

**IN THE TRADE DISPUTES PANEL** )  
**OF SOLOMON ISLANDS.** )

Case No. L9/13 of 1997

**IN THE MATTER** of the Trade  
Disputes Act 1981

**AND IN THE MATTER** of a referral  
of a trade dispute.

**BETWEEN:** SULLIVANS (SI) LIMITED  
Applicant (Employer)

**AND:** SOLOMON ISLANDS NATIONAL  
UNION OF WORKERS  
Respondent (Union)

**Hearing:** 26th November 1997, Honiara.

**Decision:** 26th of November 1997.

**Panel:** A. N. Tongarutu - Chairman  
J. Adifaka - Employer Member  
P. Sute - Employee Member

**Appearances:** M. Batterby, General Manager, for the Applicant.  
T. Kagovai, General Secretary (Ag),  
for the Respondent.

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## FINDINGS

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On the 24th of September 1997 the General Manager of Sullivans (SI) Limited (hereinafter referred to as the company) referred a trade dispute to the Panel pursuant to the Trade Disputes Act 1981 and Clauses 12 and 13 of the Recognition Agreement with the Solomon Islands National Union of Workers ( hereinafter referred to as the Union) consequent upon a strike notice issued by the Union representing its members who are employees of the respondent following failure to reach an agreement on the issues outlined hereinunder:

(a) **Wage Increase**

The union demanded a 15% wage increase be awarded across the board on wages, allowances and incentives and rejected the employer's counter offer on base Pay increase of 7.9% which represents two thirds of the 1996 C.P.I.

(b) Housing Allowance

In the absence of the company not providing accommodation for its workers, the Union requested the company to pay \$50.00 per week for housing allowance whilst the company offered to increase the existing agreement from 15% to 17.5%.

(c) Long Service Benefits

The Union requested the company to pay a long service benefit to those employees who are continually serving and are daily rated employees of the company. The company believes the provisions of the NPF Act cover this matter and therefore reject the claim.

(d) Hours Of Work

The normal working hours should be 8.00am - 12.00 noon and 1.00 pm. - 4.30pm. The Union requested that any extra hours of work should be paid as overtime. Initial discussions by the company with Mr. George Kame of SINUW resulted in an agreement that working hours remain as per the collective agreement.

(e) Leave Travel Days

The company is to make contribution towards paid leave travel days to all employees but the company was not prepared to alter the existing leave provisions. However at the company's discretion, they would consider granting additional unpaid leave to compensate for travelling time to outer provinces. This was rejected by the Union.

(e) Dirty Allowance

Dirty allowance for a cleaner of an undisclosed amount was requested. Again as in claim (d) in the company's initial discussions with Mr. George Kame it was agreed that there was no justification for the payment of such an allowance.

The company claimed that the package it offered represented a gross pay increase of 10.24% plus the additional flowon benefit of the company's N.P.F. contribution.

The company employs nineteen (19) workers and eleven (11) of them were members of the union at the time of the referral. At some stage after the referral was made fourteen (14) out of the nineteen (19) employees accepted the company's offer as contained in the

referral and the employer considered that the dispute had been settled. This was not conveyed to the Panel until the hearing. Written submissions showed that six (6) out of the nineteen employees were financial members of the Union but by a letter dated 14th November 1997 and 12th September 1997 they withdrew their membership from the Union. This leaves the current union membership at five (5). Since the union membership had fallen below fifty (50%) percent, withdrawal of recognition by the employer was put to question. The Union contested the withdrawal of six (6) of its members claiming not to have received notice of their withdrawal and maintained that it still has eleven(11) full financial members, being  $\frac{2}{3}$ rd of the majority of employees. Documents submitted showed membership fees for 1997 have been paid by eleven (11) employees. If the issue of membership has to be dealt with then a secret ballot would best ascertain the actual number of employees who are still interested in joining the union.

I will deal with the disputed issues in accordance with their importance as set out in the referral:

(i) **Wage Increase**

The company's offer was rejected by the Union on the grounds that the shortfall in the full indexation from 1990 to 1996 was 40.35% and inaccordance with the Union's basic policy on value for work performed, the workers had been deprived of 40.35% of their wages. Since 1990 the company's total offer had fallen below the full indexation and that the company's offer of 7.9% is only  $\frac{1}{5}$  of the indexation. The employer denies any undertaking to patch up the difference in the indexation. According to the Honiara Retail Price Index for December 1996, & reported in the Statistical Bulletin No.4/97, 7.9% is  $\frac{1}{5}$  of the RPI.

(ii) **Housing Allowance**

The Union concurred with the company's agreement with the employees to settle on 17.5%, an increase of 2.5% from the previous agreement.

(iii) **Long Service Benefit (LSB)**

In the 1994 Collective Agreement between the parties

LSB was incorporated. The company decided to drop this benefit claiming that the SINPF caters for LSB. The union regards NPF as a separate creature from LSB. This view is shared by the Panel. It is a negotiable item. The existence of the SINPF does not restrict LSB. However, since the Union did not make supporting submissions as to reasons for LSB to remain in the agreement the Panel refers it back to the parties for further negotiations.

(iv)

**Working Hours**

Clause 4 of the Collective Agreement provides, **"That the working hours shall be 37½ hours per week or 7½ hours per day, Monday to Friday inclusive. And all Saturday morning 8 a.m. to 12 mid-day"**. The Union's claim was that extra hours including Saturday morning should be considered as overtime and not normal hours of work. The Panel finds that 37½ hours weekly excludes Saturdays although this clause includes Saturday hours as part of the 37½ hours weekly. This is contrary to Clause 5.2 of the same agreement which provides that Saturday hours are worked at twice the basic hourly rate. Overtime should be paid for hours worked over and above the normal working hours. This complies with Section 12 (b) of the Labour Act and therefore, clause 4 should be amended by deleting the sentence that reads, **"And all Saturday morning 8 am to 12 mid day."**

(v)

**Leave Travel Days**

The Union claims that there is no dispute on this issue and submits that Clause 8 of the Collective Agreement to remain the same.

(vi)

**Dirty Allowance**

The company employs one cleaner and should be paid dirty allowance. No further reason was submitted as to what necessitates this allowance. The Panel is of the opinion that under normal duties, cleaning is part and parcel of the nature of duties performed and is usually incorporated in the wages.

The company submitted that a settlement had been reached between itself and its employees. The Union denied knowledge of this settlement. The Panel was prepared to rule in favour of a settlement if the company had substantiated its case. On wage claims the employer's submission was unclear as to whether the element of incentive was inbuilt in the 7.9% wage offer as opposed to an average incentive of 2.0% offered by the company in previous years. It was established that no undertaking was made by the employer to patch up the difference in the indexation and in offers of wage increase since 1990. The Union's assumption or expectation of the company's undertaking was also not substantiated.

### Award

Accordingly the Panel makes the following Awards;

1. Wage Increase

The employer is to pay to its employees, regardless of union membership a wage increase of 10% to be backdated to 1st January 1997. This increase comprises of 7.9 % on cost of living and 2.1% on incentive.

2. Housing Allowance

Employees without company accommodation shall be paid 17.5% housing allowance.

3. Working Hours

Saturday hours worked are overtime hours and clause 4 of the Collective Agreement is to be amended so as not to contradict clause 5.2.

4. Leave Travel Days

Entitlement to leave travel days remains in accordance with the Collective Agreement.

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There is no award made on long service benefit (LSB) and dirty allowance. Dirty allowance claim must be substantiate. LSB is a negotiable item and is not restricted by SINPF Act.

**Appeal**

The appeal provisions under the Trade Disputes Act 1981 and the Trade Disputes Panel Rules apply to this Finding.

**Panel Expenses**

Pursuant to section 11 of the Trade Disputes Act 1981, the employer party is obliged to contribute to the Panel's expenses in the sum of \$200.00 and the union party in the sum of \$50.00.

On behalf of the Panel

A. N. Tongarutu

**CHAIRMAN/TRADE DISPUTES PANEL**