



Learn from the New Zealand Experience - disunity is weakness

By Garry Preston, Committee of Management Member

The Australian trade union movement and workers rights are going to come under attack in a way unseen in this country before. When John Howard and the Liberals' take over the Senate in July they will have total control and Australia will be a one party Government.

Some of us have seen attacks on workers' rights by right-wing ideology-driven governments before. We only need to look across the Tasman to see what can happen to workers rights and conditions, in a county very similar to Australia, when a right wing government takes total power. The rhetoric of the Howard Government is very similar to that of the National Government that took power in New Zealand back in 1990.

The 1991 NZ Employment Contracts Act

I was employed as an organizer by the New Zealand Building Trades Union at the time the "Employment Contracts Act" (ECA) became law on the 15th May 1991. In the building industry we had a national award for the tradesmen, and the Labourers' Unions had very similar awards.

Before the introduction of this Act we had:

- > Time and a half and double time;
- > Boot and clothing allowance;
- > Meal money;
- > Traveling time;
- > Most of the things that Australia workers still enjoy today;
- > A redundancy agreement with most of the major builders;
- > In Auckland - a dollar for dollar superannuation system in place.

New Zealand had an (conciliation and arbitration) system in place for almost a hundred years that provide for decent industrial awards in every industry. But the ECA abolished all national and regional awards and agreements. It prohibited employers or trade unions from entering into any which made union membership a condition of employment.

New Zealand unions had literally been deregistered by political decree.

Under the ECA a union was not entitled to function on behalf of its members on any matter of difference between an employer and an employee except where the employee nominated the union as the bargaining agent. Many workers were too scared to nominate a trade union as an agent fearing victimization. The Act abolished NZ's traditional 40 hour week-8 hour day 5 days Monday to Friday.

The only legislative protection NZ workers had under the new Act was:

- > 3 week annual holiday
- > 11 Statutory holidays
- > a minimum wage rate for adults of \$6.12 per hour which at the time minimum rate previously laid down by construction industry awards
- > 5days special leave (sick pay, bereavement leave etc) per year- non cumulative.
- > And parental leave without pay.

The ECA was a victory for those employers who had sponsored "labour-only" contracts (ABN types) for years. The New Zealand trade union movement made some very major mistakes, largely through infighting and a lack of unity.

A disunited trade union movement

The Trade Union movement was aware that there was going to be anti-union laws when the right-wing National Party was elected to government. There had been ongoing amalgamation talks with the intention of forming a *Building and Construction and Building Materials Union*, like the CFMEU of Australia.

The NZBTU had had talks with the Labourers' Union, the New Zealand Workers Union, the New Zealand Timber Workers Union and the Furniture Union - the idea being that "Unity is Strength".

From what I could understand these talks failed because union leaders were unwilling to share or give up some of their power. In time this lack of unity had the effect of driving down wages in the construction industry.

The new Government took an unsuspecting electorate by surprise. In the election campaign they had told the voting public that they would have real freedom and they would introduce voluntary unionism. They also pamphleted every letter box in the country informing workers that they have real choice as to who would negotiate their wages, and that bosses could not cut wages. As a trade unionist reading between the lines, you could see that things were going to get a lot harder for working people.

The 1990/91 Construction award negotiations had started, as it did every year. As it was a national award the major construction companies had a greater input. The union negotiators broke down the negotiations because of differences over the hours of work clause. It was not "business as usual", because the rules were about to be changed on us. I remember thinking at the time we should have compromised because it would have maintained conditions in the industry well after the ECA became law. While out on the road organizing I got the same message from most employers who worked an award system.

After the National Award broke down the branch I worked for at the time took a proactive stand and went out to sign up every member, so we could act as their bargaining agents. I remember holding site meeting after site meeting telling members that if we stick together we will be able to main our wages and conditions. After getting two-thirds of the membership signed up, things got much harder.

Hard line employers had been putting the word out to their workforce that they could negotiate direct with them and save union fees. On the day the Act became law building workers in all the main centers went on strike for three days. As soon as the Act became law the hard line employers were fast to act.

Individual contracts

The ECA had become law at the time of a major downturn in the building industry. Workers were presented with individual contracts with large pay cuts and told that if they sign they would go onto the next site.

Soon after the Act became law, a woolen mill in the South Otago town of Milton locked the union workers out when they tried to negotiate a new wage agreement. After the workers had been "out the gate" for a number of weeks, the employer and their agents began calling around to workers homes late at night to try and getting them to sign individual contracts with large pay cuts. With mortgages and bills to pay some workers began to sign until the employers had the numbers to start operating the mill again.

Unionists maintained the picket line and kept the dispute alive for over seven and half years, with the dispute becoming the longest in New Zealand's history. By the time it was settled I was living in Australia and I am told it was only settled by a cash settlement to unionists after the Labour/Alliance Government came to power and improved union rights.

With the old award expired, and no new award in place, building workers had very little protection. Workers with mortgages', bills and the prospect of losing their jobs would sign without thinking about the long term prospects in regard to wages and conditions without a union.

Some of these hard line employers had loud mouth leading hands/ company delegates that through they could do just as well or better than the union in negotiations, and save there mates a couple of hundred dollars in union fees each year. **In almost every case although the base hourly rate went up, but they would come out with the loss of overtime rates and most allowances, and take home pay was down by up to \$100 a week.**

Jumping the fence

One or the most disappointing acts made by some union officials (whose jobs had become unsure) was them moving over to the employers. Some union officials moved over to Companies (as Industrial Relations Officers) or to Employer Organizations by taking up offers of lucrative incomes. They sometimes became the faces that sat at the desk that presented workers with "individual contracts", with large pay cuts in them. They used skills that the trade union movement had given them to cut workers incomes.

One of these former officials when confronted just said "I have a family to provide for". It just made me fell very, very sad - because lots of those workers they encouraged to sign onto non union or individual contracts with large pay cuts in them also had families to provide for. I have often wondered how they can live with there consents.

Contesting union membership and weakening unity

A new development occurred for unions as a direct result of the "Employment Contract Act". The Act provided for the contestability of union membership.

Whoever wrote the Act up was every aware of how to weaken trade union unity. With falling membership, unions began to raid membership of other unions. We all did it and it was encouraged by employers.

In the same way as “unity is strength”, “disunity is weakness!.

After months of being undercut by non union employers, my Branch Secretary, Ray Anderson, entered into negotiations with the *Otago/Southland Master Builders*, and our National Secretary, Ashley Russ, entered negotiations with *Downer and Company*. To get a 3 1/2% increase and productivity added to the hourly rate, double time was given away along with hours of work. This was the very reason over which the National Award negotiations had broken down.

I was totally cut out of these negotiations because of my unwillingness to give away any major award conditions. After seeing more and more companies forcing their workers into non union agreements, I came to accept that we had to compromise on some conditions to save others, and I sat in on the final settlement.

The *Otago/ Southland Master Builders* would not negotiate with the Labourers' Union, who, at the time, they considered too militant. There was a construction worker clause added to the agreement that enabled labourers to become part of the BTU deal. The Labourers' Union (NZAWU) clearly saw this as poaching (looking back on it, if I was an official of the Labourers' Union, that is just how I would have looked at the deal). A leaflet was issued stating “This is War”. A group calling its self the “Construction Workers Action Committee” issued another leaflet stating “that a war on union membership” had been declared in the building industry.

In the middle of this inter-union war (and remember, the real enemy as the right-wing government in power), the hierarchy of the BTU decided to lay off most of its union organizers. I was one of those organizers who lost his job, and I accepted it at the time because the union had to cut costs to survive. Some branches were left with just a Union Secretary. Over the years those union leaders had often become tied to their desk following a long paper trail, and, sad to say, had forgotten how to organize. Organizers are the ones that do the hard yards and visit sites and maintain the contract with the membership. Without the ongoing visits from organizers, membership began to walk.

The first major contract to be built after the ECA was in force was the \$800 million Auckland Casino. As I was reliably informed, fourteen unions turned up to contest union membership. While the inter-union negotiations over coverage were still going on the main contractor cut the unions out and put its workforce on labour only (ABN contracts).

In the late 1990's ,and after moving to Australia, I made a trip to Auckland. While there I called in on my old friend and comrade Allan O'Neill. (Secretary, Auckland Branch NZBTU.) Allan had been one of the hard nosed fighters for workers rights.

He sat in an office, with 150 financial members (at its peak the Auckland Branch of the Union had almost 5,000 members). The employers had worked very hard to cut the union out of the industry.

Health and safety deteriorated

The industrial accident and death rate had become one of the highest in the western world. Workers were working longer hours and getting paid less that they had 10 years earlier. New Zealand unions did their best under trying conditions. There were many mistakes made and at times we were out own worse enemy.

A message to the members and Union Executives

Organizers must be kept on the road because they are the ones that do the hard yards and keep up the contract with the membership. From my experience in New Zealand, if the memberships do not see union officials they walk away. The Australian union movement and public have had six years to become aware of the Liberal agenda. An unsuspecting public in NZ had very anti worker laws hoisted on them. In every case were an EBA in Australia can be settled before the Liberals take over the Senate it should be if workers are presented with individual contracts after the law changes they still should contact the union.

Even if officials cannot access your work place, meet with them away from it. They are the only ones that have your wages and conditions at heart. Long term individual contracts, no matter how good they look equal losses in wages and conditions. In the short term you may get onto the next contract with your boss but 10 years down the track you will be working for less money. Be aware of loud mouth leading hands and company delegates that say they can save you your union fees by negotiating direct with your employer. In every case in New Zealand this equaled a wage cut.

There was a change of Government in New Zealand. Labor has been in power almost four years and things are starting to improve for workers and their families. Australian workers need to remember that there will be some very anti union laws in place. Union officials may not be able to do everything they can at present, but ensure unions are still a force when there is a change of government, remain with and support the union.

“Union is strength”