

SOUTH PACIFIC COMMISSION

REGIONAL CONFERENCE ON LABOUR PROBLEMS
(PORT MORESBY, TERRITORY OF PAPUA AND NEW GUINEA)

18th - 29th April, 1966

REPORT AND RECOMMENDATIONS

South Pacific Commission
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INTRODUCTION

Following a sub-regional Conference on Social and Labour Problems held in Papeete in 1962, the Twenty-fifth (1963) Session of the Commission requested that the possibility of a regional conference be investigated. The Twenty-sixth (1964) Session supported the holding of such a conference, and the following year the Session approved the agenda and budget for a Regional Conference on Labour Problems. In making the decision to proceed with the Conference in 1966 the Session followed a strong recommendation from the Sixth (1965) South Pacific Conference.

2. The Commission gratefully accepted the invitation of the Territory of Papua and New Guinea to hold the Conference in Port Moresby from Monday, 18th April to Friday, 29th April, 1966. The Assistant Administrator (Economic Affairs) of the Territory, Mr F.C. Henderson, M.H.A., opened the Conference after being introduced by the Commission's Executive Officer for Social Development, Mr John McCreary.
3. Late withdrawals reduced the number of territories represented to five. Although there were valid reasons for non-participation the limited representation was considered as a matter for regret by those attending. The wide geographical distribution of delegates (see Appendix III) to some degree compensated for this weakness. Observers were present from the United Kingdom and Australia. Also observing were representatives of employers' and workers' associations in Papua and New Guinea.
4. At the first working session, the Conference unanimously elected as Chairman Mr C. Fleay, Chief of Division (Industrial Relations) in the Papua and New Guinea Department of Labour. Monsieur J. Eyrin, Inspecteur du Travail et des Lois Sociales, New Caledonia, and the only participant present at this Conference as well as at the sub-regional Conference on Social and Labour Problems at Papeete in 1962, was elected Vice-Chairman.
5. The Chairman, Vice-Chairman and the Commission's Executive Officer for Social Development formed a Steering Committee to guide the progress of the Conference. It was decided that all sessions of the Conference would be open to the public.
6. The Official Rapporteur appointed by the Conference was Mr R. Kanost of the Trust Territory of the Pacific Islands, while the Secretariat Rapporteur was Mr J. Langmore, of the Department of Labour, Territory of Papua and New Guinea.
7. Agenda items were considered in the following order :
 - (i) Developments affecting labour since the 1962 sub-regional conference;
 - (ii) Workers' health and safety, and compensation for industrial accidents;
 - (iii) Collective bargaining, its advantages and disadvantages, and its suitability for South Pacific territories;
 - (iv) Paid holidays, leave entitlements, retirement systems and other social benefits;
 - (v) Problems associated with fixation of wage rates, including classification of margins for skill.
8. Technical papers were presented by consultants and delegates. These papers have been published as a companion volume to this Report and are listed by title in Appendix IV.

9. The Report which follows indicates the main lines of the Conference's discussions and embodies specific recommendations which the Conference, in adopting this Report at its final plenary session, wished to bring to the attention of territories and the Commission.

AGENDA ITEM I - DEVELOPMENTS AFFECTING
LABOUR SINCE THE 1962 SUB-REGIONAL CONFERENCE

Participants presented reports on developments in the labour field in their respective territories since the 1962 sub-regional Conference.

2. The Commissioner of Labour in Fiji introduced the subject with discussion of his paper issued as SPC/2CSL/T.1. The most important development since 1962 has been an overhaul of all labour legislation to suit the changing needs of Fiji. The overhaul was accompanied by a thorough discussion of the legislation in the Labour Advisory Board and by the careful preparation of the public to ensure they were aware of the proposed changes. The Labour Advisory Board was established under the Employment Ordinance 1964. It is composed of employer and employee representatives, under the chairmanship of the Commissioner of Labour, and is extremely useful as a forum for the discussion of employment and labour issues.

3. The new Ordinances in most respects conform to ILO Conventions. The main exception is found in the Trade Unions Ordinance 1964. The Registrar of Trade Unions may refuse to register a union if he considers that workers in the industry concerned are already adequately represented by another union. A trade union refused registration has however the right of appeal to the Supreme Court. The only criticism of this Ordinance came from Fiji workers' representatives who consider the requirement that all union officers be elected by secret ballot constitutes an excessive administrative burden.

4. Another new Ordinance, the Shop (Regulation of Hours of Employment) Ordinance, ensuring leisure time for shop assistants and eliminating unfair trading practices, was generally favourably received. Provisions permitting Sunday trading had given rise to some objections on religious grounds. The Industrial Training Ordinance regulates apprenticeship and introduces "learnerships" for those trades which require a lower level of training than is considered necessary for trade training. Although emigration of skilled tradesmen is a problem, the apprenticeship scheme is helping to train sufficient tradesmen to meet Fiji's needs. A particular current difficulty is the lack of residential accommodation in Suva for trainees. Accommodation, it is hoped, will become available this year. The training of supervisors using an adapted Training Within Industry programme was started in 1965. It is designed to prepare local people to replace expatriates as supervisors.

5. No provision is made for compulsory arbitration in the Trades Disputes Ordinance; voluntary arbitration is provided for but infrequently used. Boards of Inquiry may be established to inquire into any matter connected with industrial or economic conditions.

6. The Inspecteur du Travail et des Lois Sociales in New Caledonia spoke to the paper on developments affecting labour since 1962 in his territory (SPC/2CSL/T.4). He emphasised those which put into effect the recommendations of the Papeete sub-regional Conference. The characteristics of the labour situation are determined by the country's small total population (86,500 in 1963) and the dominant position of nickel production in the economy. Seventy percent of the potential economically active population are wage-earners. There is a shortage of labour and over 40,000 people live in the main town, Noumea. To diversify the economy, financial and administrative encouragement has been given to copra, coffee, and foodstuff producers. The extent of occupational training has increased since 1962 by expansion in the number of training

courses, scholarships and institutions. As well as the training of youth, the retraining of adults in new techniques in the operation of modern machinery has been emphasised. Several dozen New Caledonians from various ethnic groups have received training in other Pacific territories, and above all in France and the countries of the European Common Market.

7. Labour legislation is based on the Labour Code for French Overseas Territories, which defines workers' basic rights and reiterates the basic provisions of the Labour Code in force in France itself. Under the Code a minimum wage for unskilled workers is prescribed. This wage is adjusted monthly if there is an increase in the cost of living index. Provisions in the Code enable the creation of the Compensation Fund for Family Allowances, Industrial Accidents, Retirement and Insurance and in 1965 the Housing Welfare Fund. The latter is to provide loans for wage-earners for the purchase of land and to finance the servicing of these building blocks.

8. A major development since 1962 has been the strengthening of the labour inspectorate by the appointment of a Medical Officer, a second Labour Inspector, and a Safety Engineer. The latter two technical officers are responsible for grading examinations for semi-skilled occupations, skilled trades, and apprenticeships.

9. In Papua and New Guinea the introduction of the Industrial Relations and Industrial Organizations Ordinances early in 1963 has been the foundation for the most significant developments during the period. (See SPC/2CSL/T.8). The latter Ordinance provides for the compulsory registration of industrial organizations, when membership is 20 or more employees, or 4 or more employers. It also provides for a secret ballot in certain circumstances, the maintenance of records, and the preparation and submission of information to the Registrar of Industrial Organizations. The Industrial Relations Ordinance encourages the settling of disputes by negotiation and conciliation, but provisions are also included to allow for the calling of compulsory conferences, and arbitration where necessary. A further provision is made for Boards of Inquiry which report to the Administrator. Awards are made by a tribunal. Negotiated agreements are registered as awards by the Registrar and are then binding on the parties. He may decline to register an agreement if it is either inconsistent with a law in operation in the Territory or not in the public interest. The Registrar, in such cases, then refers the agreement to the Administrator in Council.

10. Employee associations spontaneously started to form in 1960. The general union type of organization has predominated. There are only four workers' associations (trade unions) whose members are drawn from a single industry. An initial conference to prepare for the formation of a federation of workers' associations was held in 1964, and another meeting was convened early in 1966, but arrangements are not yet complete. Fourteen employee associations and one organization of employers have been registered.

11. The Native Employment Ordinance controls total emoluments paid to indigenous employees (wages, rations, issues, accommodation) and other employment conditions. Industrial organizations are free to and do negotiate all-cash wage agreements. Labour inspectors experienced in Territory conditions attempt to visit all places of employment twice a year to ensure that the minimum standards of the Native Employment Ordinance, other Ordinances, and of the awards are being maintained. A Board of Inquiry is currently examining the wages and conditions of rural employees, prior to recommending amendments to the Native Employment Ordinance.

12. Increasing attention has been given during the last four years to providing aids to industry such as the employment, placement, and technical advisory services. In addition, the apprenticeship scheme has expanded rapidly; proceeding from a system of day-release to one of block release and finally to a system of continuous training. Depending on his rate of progress, the apprentice spends the first two years of his apprenticeship at a technical school and the final two or three years with his employer.
13. There is, to date, in the Trust Territory of the Pacific Islands a very limited private economy. There is a complete absence of legislation governing wages, hours, and industrial relations. Labour unions have not yet emerged.
14. Some recent developments suggest that this situation will shortly be changed. Mr Robert Myers, Chief Actuary of the United States Social Security Administration, recently completed a study preliminary to recommending a Trust Territory pension plan. It is anticipated that when his final recommendations are received a social security law, the first piece of labour legislation for the Trust Territory, will shortly follow.
15. The Congress of Micronesia, a legislature for the entire Trust Territory elected by the citizens, held its first session in 1965. The members have shown an interest in the problems of the developing economy and will, no doubt, enact legislation in the field of industrial relations when necessary preliminary studies have been made. A task force of Micronesian citizens appointed by the High Commissioner and under the chairmanship of the Personnel Officer will prepare a draft Civil Service law for consideration by the next session of the Congress. The personnel employed by the Trust Territory Government comprise at least half of the total wage-earning population of the Trust Territory.
16. A study of wages paid by private employers was recently concluded in conjunction with a study of the government salary schedules for indigenous employees. This was probably the first comprehensive study of wages in the private sector. Such studies may well become the basis for future labour legislation.
17. Through a private insurance contract government employees are given the equivalent of the benefits of the U.S. Employees' Compensation Act for on-the-job injuries resulting in lost time. In addition all citizens are provided with medical care at a relatively nominal cost by the government. For this reason there has been no apparent need for a government health insurance programme.
18. The Education Department has an extensive scholarship programme for both technical and academic training, as well as an adult education programme with a strong vocational emphasis. At present 200 Micronesians are studying in universities under government scholarships. There has been very little in-service training provided by the government for its employees. There has been little effort to study prospective private and government employment needs as a guide to the scholarship committee. Plans for meeting both these needs have a high priority in the next fiscal year.
19. The Labour Code for French Overseas Territories is the pivotal element in the French Polynesian system of labour regulation. The Advisory Committee on Labour was set up under the Code and is composed of five employer and five employee representatives, presided over by the Labour Inspector. It must be consulted before any new regulation affecting labour is introduced.

20. About 12,500 persons of the territory's total population of 94,000 are wage-earners. There are many unions, the stevedoring and seamen's unions being amongst the most important. With the present growing demand for labour, and the consequent increase in wages, trade unionists have not felt any need to request collective agreements. However there are rules guiding the conditions of employment of seamen, stevedores, and phosphate workers. Several projected collective agreements are being considered at present. Private enterprise tends to follow the wage structure and job classification systems operating in the public service.

21. A family benefits fund and workers' compensation and old-age benefit funds have existed for several years. In 1965 a regulation on occupational medicine was introduced providing, inter alia, for the medical inspection of all workers on recruitment and annually thereafter. This regulation has been drawn up chiefly to detect tuberculosis in such a way as to ensure effective coverage of the population without encroaching on civil liberty.

22. There are several training institutions offering courses in commerce, agriculture, various trades, hotel service, and occupations in the merchant marine. Many students from French Polynesia receive training in New Caledonia and in France.

23. RECOMMENDATIONS

Believing that the exchange of information is a particularly useful function in conferences of this type, it is recommended that :

- (a) The first agenda item at future conferences be a review of progress in the participating territories towards implementing the recommendations of the previous conference;
- (b) All territories send copies of appropriate labour legislation, awards, etc. and other publications issued by them, to other South Pacific Commission territories.

AGENDA ITEM II - WORKERS' HEALTH AND SAFETY,
AND COMPENSATION FOR INDUSTRIAL ACCIDENTS

The Consultant on occupational health, Dr Coppleson, introduced the subject by advancing four propositions (see SPC/2CSL/T.6) :

- Firstly, management is responsible for the occupational health of employees, and the state must ensure the acceptance of this duty;
- Secondly, in developing territories labour legislation may have to cover a wider field than is traditional in the more highly developed countries. Minimum standards of nutrition, sanitation and housing may have to be prescribed, particularly where accommodation is provided by the employer;
- Thirdly, it is essential for labour administrations to have access to specialised medical advice in the fields of public and occupational health. In the past, labour officers have had to rely on subjective assessments of the safety of working environments, but the number of objective tests available is increasing. For example, if doctors and other medical staff have access to a laboratory they

can establish whether workers are sufficiently protected against toxic agents. To work effectively, medical officers concerned with occupational health must have the right of entry to all industrial enterprises in the same manner as factory inspectors. Where it is not possible for a territory to employ an industrial health expert, links should be created with occupational health units in more developed countries;

- Fourthly, the most rational method of solving problems of health and safety is often through defining the problems by small, well-planned surveys. The maintenance of accident statistics is essential, but if they depend on notification by employers they may not be particularly reliable. There appears to be a different pattern of accidents in some of the territories to that found in developed countries.
2. During discussion, the importance of close co-operation between labour officers and occupational and public health experts was stressed. Although it is not necessarily a significant issue, the trend in developing countries has been for medical officers in this field to be employed by health departments rather than by the labour administration. It is of importance, however, that the doctor be given the necessary powers.
 3. Various institutions run courses in occupational health, e.g. the London School of Hygiene and Tropical Medicine. Much occupational research has been done in countries with conditions similar to those of Pacific territories. The International Labour Organization's international information centre on occupational safety and health (C.I.S.) indexes the results of these investigations. It willingly answers enquiries on specific matters and is interested to receive reports of surveys. It is important that the territories in the Pacific learn more about what has been happening in other areas.
 4. It was suggested that a technical seminar on occupational health and safety be held for medical practitioners and others responsible for these matters in the territories. Suggested topics for the agenda included occupational diseases, accident investigation and statistics, particular safety problems of the Pacific territories such as suitable protective devices and clothing. The example of a successful ILO seminar on safety and health in West Africa was reported. Medical and safety workers attended this seminar, and both joint and specialist sessions were held.
 5. A further suggestion was that a study should be made of the possibility of establishing an occupational health and welfare centre for the Pacific. It was envisaged that the centre would be run by a person experienced in factory administration in a developed country. The Centre would obtain the services of experts in the region to staff short courses. Research and the facilitation of the interchange of information would be important functions.
 6. Contrary opinions were that such a centre would be very expensive; that there would be insufficient personnel requiring training to warrant the foundation of the centre; and that many training facilities were already available, for example in Australia. In reply it was stated that in effect only the appointment of a South Pacific Commission officer was being suggested. It was suggested that the proposal should be made tentatively for the Commission's consideration, but the Conference decided to make no recommendation. There was, of course, general agreement about the need for the thorough training of territorial safety and occupational health officers.

7. The policy of the United Kingdom Government is to encourage the organisation of basic training programmes for safety and occupational health officers in the country requiring the personnel. After several years' experience individuals are sponsored to attend higher-level courses in the United Kingdom. When there are insufficient people requiring training in any one country, and where there is sufficient demand, the Ministry of Overseas Development may arrange a course in the area by providing instructors.

8. Background information on safety, health, and welfare and workers' compensation in Fiji was provided by the Commissioner of Labour (see SPC/2CSL/T.2). He emphasised the excellent results that have been obtained by safety programmes in two large companies which have concentrated effort on reducing the number of accidents resulting in lost time.

9. In concluding discussion of the subject the general problems of designing publicity on the need for safety and safety devices were mentioned. The illiteracy of large proportions of the populations of many territories is seen to be a problem. Lack of appropriate education can result in irresponsibility in employees - recklessness with machines for example. One fundamental problem in trying to ensure safe practices is the teaching of self-discipline. The problem of the difficulty of communicating ideas was raised. A method suggested for dealing with this problem is the training of local people to spread the information through the community.

10. As most territories have comprehensive workers' compensation legislation in operation, it was not felt necessary to discuss the subject in detail. An essential feature of workers' compensation ordinances in the territories is that they require labour officers to assist workers in making their claims. The Conference was informed that the British Solomon Islands Protectorate and the Gilbert and Ellice Islands have similar legislation to that of Fiji and that legislation for the New Hebrides is at present being discussed by the British and French Governments.

11. In New Caledonia and French Polynesia, workers' compensation operates on similar lines to procedures in metropolitan France. The assessment of risk of accident in the industry determines the six classifications of premium payments, which are calculated as a percentage of wages, and these premiums are paid by employers. The labour inspectorate must be notified of accidents within fourteen days of their occurrence. There are prescribed rates of payment for various degrees of disability.

12. The government in the Trust Territory of the Pacific Islands has a workers' compensation scheme for its employees, the insurance aspects of which are handled by a private company. The Papua and New Guinea scheme covering all workers also operates through private insurance companies, as does the Fiji scheme.

13. RECOMMENDATIONS

Arising from the considerations outlined in preceding paragraphs, the following recommendations were made :

- (a) Where territories have not fully implemented ILO Convention No. 81 or No. 85, they should be encouraged to do so and, in particular, formal arrangements made where they do not exist for administrations to receive specialist advice in matters of occupational health and safety; these specialists should have statutory powers of inspection;

- (b) In view of the need for inspection of work places in order to ensure the protection of workers in the field of occupational health and safety, each territory endeavour to have on the staff of its labour administration at least one officer who has been specifically trained in this type of inspection in industrial, agricultural, and other undertakings; and to this end all territories be encouraged to take full advantage of training facilities offered by other countries and organizations such as (but not exclusively) Australia, New Zealand, France, the United Kingdom, the United States of America, the International Labour Organization, Hong Kong, East Africa;
- (c) A technical seminar on occupational health and safety be convened by the South Pacific Commission. The seminar should afford opportunity for the instruction of participants by experts. Attention should also be given to the discussion of research needs;
- (d) Surveys on matters of safety, health, and welfare of workers be carried out in the territories either by the territorial administrations or, on the invitation of the territory concerned, by the South Pacific Commission or other organization :
- (i) in the event of the territories undertaking such surveys the South Pacific Commission be requested, where necessary, to make expert advice available on the design of the surveys;
 - (ii) the South Pacific Commission be asked to assist in standardising the surveys to ensure comparability;
 - (iii) the results of such surveys be circulated by the South Pacific Commission to all territories and to other interested bodies subject to the consent of the territory where the survey was carried out;
- (e) Territories take steps to devise and implement a continuous programme to develop safety consciousness, where this is not already done.

AGENDA ITEM III - COLLECTIVE BARGAINING, ITS
ADVANTAGES AND DISADVANTAGES, AND ITS
SUITABILITY FOR SOUTH PACIFIC TERRITORIES

The International Labour Organization's Regional Labour Adviser, Mr W.J. Hull, opened discussion of collective bargaining by reviewing various ILO Conventions and Recommendations. In Recommendation 91 there is a definition of collective agreements as follows :

"All agreements in writing regarding working conditions and terms of employment concluded between an employer, a group of employers or one or more employers' organizations, on the one hand, and one or more representative workers' organizations, or, in the absence of such organizations, the representatives of the workers duly elected and authorised by them in accordance with national laws and regulations, on the other".

2. It was stated that international practice has developed further than the minimum standards established in ILO Conventions and Recommendations. There are a number of variations in the way in which voluntary or compulsory mediation, conciliation, and arbitration are combined. These different patterns are reflected in the South Pacific.

3. In Papua and New Guinea collective bargaining has been made the central element in industrial relations (see SPC/2CSL/T.7). Although the first prerequisite for effective collective bargaining is the existence of responsible trade unions and employer organizations, there are problems in the Territory as trade unions in Papua and New Guinea have found difficulty in maintaining the interest of members. Organizational problems have been created by the lack of sufficient executive personnel. Indigenous public servants, because of their educational backgrounds, have played a prominent rôle in the management of these trade unions. Despite the difficulties, representatives of the trade unions have taken an active part in the negotiation of agreements. The normal practice is for the parties to negotiate a settlement freely between themselves. They may, however, ask for the assistance of a conciliator from the Department of Labour. Arbitration tribunals may be established if negotiations break down or if both parties to a dispute agree to the establishment of a tribunal. If the public service is excluded, arbitration has been found unnecessary in all disputes except one. Once agreements are registered as awards, they may be extended to become common rules regulating conditions of employment for all workers coming within the scope of the award. Some awards have been declared to be common rules. Registered awards are binding on all parties.

4. The definition of collective agreement adopted by the French Overseas Labour Code, applicable in French Polynesia, is identical to that in ILO Recommendation No. 91. Such collective agreements may be made between one or more trade unions and one or more employers. Trade union members may request that the agreement be extended to the whole of the trade. Eighty percent of wage-earners are covered by collective agreements in force in New Caledonia. The procedure for conciliation and arbitration in collective agreements is also that laid down by the Overseas Labour Code. To begin with, the labour inspector acts as a conciliator and tries to bring the parties together. If he fails the matter is referred to an expert who has eight days in which to make a recommendation. If either party finds the solution he recommends unacceptable an arbitration tribunal of a magistrate and two other experts, who have an indeterminate period to take evidence and issue a verdict, is set up. If the tribunal's finding is not accepted by the parties, strike action is allowable. During negotiations strikes and lockouts are strictly forbidden. Should there be a strike during that period, the strikers may be summarily dismissed. As a result of collective bargaining, wages and conditions can keep step with the growth of any particular branch of the economy.

5. In Fiji, union officials, other than the secretary, and with the permission of the Registrar, the president, must be employed in the industry concerned. In some instances trade unions have formed around officials and have tended to grow from the top down. Trade disputes, legislation allows for disputes to be settled through a progressive process of conciliation, arbitration, and boards of inquiry, but at no stage is there any compulsion (other than in the sugar industry in which special legislation applies).

6. The Fiji sugar industry is subject to a special Ordinance, which, inter alia, establishes a Sugar Board. One of the functions of the independent Chairman of the Board is to conciliate in disputes arising in the industry. If conciliation fails he may request the Chief Justice to

appoint an arbitrator with powers to impose an award. Except in very special circumstances, strikes in the sugar industry are prohibited. In the essential services a compulsory arbitration system had been discarded since no satisfactory method of bringing actions against unions for non-compliance with awards could be found.

7. Several important issues were raised during discussion of this agenda item. The rôle of public servants in trade unions was raised. In Papua and New Guinea most unions are constituted so as to include all workers within a particular geographical area wishing to join. The growth of unions has been facilitated by the fact that public servants are therefore eligible to become members and to be elected to the executive. Public servants must however pursue their own industrial aims through public service unions.

8. The delegate from the Trust Territory of the Pacific Islands expressed the view that participation in trade unions by public servants should be limited to non-supervisory, non-administrative employees whose official duties in no way entail responsibility for administration of labour laws or participation in negotiations with public service employees. The delegate further stated that in his opinion such participation threatens the independence of trade unions, compromises the rôle of government as the impartial guardian of public interest, and raises questions of conflict of interests on the part of those concerned.

9. The difficulty of defining the rôle of labour administrations in the creation of effective unions was discussed. In the early days of trade unions in French Pacific territories the labour inspectorate found it necessary to provide some assistance in the establishment of trade unions in general, but once they were firmly established the labour inspectorate took no further direct action, although remaining available to the union managements to give them help and counsel. After unions in Papua and New Guinea started to form spontaneously, the Industrial Organizations Ordinance was introduced to set minimum organizational standards and registration procedures for them. Now whenever a group of workers decides to form a union, the Department of Labour gives administrative assistance in the initial stages and later as requested by the unions. In Fiji most unions are strong and well organised, but others are still in need of assistance.

10. The delegate from the Trust Territory of the Pacific Islands expressed the view that government initiative in the formation of unions compromises the neutrality of government and undermines the independence of trade unions. The rôle of government in the formation of unions should, he believed, be limited to protecting the right of workers to organise without restraint or reprisal, and to bargain collectively with their employers.

11. An important issue involved in the use of collective bargaining is whether adequate account can be taken of the best interests of the public. The question of public interest obviously arises from the possible repercussions of collective agreements on the economy. One particularly important aspect of public interest is the problem of increasing differentials between urban and rural wages, and the consequent gap that may arise in standards of living between urban and rural workers.

12. The cost to the parties to industrial negotiation was another problem discussed by the Conference. Although it was suggested that collective bargaining procedures in developing countries should be kept simple, it was agreed that for effective collective bargaining, it is essential that the parties be represented by skilled negotiators who have access to adequate sources of information.

13. The extent of the coverage of collective agreements already in existence was discussed. In Fiji there are more than twenty collective agreements covering over half the wage-earners. Another 5,000 workers are under the jurisdiction of wage councils, leaving only about a quarter of the wage-earning work force who are not included in the provisions of existing arrangements. The thirty-one agreements (all registered as awards) currently in force in Papua and New Guinea cover main towns, stevedores, seamen, and employees in the airline industry, and qualified tradesmen. No collective agreements are in operation in the Trust Territory of the Pacific Islands. In French Polynesia there are two collective agreements, both covering seamen. There are, however, special regulations governing terms and conditions of employment of stevedores, airline employees, and phosphate workers. Eighty percent of workers are included in the provisions of collective agreements in New Caledonia.

14. The Conference concluded its discussion of the agenda item by noting with interest the extent of the use of collective bargaining procedures and the diversity of systems in operation. It considered that the process of collective bargaining procedures should be encouraged, but was of the opinion that the future of collective bargaining depends on the maintenance of a sense of responsibility to the best interests of the public. The possibility that collective agreements may create an imbalance between rural and urban wages should be watched.

15. RECOMMENDATION

It is recommended that territorial governments encourage and, if considered necessary, assist in the further development of the collective bargaining procedures best suited to the individual territory's needs.

AGENDA ITEM IV - PROBLEMS ASSOCIATED WITH FIXATION OF
WAGE RATES, INCLUDING CLASSIFICATION OF MARGINS FOR SKILL

Mr A.D. Fogarty, a consultant to the Conference from the Australian Department of Labour and National Service, introduced the subject with a paper (SPC/2CSL/T.10) on some aspects of fixing margins for skill. This paper included the following points.

2. A "margin for skill" in the Australian context is an element of the wage designed to reward a worker for skills he possesses and uses in his work. However, taken out of the Australian context, it could be viewed simply as the difference between wages for skilled, semi-skilled and unskilled workers. Such factors as the amount of training required to obtain the skills and the need for incentives to attract skilled personnel can be considered in establishing margins. It would be unwise for other factors such as unpleasant and hazardous working conditions or the arduousness of the job to be introduced as bases for margins payments. This might tend to complicate an issue which should be kept moderately simple in the territories associated with this Conference. Margins can be calculated as a percentage of the wage of an unskilled person, or set in relation to an established "key" margin. Margins can take the form of a fixed sum (subject to review from time to time) paid as a reward for a particular skill or the acquisition of further skills; an annual increment paid for increasing experience; or increases paid as a result of growth in the capacity of the industry to afford changes. This last factor would seem to be a basic one. Employers and unions should

participate in negotiations associated with the fixing of margins. Other bodies such as training organizations and labour administrations may also contribute to the process of margin fixation.

3. During discussion of Mr Fogarty's paper several participants expressed confusion over the meaning of the term "margins", and some delegates disagreed with the concept of a "basic wage". It was suggested that "wage differentials" for skill might be a clearer phrase for designating the concept of margins. Following the general introductory discussion each representative described the system of wage differentiation operating in his territory.

4. Until 1960 the only established wage in Papua and New Guinea was a statutory minimum. However, in the years 1960-61 two different agreements were negotiated fixing urban cash wages. The first covered the towns of Port Moresby, Lae and Rabaul, and the second the town of Madang. Legislative provision was made for the registration of agreements in 1963. The present minimum wage set by the Native Employment Ordinance 1958-1965 is \$A.3.00 per lunar month plus rations, issues and accommodation. An increment of 50¢ must be paid to workers in their second year of employment. A Board of Inquiry has just completed investigating these wage rates and other related matters as they affect rural workers. The Board will soon present its report to the Administrator of the Territory. Agreements have been negotiated and subsequently registered as awards, covering qualified and non-qualified tradesmen, and semi-skilled and unskilled workers in certain areas, principally urban. Provision is made in these awards for a wage increase at the end of the first year, and for some grades, at the end of the second year of employment. Non-qualified tradesmen must have been employed in their trade for no less than five years and have passed a trade test. Boards of Reference, comprised of one representative each from employer and employee organizations, and a chairman from the Department of Labour, are established under each of these awards to classify and describe the occupations in the category. Agreements registered as awards have also been negotiated covering employees in sections of the stevedoring, shipping, and air transport industries. Average wages paid by responsible employers were used as a guide during the negotiation of many of the urban and industry awards.

5. Collective bargaining and wages councils in Fiji are described under earlier agenda items. So far wages councils have determined only minimum wages. However, some members have recommended that wages of semi-skilled and skilled workers should also be set by the councils. This may require the introduction of trade tests. The Department of Education and the Public Works Department may be asked to assist in administering these. It is expected that in these trade tests, the length of employment will be disregarded in determining whether a worker is eligible for a particular wage differential for skill. A job evaluation specialist will shortly commence an assessment of public service occupations and the relationship of wages to each position. In practice the seminal cause of wage differentials has been the level of demand for, and supply of, labour.

6. A survey of the government salary structure has just been completed in the Trust Territory of the Pacific Islands. The survey aimed to assess the correctness of internal alignment of wages and the comparability of public service pay scales with those in Trust Territory private enterprise. (A sample survey of wages in private enterprise was also conducted.) Occupations are compensated and classified in accordance with three separate classification and pay plans (schedules). Workers in Schedule A are in the manual occupations and crafts. Those in Schedule B are clerical and administrative, and those in Schedule C

are professional and managerial personnel. When wages under each plan were compared with those paid in the United States Civil Service it was found that Schedule A employees, particularly at the levels of skilled tradesmen and supervisors, were the most poorly paid in relation to their U.S. counterparts. It was found that individual wage decisions had been made on a piecemeal basis without a consistent overall policy. The evidence also showed that private enterprise tended to pay lower wages to unskilled workers than the government but considerably higher salaries in the skilled craft and managerial fields. A parallel study revealed that U.S. expatriates in the public service had on the average somewhat longer experience, and vastly more formal education than the Micronesians occupying the same types of positions.

7. In French Polynesia wages are based on the minimum guaranteed general wage, which is applied in two sectors - agriculture, and a general sector embracing all other industries. The general wage varies in accordance with the cost-of-living index in Papeete. There is one single wage zone.

8. The cost-of-living index is determined every three months, and the minimum guaranteed general wage is revised when the index varies by as much as five points, the variation to be confirmed within three months.

9. In the absence of collective agreements, wages in private enterprise are freely negotiated between employers and employees. Wherever a trade classification exists, basic wages vary according to the new minimum wage. In the classification appertaining to public servants, the wage scale ranges from the index 100 (for a labourer) to 270 (senior foreman).

10. The French Overseas Territories Labour Code lays down the rules observed in New Caledonia in the establishment of wage rates. The first rule is that the principle of equal pay for equal work should be applied. The second lays down that there shall be a forty-hour working week, with overtime paid at a rate in excess of the normal hourly rate. The minimum guaranteed general wage, or SMIG, is defined by the Governor of the Territory, who in doing so is advised by the Advisory Committee on Labour. Wage-earners cannot legally be paid less than that minimum rate. Trade classifications and the wages relating to them are laid down for each branch of activity in collective agreements. Wages are liable to increase by various margins which are also defined by collective agreement (annuity, productivity, responsibility, risk, and so on). All wages are indexed on the cost of living, which is reviewed once a month by a special committee. There are no wage zones. The contributions paid by employers to the Fund for Family Allowances, Accident Compensation, Retirement and Sickness Insurance amounts to 25% of the wages paid to workers. The Labour Inspectorate oversees the payment of wages; its staff has been expanded over the previous two years. Disputes are settled expeditiously by a Labour Tribunal, without cost to the parties. The growth of savings and the increase in consumption shows that the system thus described has led to an increase in the worker's purchasing power; however, any ill-judged increase in the benefits to which workers are already entitled might well make New Caledonian industry less competitive. Employers prefer to recruit staff locally rather than abroad, thus avoiding travel expenses.

11. Conclusion. The descriptions of the ways in which rates are determined in each territory indicate that economic pressures, such as the capacity of the economy to absorb wage increases and requirements for, and availability of, personnel with particular occupational skills, are of great significance in wage determination.

12. Bearing in mind the need to ensure that skills possessed by workers are adequately rewarded, that proper incentives to attain skills are provided and that an adequate supply of skilled workers in the territories is imperative, the Conference therefore considers that in industrial agreements or other appropriate instruments, skilled workers should receive wages which are sufficiently above those for unskilled workers as to represent a reward commensurate with the value of their skills.

AGENDA ITEM V - PAID HOLIDAYS, LEAVE
ENTITLEMENTS, RETIREMENT SYSTEMS AND
OTHER SOCIAL BENEFITS

This agenda item was introduced by the Inspector of Labour for New Caledonia (see SPC/2CSL/T.5). The session continued with statements by delegates from each of the participating territories concerning the benefits in their respective territories.

2. RETIREMENT

Of the territories represented, only New Caledonia has a territory-wide retirement system embracing both public and private employers. In the Trust Territory of the Pacific Islands, a study has been made and a detailed recommendation will soon be forthcoming for a plan based on both employer and employee contributions. It is expected to contain supplementary provision for an annuity to workers who are presently too old to accrue benefits under a regular retirement plan. Fiji hopes to introduce in July, 1966, a Provident Fund which will be based on contributions by both the employer and employee, probably equal to 5% of the wages of an employee. The proposed scheme provides for a lump sum benefit rather than a retirement annuity, but may be converted to a regular pension plan in the future. Public servants in Papua and New Guinea participate in a liberal superannuation scheme but there is no statutory provision for retirement benefits in the private sector. Some employers however have voluntarily introduced retirement benefit schemes, while others make ex-gratia payments to employees who have given long and faithful service. There is no fund in French Polynesia, but there does exist a scheme for assistance to aged workers.

3. LEAVE

In all territories public servants are provided with annual and sick leave benefits. Only Fiji and the French territories of New Caledonia and French Polynesia prescribe statutory paid leave for other wage-earners. Fiji prescribes a minimum of eight days' paid leave per year, while New Caledonia and French Polynesia prescribe three weeks. All three territories provide maternity leave benefits. French Polynesia and New Caledonia provide for sick leave, and in Fiji many collective agreements do so. In Papua and New Guinea annual and sick leave benefits in the private sector can be negotiated through collective bargaining and several agreements providing for leave benefits have been registered as awards. Many employers, although not obliged to do so, grant paid leave to their employees. The matter of leave in the rural industries has been examined by a recent Board of Inquiry, whose recommendations are awaited.

4. PAID PUBLIC HOLIDAYS

In all territories official holidays are prescribed by statute and in certain territories some or all of these are paid holidays but it is

noted that many collective agreements in various territories provide for paid public holidays in excess of any statutory minimum.

5. MEDICAL CARE

All territories provide medical care in public hospitals and dispensaries at moderate or no cost. Fiji requires employers to assume the cost of hospital confinement and medical consultation for a period not exceeding seven days.

6. HOUSING

Only New Caledonia provides direct assistance with respect to housing, out of a housing fund established by employers' contributions. Fiji provides low-cost housing through a quasi-public agency, but there have been complaints that interest rates are too high. In Papua and New Guinea employers are required to house employees other than those who have their own nearby accommodation. The establishment of a housing commission is under consideration.

7. RECOMMENDATION

Although consideration should be given to the welfare implications of the social and cultural customs within a territory, the Conference, believing that every territory should endeavour, as and when economic circumstances make it possible, to introduce statutory minimum provisions for social benefits of the character described in the foregoing report, urges the South Pacific Commission to bring the views of the Conference to the attention of territorial administrations.

RECOMMENDATIONS FOR FUTURE ACTIVITY

The Conference briefly discussed what recommendations should be made to the South Pacific Commission about its future activity in the labour field. Regret was expressed that only five territories of the South Pacific Commission area had been able to be represented and that it had not been possible for the Conference to be held on a completely tripartite basis with representatives of governments, employers and employees attending. It was pointed out that the obvious problem involved in convening such a meeting is the cost. Nevertheless, the Conference decided to reiterate the main point of a recommendation of the Papeete sub-regional Conference held in 1962.

2. RECOMMENDATION

The Conference again recommends that in view of the desirability of encouraging joint consultation within the general field of labour problems and to obtain a balanced approach to those problems, a tripartite conference of representatives of governments, employers, and employees be convened by the Commission. The agenda should be compiled after consultation with labour administrations in each territory, and through them with employers and employees.

SOUTH PACIFIC COMMISSION

REGIONAL CONFERENCE ON LABOUR PROBLEMS

OPENING ADDRESS BY THE ASSISTANT ADMINISTRATOR (ECONOMIC AFFAIRS),

MR F.C. HENDERSON, M.H.A.

It is always a pleasure to welcome representatives of Pacific countries to Papua-New Guinea.

It is a special pleasure to welcome delegates to a Regional Conference on Labour Problems; and the South Pacific Commission is to be congratulated on convening it.

We all regret that Dr Seddon is not with us today - his contribution to the Commission and Pacific territories has been outstanding. I'm sure I speak for all in wishing him good health and success in his new appointment. I extend a warm welcome to his successor, Mr McCreary, and hope that this will be one of many meetings he will guide and direct in the Territory.

We are fortunate in having at this meeting, Mr Hull of the ILO, Dr Copplestone of the New Zealand Department of Occupational Health and Mr Fogarty of the Australian Department of Labour and National Service.

We thank these organizations for making available the services of consultants with such wide experience.

All Pacific territories are facing new problems in the labour field, and nothing but good can come from an exchange of ideas and experience.

Before the Industrial Revolution, specialization in labour had progressed a long way in Western countries. After the Revolution these countries had time to develop administrative and legal machinery to cope with the new problems brought about by industrialization.

The isolated communities in the Pacific had but a rudimentary idea of specialization when they came into contact with Western culture. Since then they have been faced with a political, technological and economic revolution, with little time to solve the resulting problems. In fact, the speed of change has been astonishing and is increasing each year.

Since the last Labour Conference in Papeete in 1962 we, in this Territory, have had an election based on a common roll, giving an indigenous majority in the House of Assembly. We have seen the emergence of Workers' Associations and Employers' Federations. We have seen a great upsurge of economic development and a quickening in the movement of the people from a subsistence to a cash economy. Similar changes are occurring throughout the Pacific. New societies are in the making. Societies that will need structures foreign and unfamiliar to the people.

In the next decade, employee and employer organizations and the Administration must collaborate and provide the means of handling labour problems, paying due regard to the "public need".

We have much to learn from Western countries, but the solutions developed in more mature societies are not necessarily the best for Pacific countries.

The speed of progress brings a sense of urgency - but with continuing goodwill and open discussion, the answers can be found.

This meeting has brought together a group of people with wide experience, both within and without the region. The agenda is comprehensive. I'm sure your deliberations will be fruitful.

I declare the South Pacific Regional Conference on Labour Problems open.

Original text: English

SOUTH PACIFIC COMMISSION

REGIONAL CONFERENCE ON LABOUR PROBLEMS

CLOSING ADDRESS BY THE CHAIRMAN,

MR CAMPBELL FLEAY

This now brings us to the closing of the Conference. The question may now well be asked : "Has the Conference been successful?" But what is the criterion of success in a conference of this nature? It certainly has not been successful from the viewpoint of attendance by territories of the South Pacific area - it was indeed unfortunate that some territories had to withdraw at the last moment, but I am assured that each withdrawal was occasioned in each instance because of factors arising shortly before the selected delegates were due to leave for Port Moresby. There is no disinterest by these territories and no disregard for the Conference. Surely no delegate here today imagined that he would be able to convince other delegates that his territory's labour (using the word in its broad sense) system was the best; that their approach to collective bargaining was the one and only approach. What is the criterion of correctness in this regard?

One thing that has impressed me is that while we do have some common ground, our problems are often vastly different. Delegates are all from territories of the South Pacific, we are all from developing countries and I suspect we are all subject to limited finance and limited budgets. What else have we in common? The problems of Papua and New Guinea are vastly different from those of New Caledonia for instance. We have our problems of communications, a much larger population, a large proportion of which are not wage-earners. The political situation is also different in that New Caledonia is included in the concept of Overseas France whereas we are oriented towards independence. Similar comparisons may be drawn between Papua and New Guinea and other territories. While perhaps not really a problem, the influence of the metropolitan countries on the systems that have been evolved in the different territories is most noticeable and once a system has been introduced and is working, it is difficult to effect changes. But why change if the system is working and suits the particular problems of the territory? I doubt if there is one single approach to labour problems because territories have their geophysical, cultural, social and political differences. These factors have not made this conference an easy one.

Mr Hull said yesterday that at least the Conference had caused governments to look closely at themselves and to examine what they were doing in the field of labour administration. This is true, but the Conference has achieved more than this. There has been frank discussion and exchange of ideas. We have produced recommendations of value and these will undoubtedly be examined by member governments. We have made useful contacts; as far as I am concerned, delegates may expect to hear from the Department of Labour in Papua and New Guinea as we seek to introduce new ideas and make changes in our legislation and practices.

Undoubtedly this Conference has revealed some weaknesses in our conference procedures and preparation, but I feel sure that Mr McCreary, as a result of this Conference, undoubtedly will be suggesting some changes when further labour conferences are under consideration. Again this Conference has revealed that a tripartite approach is desirable, but then the cost of such a conference will be great.

Ladies and gentlemen, I thank you for your tolerance and co-operation. I wish to express my grateful thanks to Mr McCreary and to his most competent secretary, Miss Campbell. My thanks also go to Monsieur Eyrin, the rapporteurs, interpreters and staff. I have been most impressed with the volume of work performed and the efficiency displayed in the conduct of this conference.

Nothing now remains but for me to formally declare this meeting closed. I trust you have enjoyed your stay in the Territory and wish you a safe return.

Original text: English

SOUTH PACIFIC COMMISSION

REGIONAL CONFERENCE ON LABOUR PROBLEMS

PARTICIPATION

A. TERRITORIAL REPRESENTATION

Fiji	Mr K.D. Harrap, Commissioner of Labour
French Polynesia	Monsieur Henri Laporte, Contrôleur du travail à Papeete
New Caledonia	Monsieur J. Eyrin, Inspecteur du travail et des lois sociales
Papua and New Guinea	Mr D.J. Parrish, Secretary of Labour Mr C. Fleay, Chief of Division (Industrial Relations) Mr J. Paquin, Chief of Division (Industrial Services) Mr D. Collins, Chief of Division (Labour Administration) Mr A.L. Redwood, Officer in Charge, Research and Planning
Trust Territory of the Pacific Islands	Mr Richard Kanost, Personnel Officer

B. CONSULTANTS

Mr W.J. Hull,
ILO Regional Labour Adviser, Bangkok

Dr J.F. Copplestone,
Assistant Director, Occupational Health Unit,
Wellington, New Zealand

Mr A.D. Fogarty,
Department of Labour and National Service,
Melbourne, Vic. Australia

C. OFFICIAL OBSERVERS FOR GOVERNMENTS

Australia	Mr L.F. Hennessy, Department of Territories, Canberra
United Kingdom	Miss S.A. Ogilvie, O.B.E., Assistant Labour Adviser, Ministry of Overseas Development, London

D. OBSERVERS FROM PAPUA AND NEW GUINEA

Mr B. Fairfax-Ross, O.B.E.
President, Planters' Association of Papua

Mr B. Goodsell,
President, Employers' Federation of
Papua and New Guinea

OBSERVERS FROM PAPUA AND NEW GUINEA (Continued)

Mr J. Henry,
Secretary, Employers' Federation
of Papua and New Guinea

Mr O. Oala-Rarua,
President, Port Moresby Workers'
Association

Mr T. Tobunbun,
President, Rabaul Workers'
Association

Mr P. Arek,
President, Northern District
Workers' Association

E. SECRETARIAT RAPPORTEUR

Mr J. Langmore,
Department of Labour

F. LIAISON OFFICER

Mr D.R. Goodger,
Department of Labour

G. SOUTH PACIFIC COMMISSION STAFF

Mr J.R. McCreary,
Executive Officer for Social
Development

Miss C.L. Campbell,
Secretary

Mr N. Langford,
Interpreter/Translator

Mlle C. Tulou,
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Stenographer

SECRETARIAT RAPPORTEUR

LIAISON OFFICER

SOUTH PACIFIC COMMISSION STAFF

SOUTH PACIFIC COMMISSION

REGIONAL CONFERENCE ON LABOUR PROBLEMS

LIST OF TECHNICAL PAPERS

- SPC/2CSL/T.1 Developments Affecting Labour since the Sub-Regional Conference held at Papeete, Tahiti; 1962.
K.D. Harrap, Commissioner of Labour, Fiji.
- SPC/2CSL/T.2 Workers' Health and Safety, and Compensation for Industrial Accidents.
K.D. Harrap, Commissioner of Labour, Fiji.
- SPC/2CSL/T.3 Technical Co-operation Activities of the ILO.
International Labour Office.
- SPC/2CSL/T.4 Developments Affecting Labour since the 1962 Sub-Regional Conference.
New Caledonia and Dependencies.
- SPC/2CSL/T.5 Paid Holidays, Leave Entitlements, Retirement Systems and other Social Benefits.
New Caledonia and Dependencies.
- SPC/2CSL/T.6 Occupational Health in the South Pacific Area.
Dr J.F. Copplestone.
- SPC/2CSL/T.7 Papua and New Guinea: Experience with Collective Bargaining Techniques.
Territory of Papua and New Guinea.
- SPC/2CSL/T.8 Recent Developments in the Labour Field, Papua and New Guinea.
Territory of Papua and New Guinea.
- SPC/2CSL/T.9 Statement by the International Labour Office Consultant (Mr W.J. Hull, Regional Labour Adviser).
- SPC/2CSL/T.10 A Note on Some Aspects of Fixing Margins for Skill.
A.D. Fogarty, Department of Labour and National Service, Melbourne, Vic. Australia.

Developments Affecting Labour in the British Solomon Islands Protectorate.
B.C. Wilnot, Commissioner of Labour.

Additional material tabled at the Conference, and provided by the International Labour Organization, is held at Commission headquarters.

(Bound sets of these papers, in English or French, may be obtained from

The Secretary-General,
South Pacific Commission,
Box 9, Noumea, New Caledonia)