

15 December 2011

Media Statement

Port presents new flexible offer to union; receives fourth strike notice

Ports of Auckland today presented a new offer to the Maritime Union of New Zealand – Local 13 (MUNZ) during mediation, including an up-front 10% increase to hourly rates, in return for full operational flexibility and productivity increases.

Ports of Auckland Chief Executive Tony Gibson said the offer was a last-ditch bid to resolve a dispute which had already disrupted pre-Christmas trade worth \$630m, cost the company a \$20m shipping line service and put jobs at risk.

“If accepted, this new offer will modernise working practices at the port, deliver upfront productivity gains and ensure our customers can rely on Ports of Auckland to provide reliable, flexible service 24/7,” Mr Gibson said.

“Our aim is to remove the old-fashioned, restrictive working practices that are preventing Ports of Auckland from performing to its potential.”

Performance related bonuses included in the offer mean that a top performing stevedore could increase his or her hourly rate by as much as 20%.

As well as rewarding performance, the new offer also aims to be fair to staff, with the opportunity to plan rosters a month in advance. Employees would also get to keep all current benefits and entitlements, including superannuation contributions up to 7%, medical insurance and leave provisions.

The new 30-month proposal is in line with the pay rates and conditions agreed with non-union employees on individual employment agreements (IEAs).

Mr Gibson said the company had withdrawn its previous offer to roll over the expired collective agreement with MUNZ.

“Maersk’s decision to pull the Southern Star service out of Auckland – effective immediately – was a game-changer.

“With such a significant loss of business in the short term, we’ve advised the union that our earlier offer, including the promise to make no redundancies or undertake further out-sourcing for the term of the agreement, has been withdrawn.”

“The Maersk decision has shown us that we’re out of time. We need to lift our game, and lift it now.”

“We recognise an increase of 10% in the current economic environment may surprise some, but it reinforces our commitment to fundamental improvements in workplace productivity, and to settling the current industrial action as soon as possible. Our customers are demanding that we sort this out once and for all.”

Mr Gibson reiterated his call for the union to withdraw the two 24 hour Christmas strikes it is planning for 22-25 December.

He also noted that to his surprise, the union ended the day’s discussion by serving a new 48 hr strike notice for Friday 30th December from 7 am till Sunday 1st January, 7am.

“I urge the union to reconsider this extremely unfortunate step.”

“These strikes promise to be even more disruptive for consumers, importers and exporters than those to date. This is because the union has chosen to strike at a time when KiwiRail is shutting down its rail network for electrification works.

Because of this, the capacity of the key rail corridors between Auckland, Tauranga and the Waikato to handle trade diverted from Auckland to other ports, and to work through any backlogs in Auckland, will be significantly constrained. Extended delays and ongoing congestion in the supply chain are likely.”

Mr Gibson said receiving the latest strike notice made him even more determined to sort the company’s industrial issues out once and for all.

“This is the ninth offer the company had presented to the union, and the best it can do under the circumstances.”

“If we are unable to achieve a collective agreement with the union, then we will explore a range of other contingency plans, including the possibility of contracting out work to other companies, as advised last week.”

“Our strong preference is to work with the union to achieve a settled collective agreement that will deliver the certainty and flexibility our customers need, while still providing fair terms and conditions, and respecting our employees’ preferences about when they work.”

“However, it is vitally important to us that we are open and truthful with our employees about the possibility of redundancies and our intention to explore alternative business models, including contracting out.”

The parties have agreed to meet for further mediation next week.

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