

# New Zealand government launches fresh attack on workers' rights

**Tom Peters****2 August 2010**

New Zealand's conservative National Party government has announced a swathe of changes to the country's labour laws that will make it easier for businesses to sack workers, drive down wages and further curtail workers' ability to defend their pay and conditions.

The government, like those around the globe, is carrying out a program of austerity to make the working class pay for the global economic crisis. It has slashed spending on social services, imposed thousands of lay-offs and a wage freeze across the public sector, and increased the regressive Goods and Services Tax (GST). The New Zealand Institute of Economic Research predicts that real wages will shrink by 3.6 percent in the 12 months ending March 2011.

Announcing the latest changes to the industrial legislation at the National Party's annual conference on July 18, Prime Minister John Key said it would "improve New Zealand's overall productivity, meaning we generate more value from the hours we work". In other words, the rate of exploitation of workers will be intensified to boost the profits and global competitiveness of big business.

The government plans to extend a scheme that allows companies to sack new employees at any time during a 90-day "trial period", without having to provide reasons. The scheme was introduced in late 2008 to cover businesses with less than 20 staff, but will now apply without restriction. It removes the rights of a worker to challenge a dismissal during the trial period, and overrides the limited legal protections under the existing "personal grievances" procedures.

Key claimed that the scheme had "encourage[d] employers to take on new staff" and "expand[ed] job opportunities for people who often struggle to get work". In reality, a survey of 527 employers by the Department of Labour found that 22 percent of people hired since the scheme's introduction had been fired within the 90-day period. Under the expanded

scheme, an estimated 300,000 workers at any one time could face instant dismissal.

The government aims to create a layer of insecure, disposable employees, who will be used to undermine the wages and conditions of every worker. For many thousands employed in seasonal jobs and on short-term contracts, the legislation will ensure they never have any protection against unfair dismissal.

Other planned amendments include:

- \* Making it harder for sacked workers to win unfair dismissal claims. When assessing the merits of a claim, the Employment Relations Authority (ERA) and the Employment Court will be instructed not to subject employers' "processes" to "pedantic scrutiny". In addition, the ERA would be given greater powers to strike out so-called "vexatious or frivolous claims" at an early stage.

- \* Making union access to workplaces "conditional on the consent of the employer". Employers will also be able to bypass unions and negotiate directly with staff during collective bargaining talks. Small businesses in particular often feel they are in a better position to impose their demands directly without the assistance of the unions.

- \* Changing the Holidays Act to "allow" employees to sell up to one week of annual leave. Prime Minister Key said employers would not be able to "pressure workers into taking this option", but in reality, as is widely recognised, many low-paid workers will be compelled to "cash in" their leave in order to survive financially.

- \* Enabling employers to force workers to provide a doctor's certificate after taking just one day of sick leave.

The Council of Trade Unions (CTU) organised a small rally of around 300 people outside the National Party's

conference in Auckland. Some 40 protesters attempted to force their way inside the SkyCity hotel. Smaller protests were held in Wellington, Dunedin and Christchurch, and about 200 people attended a second street protest in Dunedin on July 24.

The CTU and its affiliated unions have announced that they will conduct a token “fairness at work” campaign, including nation-wide rallies on August 21. The unions, however, have no intention of mobilising workers in a political campaign against the government. Since the onset of the economic crisis they have closely collaborated with the government and big business in imposing job cuts and other concessions on the working class.

The CTU has done nothing to oppose the 90-day trial legislation since it was passed by parliament in 2008. While posturing as opponents of the government’s attacks, the unions’ only real concern is the proposal to restrict their access to workplaces that would undermine their role as the chief enforcer of pro-market restructuring.

The CTU has collaborated closely with the conservative government. Key spoke at the CTU conference last year, while Kelly was a main player in the government’s so-called Jobs Summit, which used the onset of the recession to implement short working weeks and attacks on wages.

CTU president Helen Kelly last week published a “Dear John” letter she had written to Key, complaining he had breached an undertaking he had made to consult her if the government was going to move on union access and non-union collective bargaining. “You also said you wanted to work with the unions,” she wrote. “And you portrayed yourself as a moderating influence in employment law matters. That has changed.”

Regarding the 90-day trial period, Kelly politely wrote, “I think we understand that we disagree with each other’s analysis of this issue and that there is not much point discussing that issue further”, adding only that the CTU would “of course vigorously participate in parliament’s Select Committee process”—a thoroughly hollow form of opposition. Kelly warned Key the changes to “union rights” would “do irreparable damage to our working relationship with your government and will reduce the potential of good union/employer relationships in the workplace”.

The whole tenor of the letter makes clear that far from preparing for a fight against the government, the CTU has launched its campaign to pressure Key to restore close

working relations. The prime minister quickly moved to reassure Kelly that he aimed to continue to “work constructively” with the unions “notwithstanding the support the union movement has for Labour”.

Sections of the corporate media recognise the importance of the CTU’s services. An editorial in the *New Zealand Herald* on July 18 praised most of the government’s legislation reforms, but described the proposal to restrict union access to workplaces as “disturbing”, adding that there was “no evidence that the present system isn’t working”.

Significantly, the National Party has retained the framework of the previous Labour government’s industrial legislation. The Employment Relations Act was passed in 2000 by Labour with the support of Alliance after substantial input from the CTU. The draconian legislation banned all industrial action except in relation to contract negotiations and health and safety matters. Kelly boasted to the New Zealand Press Association that Labour’s laws had led to all-time low levels of industrial action. All of this remains in place.

The CTU played the key role under Labour governments from the early 1980s in suppressing the widespread opposition of workers to the agenda of pro-market restructuring that has had a devastating impact on the living standards of the working class. Far from opposing the increasingly restrictive and punitive industrial relations legislation enacted by National and Labour governments, the unions have used it as a weapon to browbeat, isolate and intimidate workers. The CTU’s only concern is that it retains its position as the chief industrial enforcer.



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