

27 January 2012

Tony Gibson

Chief Executive

Ports of Auckland Ltd

Dear Tony

### Collective Agreement Negotiations

We wish to confirm our position put to you in mediation on 12 January 2012 regarding the settlement of the collective agreement between the Port and MUNZ for the Ports of Auckland.

The union wishes to settle this collective and believes the Port is using the threat of contracting out in a manner inconsistent with its good faith obligations and is intentionally undermining the bargaining. We remind you that you have two key obligations in the Employment Relations Act – the first is to not undermine the bargaining and the second is to conclude a collective agreement unless there are genuine reasons not to.

The union has listened carefully to the Ports issues regarding the current collective. It has responded by proposing the collective agreement be changed to:

- Remove the 1,2 roster, 2/3 group. These rosters cover a group of workers who are only able to be rostered on the first and second shifts with other restrictions. Removing this rostering arrangement would allow more flexibility in the rostering of these staff particularly around weekend work.
- Increase the allowable percentage of AA positions. These positions balance security of employment (the guarantee of at least 24 hours work per week) with the flexibility. Allowing for more of these positions will increase even further the flexibility of employment within the agreement.
- Create some 12 hour shift positions. Some workers are interested in a four consecutive days on, four day off roster for shifts of 12 hours. With some workers within a period working 8 hours and some doing 12, run on situations could be covered more easily.
- Speed up the change over times during a shift from driver to driver.
- Change overtime provisions to allow overtime after the standard shift subject to 2,4 or 8 hour overtime orders.

While it was acknowledged by the Port that these changes “significantly addressed the labour utilisation issues at the port” and were “big” in terms of cost savings, you rejected settling the collective on the basis that you did not want to continue the relationship with the union at the Port. You described a situation where you did not want union officials “coming down and telling you how to run the Port”. You were unable to point to any provision in the collective that provided for this to happen and rejected a proposal for a discussion and agreement over the relationship. It is our view that you do not have a genuine reason to not conclude this collective.

We note in the recently commissioned “fact sheet” produced for the Port by Ernst and Young that the “real issue” is identified as the paid down time at the port. We have addressed this in the bargaining and this has been acknowledged. It is unclear why this is still being identified as the “real issue” holding up settlement when you have said otherwise (that is, that it is the relationship that is holding up settlement).

Instead of seeking to conclude the agreement, you have embarked on the process of threatening these workers with dismissal unless they agree to a “blank page” collective agreement around hours and rostering. This is undermining the bargaining and it cannot be in good faith to threaten dismissal in order to get compliance. It is also not genuine in terms of your response in the mediation that it was the relationship issues holding up settlement.

We are seeking an undertaking from you to stop immediately the work you are doing on contracting out work – it is designed to intimidate and is not in good faith. We are also asking you to return to the negotiations to conclude a collective agreement as per the requirements of the Employment Relations Act.

Yours sincerely

Garry Parsloe

National President,

Maritime Union of New Zealand