



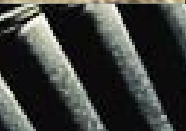
Your job



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NEW ZEALAND COUNCIL OF TRADE UNIONS

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WORKERS HAVING A SAY IN
THEIR INDUSTRY,
INCLUDING
THE CASE FOR A MANUFACTURING
INDUSTRY IN NEW ZEALAND



NEW ZEALAND COUNCIL OF TRADE UNIONS
2005

Workers have tremendous knowledge about their workplace and industry that is often left untapped. But if there are ways that workers' views can be heard, and if the benefits are clear, then we can change this situation. The Council of Trade Unions wants to see workers in unions as key participants in the task of building a high wage, high skill, high quality economy.



This does not mean that the days of unions arguing for wage increases and improvements in conditions are over.

Far from it. But it does mean that as unions we have to be involved in longer-term strategies to improve our standard of living and quality of work.

We will also continue as unions to argue for fair workplace laws, adequate holiday entitlements, a decent minimum wage, paid parental leave and other basic entitlements through legislation.

But we also know that it is not just about what the law says, or what the Government delivers.

As unions, we organise around pay and conditions through collective bargaining but we have always done much more than this. We have always had a vital interest, for instance, in industry training and education.

Today, unions in New Zealand are involved in workplace productivity, industry development strategies (textiles and clothing, wood, food and beverage, and seafood for example), health and safety education, learning representatives in the workplace, Maori economic development, and much more.

But we need to do more than just participate in these processes. We need to put up our own ideas.

In this booklet, we highlight work already under way on industry strategies in various parts of the manufacturing sector.

We also set out a case for a strong manufacturing sector and why we want workers involved in designing a future for manufacturing in New Zealand.

I hope that you can find ways to become more involved in your industry. We want workers' voices to be heard. We will not have smart enterprises and modern, productive industries if the views of workers and their organisations are left out. Our participation is vital.

Ross Wilson
President
NZ Council of Trade Unions

**THE COUNCIL OF
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**UNIONS NEED TO BE
PART OF SHAPING
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WE ORGANISE AND
BARGAIN IN.**

This booklet is about workers having a say in their industries. It has been produced as part of the CTU's highly successful "Understanding Our Industry" Employment Relations Education Programme. The programme has been run for union delegates and officials in the wood, textile and clothing, seafood, community mental health, aged care and manufacturing sectors. In addition, a regional development version of the programme has been run in almost 10 regions of the country. A specific Maori Economic Development Hui was run prior to Hui Taumata and a similar fono for Pacific workers will be run before the end of 2005.



Now is the time for investment in all the things that can create decent work for New Zealanders.

As unions we know that this is about pay and conditions now. But it is also about investment in:

- ▶ skills and education
- ▶ modern infrastructure
- ▶ excellent workplace organisation
- ▶ a positive workplace culture
- ▶ industry processes
- ▶ new technology

This means that unions need to be part of shaping the future environment that we organise and bargain in.

Unions across both the private sector and the state sector want to see workplaces where workers are engaged not just in the immediate tasks but in longer-term issues.

And there are some big issues. How do we ensure that the pressures of work and the rest of our lives can be balanced? How do we lift pay rates so people don't head across the ditch to Australia? How do we lift productivity in a way that doesn't treat workers as a disposable cost to be minimised rather than as valued human beings with a real contribution to make? The list goes on.

This booklet uses the manufacturing sector as an example of the issues workers face as well as what can be done. It models examples of how unions are getting involved in industry processes.

I hope this will assist you to have a say in your workplace and about your industry.

Finally we wish to acknowledge the Department of Labour's Employment Relations Education Contestable Fund for supporting the education programmes mentioned including the production of this resource.

Carol Beaumont
Secretary
NZ Council of Trade Unions

Key Issues

Trade unions are about jobs. As trade union officials and delegates we spend most of our time ensuring that our members' jobs are adequately paid and performed in a safe and healthy workplace environment.

But we must also be concerned about the number of jobs and whether adequate training is available for workers to be able to undertake their jobs to the best of their ability.

The availability of jobs depends on a healthy economy and on policies that ensure job creation and retention are a core part, not a passive by-product, of economic development.

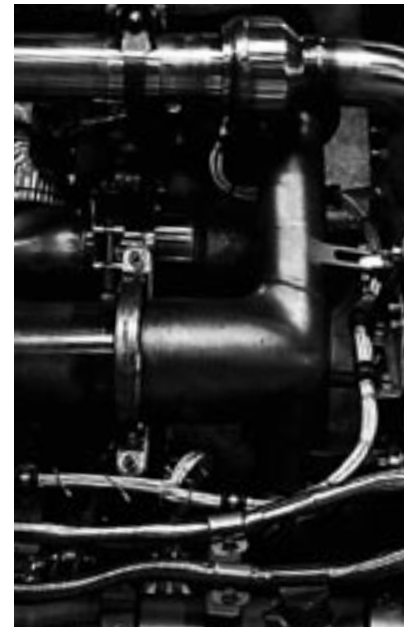
Since 1999 the Government has introduced a raft of changes to put economic and social development at the core of government policy. The Ministry of Economic Development was created as was Industry New Zealand (now part of New Zealand Trade and Enterprise) as the delivery arm of regional, economic and industry development programmes.

This gives the opportunity for workers and their unions to be much more actively involved in industry and regional economic development strategies. This opportunity is not being given to unions on a plate. We still need to make the case to be recognised as a legitimate player in these strategies.

The CTU is now represented on the government's Growth and Innovation Framework Board and the Workplace Productivity Reference Group. The CTU has also assisted unions in the forestry, textile clothing and footwear, horticulture, and fish processing industries to play a key role in their industry strategies. The CTU has signed a memorandum with the Mayoral Taskforce for Jobs to work with this body towards the goal of full employment.

What are unions saying?

- ▶ We need to build a high wage, high skill, high quality economy
- ▶ For this to succeed, worker participation is vital at both a workplace and industry level
- ▶ We need higher levels of investment in skills and technology to have successful industries
- ▶ Innovation comes from many sources – a significant source comes from those carrying out the work
- ▶ We need the forms of work organisation that support innovation
- ▶ Higher productivity is needed for sustainable industries – as unions we argue that productivity delivered through attacking workers' conditions and paying lower wages, cannot be sustained in the long term
- ▶ Workers want to see higher productivity based on high skill, and better ways of working where the benefits are shared
- ▶ Unions believe that growth delivered through attacking worker conditions will not only not deliver for workers but also will not deliver a sustainable future for industry
- ▶ Unions are already involved in industry strategies but we need more engagement from union members



Productivity

Productivity issues are under the spotlight, but this time the process includes unions. There is a negative worker perception of productivity – workers are suspicious of imposed agendas and the negative baggage – restructuring, lay-offs, and work intensification.

But higher levels of productivity can be extremely beneficial if it is done the right way and the benefits are shared.

Labour productivity is a measure of output per hour worked. It is easier to measure with goods than with services. It is difficult to measure in the public and non-profit sectors. There is another type of productivity called multi-factor productivity which is how effectively labour and capital combine in the workplace.

Research has shown that workplace transformation efforts which increased employee participation resulted in productivity increases of between 2 per cent and 5 per cent. Workers can add otherwise unavailable information, an alternative perspective, industry knowledge and networks.

Higher levels of unionisation combined with high involvement can lead to higher rates of productivity growth than in situations of non-unionisation and high involvement.

However, it is the nature of union involvement rather than the presence of a union that is important in respect of productivity. Unions bring a level of democracy and accountability to the representation of workers in change processes. Unions can also provide an alternative source of knowledge for union workplace reps who participate in these types of projects.

The following key drivers for productivity were highlighted in the Workplace Productivity Challenge report:

- ▶ Building leadership and management capability
- ▶ Creating productive workplace cultures
- ▶ Encouraging innovation and the use of technology
- ▶ Investing in people and skills
- ▶ Organising work
- ▶ Networking and collaborating
- ▶ Measuring what matters

The CTU is developing a major education programme to involve workers in the workplace productivity agenda so they can have a say. Unions want to make sure that workers get involved in this project. There are risks in this. But there is an even bigger risk if we stand apart and do not make sure that a worker perspective is included.



The case for a manufacturing industry in New Zealand

Unions are already involved in many positive initiatives in the manufacturing sector and these are described in this booklet.

But we are concerned about the overall direction of manufacturing employment in New Zealand.

Unions are arguing for:

- ▶ Growing a high skill, high wage, high productivity, high margin and technologically advanced manufacturing sector
- ▶ Building greater public appreciation of the importance of manufacturing to the NZ economy
- ▶ The need for high level, strategic engagement between unions, employers and Government

So far, unions have identified a number of issues.

Manufacturing is vital in terms of a high wage, high skill pathway

A manufacturing job creates positive spillovers such as a stronger skill base with career structures, higher wages, innovation, stable economic growth, sustainable economic returns, and a lift in regional pay rates.

Analysis of New Zealand's economic growth patterns over the last 20 years shows that a successful manufacturing sector is an important component for achieving stronger economic growth in New Zealand. This is particularly true if New Zealand is to succeed in moving further along the path to a high wage, high skill economy.

Manufacturing is a major provider of full-time employment and offers a broad spectrum of highly paid, highly skilled jobs to very low skilled jobs. Therefore it contributes to further reductions in our unemployment rate and increased workforce participation rates while also contributing to skill development and increased hourly earnings.

The sector offers great potential for increased productivity, a further source of higher economic growth and per capita incomes.

High-class manufacturing can also underpin agricultural innovation.

Unions completely reject the "low road" that focuses just on costs, attacks union involvement, deregulates the labour market, promotes casualisation and contracting out, and removes support for skill development. That approach has done a lot of damage. It also does not hold the answer for our manufacturing future.

An investment approach is needed to deliver the "high road" based on quality, high wages, high skills, modern technology, high levels of productivity and excellent infrastructure. e.g. There needs to be a much more comprehensive understanding of what "moving up the value chain" involves.



UNIONS ARE ARGUING FOR GROWING A HIGH SKILL, HIGH WAGE, HIGH PRODUCTIVITY, HIGH MARGIN AND TECHNOLOGICALLY ADVANCED MANUFACTURING SECTOR

**THERE IS NO
GOVERNMENT
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There is no Government agency specifically devoted to manufacturing

Of course there is the Ministry of Economic Development, and other agencies that do focus to an extent on manufacturing but whereas there is a Minister of Forests, Minister of Tourism, Minister of Agriculture, Minister of Fisheries, Minister of Transport, Minister of Communications, and a Minister for Racing, there is no Minister of Manufacturing. This means there is no department specifically monitoring manufacturing, collecting statistics, analysing performance, developing policy, and advocating for the industry. Some government agency advice has even suggested firms should locate off-shore. There should be a Ministry for Manufacturing or a refocus of the Minister of Industry Development to more of a Minister of Industry with specifically aligned staff and resources around the manufacturing sector issues.

Manufacturing employment is hugely important for regional development

There are many regions in New Zealand where the major employer/s are engaged in manufacturing. This ensures that there is balanced growth and avoids the problems in some other countries (such as Australia) where there is depopulation in rural areas. So the future of manufacturing also connects with sustainable communities that can maintain the fundamental requirements for communities such as medical services, local amenities and so forth.

Existing jobs in manufacturing are at risk without an investment strategy that ensures a manufacturing industry that can compete with China and other expanding countries.

We challenge the assumption that manufacturing jobs will not survive in New Zealand. But we agree that there is a lot to be done to ensure that there is a strong manufacturing base.

There seems to be an argument around that says “New Zealand will do the design work, keep some of the intellectual property, and a few high-paid science and management jobs, but all the manufacturing will be done elsewhere”. No one would argue that this would never be the case.

But it should not be the exclusive model for the future of manufacturing in New Zealand. What some describe as the “integrated model” at Fisher and Paykel is a case in point. Every worker is regarded as part of the design team. Design has a close proximity geographically to the manufacturing workforce.

But we also know that in China, for example, there is sophisticated technology, low cost of capital, highly skilled engineers, as well as relatively low labour costs. Their government is driving a growth agenda that aims to leave no stone unturned.

Manufacturing in New Zealand therefore will need to be based on high levels of sophistication, probably involve a greater use of joint ventures, ensure reliable delivery, and be flexible. There will be debate not just about how achievable such a strategy is – but also the competitive factors which can be established as the basis for a strong manufacturing sector.

What is needed are some real resources devoted to a viable manufacturing strategy. This is not to say that none of the smaller industry strategies, or the work of New Zealand Trade and Enterprise (NZTE), or some elements of the Growth and Innovation

Framework have ignored these issues. But there is not a coherent manufacturing strategy that has been developed with the involvement of manufacturers, unions and other stakeholders.

Industry strategies which involve the Government, employers, and unions can add real value

It may seem obvious, but unions favour an industry approach to tackle industry issues. This means that a degree of cohesiveness is required in the industry. Employers need to be able to develop a consensus among themselves (in logical industry organisations) on the key issues. They need to be able to work with unions, the Government and other stakeholders.

There are already several smaller manufacturing industry strategies. There are also some general economic policy positions that could support manufacturing but are more logically applied to the whole economy (e.g. depreciation, tax policy on research and development, improved infrastructure, etc).

But unions believe that there is a policy gap in terms of general manufacturing.

The Government can say quite fairly that it is looking at some of the issues (e.g. depreciation, expensing of research and development), tried a generic manufacturing strategy and has industry strategies in manufacturing. Some may consider that it makes more sense to look for linkages between existing industry strategies (wood, food and textile, clothing, footwear and carpet) rather than try to have a generic manufacturing industry strategy. There may be some policies that can be targeted (even research and development expensing).

Research by the University of Waikato, commissioned by the unions, is an example of the value unions bring to industry development processes. In this case it concerned the food and beverage sector. Minister of Economic Development, Jim Anderton said that he welcomed the report as a sign of the strong commitment of the union movement of New Zealand to work collaboratively with industry to raise the performance of New Zealand's food and beverage sector. He also said that the report highlighted the need for upskilling of the labour force and emphasised the positive contribution that trade unions could make to enhance the sector's strategic direction.

Trade policy does not adequately promote manufacturing

Trade policy appears to have a bias towards commodity exports. Of course we recognise that many would say that our dairy and meat exports are manufactures. But there is little or no evidence of a trade policy approach that for instance includes a strategy to increase manufacturing trade between Australia and New Zealand as a way to develop economies of scale for exports into Asia.

We have a contradiction between a sustainable development framework for economic development and a value-added commodity export model for trade policy. In developed economies most of the profits in trade come from intra-industry trade in manufactured products. This means that, instead of a model where one country is the 'farm' (even if it is value-added) and another is the 'factory' which is a crude version of the comparative advantage model, both countries specialise in a range of differentiated products within the same industries.



For instance, under a comparative advantage model, New Zealand would not be seen as a good place to make dishwashers. Under a differentiated intra-industry trade model, there is no reason why New Zealand could not both export and import elaborately transformed manufactured goods – which we do. And this dimension can be added to the strength of our agricultural base and also make us less dependent on commodity prices which are more elastic than for manufactured goods.

This means that an explicit focus on the future of manufacturing needs to be factored in to all free trade negotiations.

Other countries have specific manufacturing strategies

We need to assess what other countries are doing to support manufacturing. The Canadian manufacturers have launched a seven-point action plan including workforce development, innovation, and infrastructural investment. This was developed after a large-scale consultation process.

The UK Manufacturing Strategy identified seven pillars – macroeconomic stability, investment, science and innovation, best practice, skills and education, modern infrastructure, and the right market framework.

In Australia, there are many initiatives at federal, state and local level in support of manufacturing. This includes support for research and development, other tax incentives, a plethora of trade fairs and trade missions, location incentives, project finance, and specific assistance for firms in some cases.

The point is that other developed economies, including those countries with whom we compete for export markets, have developed specific strategies in support of ongoing employment in manufacturing.



What are some of the issues that need to be addressed in a manufacturing strategy?

So far – some of the issues that unions have raised for discussion are:

- ▶ Research and development tax and tax issues generally
- ▶ Depreciation policies
- ▶ Government procurement
- ▶ Procurement consortia – aggregating purchasing strategies
- ▶ Industry Capability Network and Government Electronic Tenders Service
- ▶ Skills development – step change in investment
- ▶ Trans-Tasman skill recognition
- ▶ Buy NZ made
- ▶ The need for stable ownership of business
- ▶ Critical evaluation of export promotion including the use made of the export credit guarantee scheme
- ▶ Greater effort to link NZ companies with global players
- ▶ Import substitution opportunities
- ▶ Perception of manufacturing – e.g. in schools
- ▶ A Ministry of Manufacturing meaning a real “user friendly” agency for manufacturing?
- ▶ The role of savings in terms of productive investment
- ▶ Exchange rate issues and monetary policy
- ▶ Infrastructure issues (energy, transport, water and communications)
- ▶ Energy requirements and climate change
- ▶ Venture capital funds
- ▶ Trans-Tasman currency
- ▶ Harmonisation with Australia – positive and negative effects
- ▶ What needs to be done to create another 30 Fisher and Paykels?
- ▶ Environmental issues – clean, green and modern
- ▶ Better use of standards to apply to imports
- ▶ Supply chain issues
- ▶ Best practice models
- ▶ Mentoring
- ▶ Benchmarking
- ▶ The role of clusters
- ▶ Assistance in setting up design infrastructure
- ▶ Lack of leadership – skills and style



Industry sector strategies

THERE WERE PROBLEMS THAT NEEDED TO BE ADDRESSED. THESE INCLUDED A LACK OF INDUSTRY CO-OPERATION AND CO-ORDINATION AND A FAILURE TO MOVE FROM A SUPPLY DRIVEN (EG. EXPORTING OF LOGS) TO A MARKET DRIVEN (HIGHER VALUE PRODUCTS DESIGNED TO MEET CUSTOMER NEEDS) APPROACH TO INDUSTRY DEVELOPMENT.



Wood Processing Strategy

Unions in the forestry sector, including wood processing, have been involved in an industry strategy since 2001.

The strategy was all about the national benefit to be achieved from extracting a greater economic return from the 'wall of wood' in terms of higher value products for export, improved job opportunities and quality of jobs, and higher wages and skills.

But there were problems that needed to be addressed. These included a lack of industry co-operation and co-ordination and a failure to move from a supply driven (eg. exporting of logs) to a market driven (higher value products designed to meet customer needs) approach to industry development.

The process involved 10 Working Groups (Infrastructure, Labour and Skills, Trade Development, Trade Access, Research Science and Technology, Resource Management Act, Investment, Bio-Security, Climate Change, and National Certification).

Some of the outcomes were:

- ▶ Influencing allocation of additional funding to roading especially in Tairāwhiti and Northland and some influence over government buy-back of rail network
- ▶ Establishing Wood Quality Initiative – a research consortium with the Foundation for Research, Science and Technology
- ▶ Negotiation of third party certification of sustainable forest management – a plank for promoting NZ wood products overseas
- ▶ 90 per cent of the recommendations from the Energy sub-group were incorporated into government energy policy
- ▶ Agreement on consistent policy on skill development (its focus, structure and funding) to be achieved through a Centre of Excellence managed by the Forest Industry Training Organisation (FITO).
- ▶ Best practice employer guidelines (for contractors) negotiated and trialed. Since fallen into abeyance due to lack of supportive infrastructure and resource
- ▶ Greater cooperation on bio-security matters
- ▶ Initial progress on focussing government trade negotiators on influencing China's building code to make it more receptive to NZ wood exports

But unions recognise that there is much more that needs to be done and that the Wood Processing Strategy only scratched the surface.

There is now a Forest Industry Development Agenda (FIDA) which builds on the earlier engagement.

The strategy will influence how and where the FIDA funds (in particular market development and market access funding of some \$12.3 million over the next four years) are employed.

The strategy may also influence government decisions about:

- ▶ science and research and development
- ▶ tertiary education and training
- ▶ infrastructure
- ▶ market access work programmes
- ▶ priorities for international policy engagements
- ▶ amendments to regulation and the implementation of regulation
- ▶ other investments in industry development

Unions are represented on FIDA, but the task now is to ensure that many workers in the industry are aware of FIDA and have their say.

Unions have come up with a number of key issues including:

1. Unions have a vital interest in issues such as how to attract investment in processing, identification of emerging markets and market development as an industry to complement the strategies of individual firms.
2. We have highlighted the fact that unions are engaged in a broad range of industry initiatives including in food and beverage, seafood, textiles and clothing. We understand the premium that is put on ensuring that key companies and industry organisations are engaged in such processes but in an innovative way that ensures a strategic focus. However, we also want there to be explicit recognition that the union role in such a strategy is not just a token one.
3. The CTU would also like to see a much greater level of innovation over how to involve workers in a forest industry strategy. Educational processes that can help develop a worker perspective on key industry issues and better informational flow probably means more resources are required to ensure a level of genuine worker participation in an industry strategy.
4. This will also enable workers to be more actively involved in how to encourage a positive perception of working in the industry.
5. The CTU would like to see the labour and skills issues picked up in a more comprehensive way. There is unfinished business on the Contractor's Code of Practice. We are also seeking a genuine tripartite dialogue on whether or not the contracting-out model is the best approach. The scope of health and safety needs to expand beyond drugs and alcohol as the primary focus. The Forestry Industry Safety Forum suggestion needs to be reconsidered to see if there is sufficient interest to move to implementation.

As you can see, there are plenty of key issues for workers in this new Forest Industry Development Agenda. This is another example of how important it is for workers to have a say.

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Textile, Clothing, Footwear and Carpet (TCFC) Industry Strategy

For many years the unions in the TCFC sector have been fighting the continuing reduction in tariff levels and empty promises of former governments to help it make the transition from domestic manufacturer to exporter. The unions saw a decline in jobs in the industry from more than 40,000 workers in the 1980s to less than 20,000 workers by the year 2000.

THE CTU WOULD ALSO LIKE TO SEE A MUCH GREATER LEVEL OF INNOVATION OVER HOW TO INVOLVE WORKERS IN A FOREST INDUSTRY STRATEGY.



**IT WAS AGREED THAT
GOVERNMENT, THE
UNIONS AND THE
COMPANIES WOULD
WORK TOGETHER
TO DEVELOP A TCFC
INDUSTRY STRATEGY.**

The unions also saw how responses within the industry to the combination of the tariff cuts and Employment Contracts Act had dramatically reduced real wages. Some clothing machinist jobs that were paid over \$10 per hour in 1991 were cut by \$2-3 per hour and have still not got back to that wage 14 years later.

On 20 February 2000, soon after the election of the Labour-Alliance Government, representatives of two unions – the Clothing, Laundry and Allied Workers Union of Aotearoa (CLAW) and the National Distribution Union (NDU) - organised a deputation to government with the TCFC employers. The deputation explained that the industry was in danger of collapse due to the continuing tariff cuts over more than a decade. It was agreed that government, the unions and the companies would work together to develop a TCFC industry strategy.

The first phase of the industry strategy project was a scoping report that involved interviews with a number of companies and unions and researched the state of the industry. The conclusions were that the industry was still a significant employer in the manufacturing sector but it needed a joint government, union and company strategy to move the industry out of crisis and back into a growth mode.

A working group was established with unions represented. Further research into a possible strategy resulted in a report entitled *The Way Ahead*. It advocated a strategy for the industry based on doubling exports from the current \$500 million per year to \$1 billion per year by 2008. It recommended the establishment of an Industry Development Organisation to undertake this work.

The unions took this strategy document to a series of industry seminars for union officials and delegates throughout the country during mid-2002. Five seminars were held with 100 participants attending. There was very good feedback from delegates who were pleased that Government was finally paying some attention to the problems of the industry and that a strategy for the future of the industry was being developed.

The working group held a series of regional consultations of TCFC companies. These consultations also supported the strategy and the formation of an Industry Development Organisation.

Following this endorsement by the industry and unions, an establishment group was put together to form the new industry body with union representation. The Government provided \$100,000 for the establishment of the new organisation on the basis that the industry came up with a similar amount. This was done and included substantial donations from the NDU and CLAW, ensuring enough money was raised and that the unions remained an integral part of the industry organisation. The unions achieved a guaranteed place on the board of the organisation which was named Textiles NZ.

Textiles NZ was created by companies and unions in the TCFC sector to be the industry development organisation for the industry and help it move from crisis mode to an ongoing and viable industry. Textiles NZ brings together companies and unions in the textile, clothing, footwear and carpet industries. It has set itself the goal of growing the exports of the NZ TCFC industry from around its current \$500 million per year to \$1,000 million (or \$1 billion) dollars per year by 2008. If this happens, employment in the industry should stabilise and even grow and more higher skilled and better paid jobs should be created.

The task of Textiles NZ will not be easy. The Government has allocated \$2.3 million over three years to begin the process of transformation. But the industry itself will also have to be more active in developing new markets, better business practices and more and better paid jobs.

The goals that Textiles NZ has set to address these issues are to:

- ▶ increase co-operation and collective action to access new markets and new customers
- ▶ stabilise and increase employment in local manufacturing
- ▶ actively share best practices in business and management
- ▶ significantly increase training and up-skilling across the industries including small and medium-sized enterprises
- ▶ strengthen relationships between TCFC manufacturers / marketers and retailers and purchasers
- ▶ be perceived as a thriving, growing industry that is an attractive investment

Within this, the job of the unions will be to ensure that the workforce becomes higher skilled and higher paid.

As can be seen above, the NDU and CLAW with the support of the CTU have played a major role in ensuring a TCFC strategy was developed, that an Industry Development Organisation was formed, that unions were an integral part of this organisation and that unions had a say right through this process and a seat on the board of the new organisation.

This action by the NDU, CLAW and CTU goes well beyond the traditional union functions of collective bargaining and handling personal grievances. The unions became involved in industry strategy issues as they could see the TCFC industry was in crisis and even more workers could lose their jobs unless a joint government, company and union strategy was devised and implemented. This does not mean that the unions have ignored their other functions. The majority of our work is representing members at a workplace level. But unions can only successfully bargain for higher wages and better skilled jobs if the industry is strong and optimistic. Our work to promote the industry strategy was designed for this purpose.

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Food and Beverage Industry

Unions are taking an active role in a new strategy for the food and beverage sector.

The food processing industry is very important both in terms of employment and value to the economy.

- ▶ New Zealand's food processing sector accounts for 5 per cent of Gross Domestic Product (GDP) and 31 per cent of manufacturing GDP
- ▶ In combination with agriculture and food services, the food sector's share of GDP is 10 per cent
- ▶ The food processing sector accounts for more than one-third of New Zealand goods and services exports
- ▶ Exports have more than doubled in 12 years since 1990 to \$14.2 billion
- ▶ Though dairy accounts for only 29 per cent of sector output, it has become the top exporter with a 45 per cent share, equivalent to \$6.4 billion



UNIONS ARE TAKING AN ACTIVE ROLE IN A NEW STRATEGY FOR THE FOOD AND BEVERAGE SECTOR.

The industry accounts for:

- ▶ 31 per cent of manufacturing sector GDP
- ▶ 50 per cent of total manufacturing exports
- ▶ 26 per cent of total manufacturing FTE employment
- ▶ 40 to 50 per cent of total manufacturing investment

Despite the substantial growth in export volumes and values, the potential is huge. New Zealand only supplies 2.4 percent of world trade in processed foods estimated at US\$238 billion in 2000.

To meet this challenge a new taskforce has been launched. The Ministers of Economic Development and Agriculture stated that the taskforce was an "initiative to boost one of New Zealand's fastest-growing sectors" and that "the taskforce will ensure that the whole range of government activities that impact on the sector are coordinated and aligned, and that policies support the sector's growth ... the Food and Beverage Taskforce will find ways to enhance New Zealand's role in the international food industry. Their role is to work with the sector to identify and achieve long term, tangible goals and to take the sector to a new level of sustainable economic growth and exports".

The two union representatives are taking up issues such as workforce development, skills, health and safety, job security, worker perspectives on productivity, participation of workers in industry development in the context of specific objectives such as eliminating barriers to growth, pursuing high value-added, best practice framework for growth, repositioning the sector's image so that is an attractive career option, and so on.

One of the challenges for unions is ensuring the views of those at all levels of the industry are heard and reported back to, identifying best practice in all processes, advocating a sustainable development approach alongside a commitment to a fully engaged workforce with changes negotiated through collective bargaining and implemented in partnership with unions, lifelong learning, work organisation and new forums to share learning.

In practical terms this means that unions need to ensure that workers in the food industry are a part of this strategy. The ideas workers have are a vital ingredient of a successful strategy. There is no point in a fancy taskforce if it is remote from those who actually work in the industry. The concepts and frameworks in a strategy are not much help if they do not make sense to workers.

This is another example of the importance of workers having a say.

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NEW ZEALAND
COUNCIL OF TRADE UNIONS

National Office, P O Box 6645, Wellington
Level 7, West Block, Education House,
178 Willis Street, Wellington
Tel 04 385 1334, fax 05 385 6051
Internet: <http://www.union.org.nz>