

**IN THE TRADE DISPUTES PANEL  
SOLOMON ISLANDS**

**Case No. L9/1/09**

**Between: China United (SI) Corporation Ltd (Applicant)**

**And: S. I. National Union of Workers (Respondent)**

**Panel :**

1. Francis Cecil Luza	- Chairman
2. Mark Corcoran	- Employer representative
3. Gabriel Waleora'a	- Employee representative

**Appearances:**

**Tony Kagovai, General Secretary for the Union.  
Francis Waleanisia of Global Lawyers for the respondent.**

**Date of hearing – 10<sup>th</sup> & 15<sup>th</sup> June 2009.**

**Date finding delivered – 8<sup>th</sup> July 2009.**

**FINDING**

By letter dated 13<sup>th</sup> February 2009, Casper Luiramo (consultant) referred a trade dispute between China United Corporation Ltd (hereinafter referred to as “the company”) and Solomon Island National Union of Workers (hereinafter referred to as “the union”).

**Background**

The applicant is a company duly incorporated in Solomon Islands. By an agreement made with the Rugby Association of Solomon Islands, the company was to build a rugby stadium for the Association at Town ground in Honiara. Work actually commenced on the project in 2008. More than one hundred locals were employed to work on the project.

Towards the end of 2008, the union sought recognition from the company to represent its employees on their terms and conditions of employment. This was granted by agreement signed between the company and the union on 24<sup>th</sup> December 2008.

### **Dispute**

The dispute arose as a result of the parties not agreeing to certain terms of the collective agreement as proposed by the union. The proposed terms as contained in the union's log of claims that also form the subject of this dispute are summarised as follows:

- (1) Occupational Health & Safety;
- (2) Mistreatment of Shop Steward;
- (3) Delay of negotiation on terms and conditions of service of workers;
- (4) Wage increase;
- (5) Housing allowance;
- (6) Tool allowance;
- (7) Danger allowance;
- (8) Dirty allowance;
- (9) Bonus/Goodwill payment;
- (10) Height allowance; and
- (11) Transport allowance.

### **Conciliation**

When the dispute was referred to the Panel on 13/2/2009, the Panel (through its conciliators) had conducted further negotiation into the dispute with the view to finding an amicable solution to the dispute.

Unfortunately, at the conciliation process no settlements were made to the majority of the issues except for issues 1, 2, 3 and 6 that were either resolved or discontinued.

### **Arbitration**

The Panel is now left with issues 4 to 11 for determination.

The Panel prefers to deal with issues 7, 8 and 10 together and other issues separately. We begin first with the issues that we prefer to deal with one by one.

#### **(4) Wage increase**

For wage increase, the parties had actually agreed on a 6% wage increase across the board except on the question of whether this 6% wage increase should be backdated to 1<sup>st</sup> January 2008 as claimed by the union.

After having heard submissions from the parties, the Panel awards the **6% wage increase across the board** as agreed by both parties, but to be backdated only to **1<sup>st</sup> January 2009** and not to January 2008 as claimed by the union.

#### **(5) Housing Allowance**

On the claim for housing allowance, the union basically asked the Panel to consider a reasonable rate for its members taking into account the very high cost of rentals in the open market.

By way of comparison, the union referred to the housing allowances payable to workers at various work places such as, Lamana Development (\$55.00 per fortnight for single and \$80.00 per fortnight for married); Solomon Breweries Ltd (\$200 per fortnight for both single and married) and Fletcher Kwaimani Construction Ltd (\$159.00 per fortnight).

The union further submits that any housing allowance awarded must be back dated to 1<sup>st</sup> of May 2008 or date of engagement.

The company however maintains its offer of 10% on existing rate or \$50.00 per fortnight across the board with no back pay. It stated that most employees live on settlements in Honiara and are therefore housed at their own homes. The company cannot agree to any back pay because of financial difficulties.

In considering both submissions, the Panel considers an award of **\$55.00 per fortnight for single employee and \$80.00 per fortnight for married employee** as reasonable in all the circumstances. The housing allowance as awarded is to be backdated to **1<sup>st</sup> of January 2009**.

### **(9) Bonus/Goodwill payment**

The union claims bonus or goodwill payment at a sum of \$800.00 to be paid to all workers at the completion of the project regardless of how long the employee works for the company. This is basically a payment to say thank you to all workers for the hard work rendered by all employees in successfully completing the project.

The company maintains that such payment is a prerogative of the employer and is based on work performance. Whilst it offers a payment of \$500.00 as goodwill payment to be paid at the completion of the project, such payment can only be paid to workers who have worked for over one year with clean record.

In considering both submissions on this claim, the Panel considers an award of **\$800.00** as goodwill payment payable to all workers at the completion of the project. Such award is payable indiscriminately to all workers as long as they work for six months and above.

### **11. Transport Allowance**

The union claims transport allowance at \$8.00 per day or \$80.00 per fortnight for each worker. The current system in which the company facilitates an advance of \$50.00 per week to the employees for transport is nothing but an unjust reduction to employees' salaries.

In its submission however the company offers to provide transport to pick up workers along the main highway from White River to Lungga.

In considering both submissions, the Panel does not wish to make any award as claimed by the union when the company offers to provide transport for all its workers along the main highway from White River to Lungga.

The Panel finds this offer as reasonable in all the circumstances, and accordingly, directs the company to immediately engage its transport to commence picking up employees to and from work along the main highway from White River to Lungga.

In the event that such company transport is not available, the employees shall be paid \$8.00 per day as transport allowance.

## Danger, Dirty and Height Allowance

In the beginning, these claims appeared to be separate claims on their own, however, at the hearing the union had seen it fit to amalgamate all claims into one calling it “**industry allowance.**”

According to the union, industry allowance basically covers issues such as danger posed by risk of falling, health risks for breathing dusts from concrete mixing, dirt from soil digging as well as risks for electrocution due to presence of electrical wiring at certain points at the work place.

The Panel was also referred to Lamana Development's case in which the construction company also pays its workers similar allowance (industry allowance) at a rate of 25 cents per hour.

Mr. Waleanisia for China United Company however opposes all claims as submitted by the union stating that danger allowance is not applicable to all workers except for welders and electricians. Hand globes and dust mugs are provided for the employees by the company to guard against any health risks. Shoes as recommended by the Commissioner of Labour are also provided by the company.

As to height allowance, Mr. Waleanisia submits that no risks of falling are eminent because scuffles are used and that the floor edges had been barricaded. It submitted that no comparison should be made with SIEA workers who are at suspension whilst climbing electrical poles.

It must be stated that at the conclusion of the hearing, the Panel had the opportunity of visiting the construction site at Town ground. The following were observed at the site. The majority of workers were not wearing safety boots, apparently because the recommended boots were not enough for all the workers. Helmets were just distributed to the workers when the Panel had visited the site. This is evident as the helmets were still in plastics when the Panel delegation had arrived. Wooden scuffles were in place but one can still question how reliable those scuffles are. One or two electrical wiring were seen at the work place posing risk to workers. Barricades seem not very reliable at the top levels of the building. Dusts coming from cement mixing are visible. Not many employees were wearing mugs to prevent dust.

From these observations, the Panel is satisfied the employees have reasons to be concerned about their health or work safety at the work place at Town ground. Hence, they are entitled to claim what the union would term as “**industry allowance**” which covers issues of danger caused by risk of falling, health risks for breathing cement dusts and dirt in general and risk of receiving injuries because of lack of safety wears.

Having said that, the Panel accepts the unions claim for industry allowance hence awards 50 cents per hour for such allowance to all workers across the board. The allowance is to be paid to the workers commencing from the first pay of July 2009. The allowance however is not to subject to overtime.

**PANEL COSTS**

The company is ordered to pay \$1,000.00 towards Panel costs.

On behalf of the Panel:



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**CHAIKIN / TRADE DISPUTES PANEL**