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1894 Arbitration Act 1894

MCH, 2012c

1894 Arbitration Act becomes law

The new Industrial Conciliation and Arbitration (IC&A) Act, a flagship policy of Richard Seddon's Liberal government, made New Zealand the first country in the world to outlaw strikes in favour of compulsory arbitration. There were no major strikes for 11 years and workers' wages and conditions generally improved.

Zealand's trade union movement had grown strongly in the late 1880s but was then devastated by defeat in the trans-Tasman Maritime Strike of late 1890. In the early 1890s some major employers, such as the Union Steam Ship Company, refused to recognise unions, blacklisted union members and slashed wages and conditions. The Liberal government that took office in 1891 was determined not only to find a lasting solution to the problem of industrial conflict but also to revive the struggling union movement, which it saw as a key electoral ally.

The brainchild of Minister of Labour William Pember Reeves, the IC&A Act recognised trade unions and individual employers or 'industrial unions of employers' as responsible parties in negotiating wages and other conditions of employment. Once they were registered under the Act, each party was required, if they were in dispute with each other, to discuss the matter at district Boards of Conciliation. If this failed to produce an agreement, the dispute would be submitted to the national Court of Arbitration. The industrial agreements or awards concluded under the Act were legally enforceable.

The arbitration system would remain the cornerstone of New Zealand's industrial relations system until 1973, when the IC&A Act was superseded by a new Industrial Relations Act.

Image: [Strikers march in Wellington, 1913](#) (Timeframes)

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How to cite this page: 'Arbitration Act becomes law', URL: <http://www.nzhistory.net.nz/strikes-outlawed-the-industrial-conciliation-and-arbitration-act-passes-into-law>, (Ministry for Culture and Heritage), updated 30-Aug-2012

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