

New Zealand employer sets up "People First" company union

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The Warehouse Group, one of New Zealand's biggest employers, has begun moves to set up its own company union for its 5,000 workers who are, according to millionaire-owner and managing director Stephen Tindall, "used to the Warehouse way of doing things."

The Warehouse is a cut-price retail chain, with stores mainly in working class areas, which specialises in heavily discounted homeware, clothing, stationery, toys and electrical goods. It exploited the lowering of tariffs in the mid-1980s and sources much of its stock from low-wage overseas suppliers. In just over a decade, it has expanded rapidly throughout the country and is now undercutting many of the mid-range supermarket stores such as the Australian-owned K-Mart group. The company has recently announced plans to expand into Australia.

The "Warehouse way" refers to Tindall's attempt to cultivate an image as a so-called "socially responsible" employer. He and a handful of other employers, such as Dick Hubbard of the breakfast cereal company Hubbard's Foods, have in the past expressed differences with big business lobby groups, in particular the Business Roundtable, who proclaim that the only responsibility of a company is to attend to the interests of its shareholders.

Tindall and Hubbard declare that they treat their staff as one "big family". Tindall claims that Warehouse wages and conditions are above the "industry average". Hubbard gained a certain fame by recently taking his entire workforce, mainly Pacific Islanders, on a fully paid company holiday to Samoa. What both employers omit to say is that their profits are derived from the exploitation of low-paid labour in industries where the average pay is close to the legal minimum, and where shift work and the widespread use of underpaid youth labour is common.

The simmering discontent of workers in these companies was revealed earlier this year when a strike erupted at Hubbard's Foods over a wage claim and improved conditions for shift workers. The strikers set up pickets to expose Hubbard's "caring" image, describing their treatment by the company as paternalistic. The workers were eventually forced back to work with a meagre 2.75 percent pay rise, taking their wages from just below \$10 an hour for new employees to a top rate of \$12, up from between \$9 and \$11.

There is no doubt that Tindall's plan to set up his own company union are aimed at preventing the eruption of similar industrial action among Warehouse workers and ensuring that his stores remain competitive with the low wages and poor conditions that prevail throughout the highly competitive retail industry. He has already indicated that it will be more useful to have his national workforce tied to one collective contract than all on separate individual contracts.

In announcing the formation of the in-house union, to be called "People First," Tindall said that he expected about 80 percent of his workforce to join. He claimed that the organisation was being set up by "former and existing staff," after an approach by current workers wanting to know what would happen to them under the Labour government's new industrial legislation. According to Tindall, the Warehouse workers did not want to "jeopardise" the way they had been treated by the company in the past. They do not want to be represented by a union dealing with "a whole lot of other retail companies" and with "political agendas getting in the way," he said.

Fees for the new "union" are \$1 a week for full-time staff and 50 cents a week for part-time workers,

significantly below the \$4.40 charged by the National Distribution Union (NDU), which covers those retail workers who are still unionised. The Warehouse claims that currently most of its workers are not union members—a fact that is not disputed by NDU officials. According to the NDU, the company has denied the union access to its stores for more than nine years.

In response to Tindall's announcement, NDU national secretary Carol Beaumont complained that the Warehouse was effectively blocking its workers from exercising an “informed choice” about union membership. Moreover, according to Beaumont, “People First” was not explaining to workers that the difference in membership fee would mean that it would not be able to offer the same “range of services” as the regular unions. Asked to reveal on national radio what these services were, she drew attention to the NDU's “industry training” program, and to its ability to “lobby the government”.

Beaumont went on to claim that misinformation being spread by Warehouse management at recruitment meetings held so far included claims that were they to join the NDU they would be “forced to go out on strike” and that their “conditions would be reduced”. She strenuously denied both charges.

Far from being a workers' “initiative”, the company union is a well-planned pre-emptive strike by the Warehouse to circumvent the key provisions of Labour's impending industrial legislation, and at the same time challenging the existing unions on their own ground. Labour's plans provide for collective and multi-employer contracts enforced by the unions, which will be given new powers to enter workplaces in order to recruit members. Any two or more workers will be entitled to form a union, but the new legislation also contains provision for any such union to theoretically be at arm's length from the employer.

While the Warehouse claims that “People First” will be “independent”, Iain McLean, a former Warehouse area manager and one of the key organisers, has admitted that company money has helped bankroll it. He said that the money, from a fund for “staff initiatives” had been provided as a donation on a “no-strings-attached basis”. The company is also assisting “People First” with the distribution of written material and video presentations to workers.

The NDU has already indicated that it will not

challenge “People First” for members. While arguing that the Warehouse is not giving its workers the “right to decide,” Beaumont said that if the workers “don't think what we have to say is of value and they're not interested in us then well and good, what more can we do?” For its part, the NZ Council of Trade Unions (CTU) is doing no more than look to the technicalities of the new industrial laws to defeat the company's plans. CTU president Ross Wilson said he was confident the new union would be “in contravention of the bill”.

Of course, Beaumont did not consider why workers would not be interested in the NDU. The fact that Tindall has been able to so easily cut the ground from under the NDU is a measure of the widespread disaffection throughout the working class with the trade unions who have brazenly imposed the demands of big business for “international competitiveness” for the last decade and a half. Warehouse workers will have their suspicions and doubts about the motives of Tindall in setting up “People First” but clearly they see the existing unions as no better.



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