jobs would be cut in Ernest Adams' restructuring, 42 jobs at Tranz Rail and 40 jobs were lost at Gateway Computers. Ansett NZ finally ended speculation and announced that 46 pilots would loose their jobs.

Nursing shortages in some Auckland hospitals led to patients being washed by family members in busy periods. The Ministry of Health had started to look into the matter. It was also estimated that around 37 percent of private hospitals were below their optimum nursing levels, because of an inability to attract or hold registered nurses. Union sources claimed that staff turnover was above 50 percent per annum in some hospitals.

There was a furore in Australia when New Zealand retail chain Kathmandu employed 120 Canterbury (New Zealand) students to work in its Australian stores. The sticking points were the high Australian youth unemployment and that the students were paid below award wages. The students were paid \$A8 per hour while award rates were between \$A12 and \$A15. However, the company stressed that it paid for the travel and accommodation of the students and it claimed that it is impossible to find reliable staff in many areas of Australia, particularly over the Christmas period. The company considered the project a success and would consider doing it again.

Some employees were making significant gains from working during New Year's millennium celebrations while others were making none. Bonuses of up to \$500 were offered by companies such as Power NZ, Orion and AMP while Air NZ was giving its

affected staff a free airfare within the pacific region. However, the police were unable to negotiate any bonus.

Statistics from the University Graduate Destinations 1999 Report showed that around 56 percent of the 10,000 sample of recent graduates had found a full-time job. The average graduate salary was \$36,901, up \$585 on last year. The Report found a significant gender pay gap. Finally, graduates leaving to go overseas had increased by approximately 33 percent.

Erling Rasmussen and Joe Beer
The University of Auckland