

# Questions and Answers on the NDU/EPMU Claim for a National Collective Agreement

6 September 2006

## Who is involved?

---

- 600 members of the National Distribution Union and the Amalgamated Engineering, Printing and Manufacturing Union who work in four Progressive company owned Distribution Centres (DCs) in Auckland, Palmerston North and Christchurch
- The DCs supply dry goods to Woolworths, Countdown and Foodtown supermarkets
- Progressive Enterprises is wholly owned by Woolworths Australia – who bought the NZ operation in 2005
- Woolworths Australia is the biggest retailer in the region and Australia's second largest employer
- Its CEO, Roger Corbett, earns \$AUD 8.5 million p.a.
- Woolworths have installed a new Managing Director in New Zealand, the high flying Marty Hamnett who was a recent contender for the top job upon Corbett's pending retirement from the position
- The company has an active management exchange programme with the union-busting US giant Walmart
- Woolworths recently announced a 24.3% increase in its profit to \$AUD 1.01 billion. Roger Corbett has said "the best is yet to come"

## What is the dispute about?

---

It's a lock out. The employer has locked out its employees in Auckland, Palmerston North and Christchurch until they give up their right to negotiate a national collective agreement. The workers are seeking a decent pay rise and equity of allowances between Auckland, Christchurch and Palmerston North.

## Why is there a difference in pay now?

---

- Progressive companies own four Distribution Centres (DCs) in Auckland, Palmerston North and Christchurch which supply dry goods to Woolworths, Countdown and Foodtown supermarkets
- In 2003 Progressive combined distribution operations by closing Woolworths DCs in Auckland and Christchurch
- Workers were hired on lower rates of pay in the

current DCs, ending the Woolworths National Collective Agreement

- Workers at the Palmerston North DC retained their pay and conditions because the company was unable to close this facility
- Since that time union members have been working to regain lost pay and conditions
- Last year parity of basic pay rates was achieved and Auckland won an allowance which made up for some of the cuts that had been made in 2003
- The company and unions also agreed to a process for negotiating a National Collective Agreement

## Why do union members want a National Collective Agreement?

---

- A national agreement gives greater protection to workers by making it harder to pick on one group of workers
- In Auckland and Christchurch the aim of a national agreement is to bring their pay up to the level of Palmerston North
- In Palmerston North a national agreement will make it harder for the employer to attack current pay and conditions
- The workers were promised that every endeavour would be made to negotiate a national agreement as a term of their 2005 collective negotiation settlement

## Why are workers locked out?

---

- When negotiations started in July the company took a non-negotiable position on the workers' claim for a national agreement
- The workers voted to strike for 48 hours in support of their right to negotiate a national agreement. They also planned further low-level industrial action, including an overtime ban
- This strike began on Friday 25 August. Progressive retaliated on the first day by suspending the workers' employment completely until they returned to work "unconditionally" – in other words until they withdrew even the overtime ban
- The workers voted not to return to work on these terms
- On Monday 28 August the company locked the workers out of their jobs and said they could not

return to work unless they gave up their claim for a national agreement altogether

## What has the union been doing to try and get the employer to settle this dispute?

---

- Progressive are using the lock out to force workers to accept their demands – a lock out is the most brutal industrial weapon available
- The workers have been maintaining a strong picket line and also picketing supermarkets to interrupt alternative distribution systems
- Flying pickets have been sent to other companies where there is evidence that the locked-out workers' work is being done by other people
- The union has sought an injunction to stop others doing the work of locked out workers. An initial application for an interim injunction was declined on the grounds that the union had been unable to establish on the evidence available at that stage that the employer had set up the new systems itself. The union is now collecting further evidence and the full injunction hearing is set down for 18-21 September
- We have launched a major fundraising campaign to make sure the workers can not be starved into accepting the employer's demands
- We have attempted to resolve the dispute in mediation, including a mediation ordered by the Employment Court and overseen by a judge
- So far the employer has not withdrawn their demand that workers give up their right to a national agreement
- We have presented a new settlement proposal to the employer which addresses any reasonable concerns and leaves plenty of room for negotiation on the method and timing of implementing increased wages and allowances

## What are the unions' claims?

---

- Union members have endorsed a revised proposal aimed at settling the agreement and ending the dispute
- They have left plenty of room to negotiate the timing and method of implementation of the increases in wages and allowances

- The claims are
  1. Wage Increase  
The union's original claim was for an 8% increase on the base rate and remains subject to negotiations. We have already indicated that a wage increase that maintains the real value of wages and also reflects the improved profitability of the company is appropriate.
  2. Allowance Equity  
In order to achieve overall parity with allowances in Palmerston North (which increase hourly pay by up to \$2.50 an hour) an allowance equivalent to \$2.00 per ordinary hour worked in Auckland and Christchurch which would replace the existing attendance allowance in Auckland.
  3. Redundancy Equalisation  
A common redundancy formula for all three regions.
  4. Annual Holidays  
The service holiday presently provided for at five years service is maintained after 1 April 2007 when the statute moves to four weeks minimum annual leave for all workers.
  5. National Consultative Committee  
To promote good positive relations in the future the union is proposing a committee of employer and union representatives to meet quarterly at the expense of the employer to discuss matters of mutual interest.
  6. Term of Agreement  
The duration of the agreement is to be negotiated along with the method and timing of implementation of the allowance equity claimed.
  7. All other conditions currently contained in the three separate site agreements shall become schedules of the national agreement applying to the relevant sites.

## How can I help?

---

The locked out workers urgently need your **financial support** - they have now been without pay since August 28. Your kind support will help the locked out families stand strong in their demands for a national collective agreement and a fair wage. Donations to the Locked Out Families Fund can be made to the bank account, at branches or internet banking - 'National Distribution Union', BNZ account 02-0200-0217968-00 with the reference "Lock Out". Phone donations of \$20 can be made by calling 0900 LOCK OUT (0900 5625 688). Or online, at [www.shelfrespect.org](http://www.shelfrespect.org).

**Visit the pickets** to give your support to the workers. Locations of distribution centres: Auckland 80 Favona Rd Mangere, Palmerston North Supply Chain on the corner of Mako mako Rd and Mihaere Dr, Christchurch Supply Chains on Shands Rd and Columbia St.

