

Greetings Brothers and sisters,

We are entering into a major dispute here in NZ at the Port of Lyttelton. Find below a briefing and overview of the dispute and at the end a link to enable you to send a message of solidarity and support to the delegates and members of the Port Branch. I ask you to do so. You may also choose to send messages urging the Port Company to reconsider its approach and to engage in meaningful negotiations with the RMTU. The CEO is Peter Davie and his email is peter.davie@lpc.co.nz

A brief on Lyttelton Port Dispute 26 January 2015

The RMTU has been in negotiations with Lyttelton Port of Christchurch (LPC) since our initiation of bargaining in July 2014. On **2 December** we issued 14 days notice of industrial action, as required by NZ law. This was for a ban on overtime and this action commenced on **17 December**. As a consequence of the lack of safety critical maintenance staff and a refusal by both RMTU and MUNZ members to work without skilled trades staff being on hand, the ban has resulted in the container terminal being closed at night for six consecutive weekends. The workers stopped work on safety grounds and LPC sought urgent injunctive relief from the Employment Court on Saturday. This failed and they subsequently closed the terminal, meaning ships have bypassed Lyttelton and others have been delayed. On **26 January 2015** we issued the first of a series of notices for one day stoppages commencing from **11 February**. In coming days we will continue to issue notice of one day stoppages.

Background

Our collective agreement, which was a multi union collective agreement (MUCA) with the Maritime Union of New Zealand (MUNZ) and LPC, expired on 8 September 2014. Because MUNZ initiated bargaining separately LPC was placed in a position where they could choose whether or not to consolidate the bargaining (a Statutory right under NZ Labour Law) and thereby maintain or break up the MUCA. LPC chose not to consolidate bargaining, thereby forcing the unions to negotiate separately.

The two unions have roughly the same number of members, around 200 each. Together this means all of the front line workers directly employed at the port are unionised. MUNZ has a two thirds majority of members working as cargo handlers in the container terminal at Lyttelton port, the RMTU has the overwhelming majority of members working in safety critical areas like plant and civil maintenance, security, and marine services. The RMTU also represents about half of the staff based at the inland port, or 'City Depot', in Woolston, Christchurch. MUNZ has no members there.

Negotiations

The RMTU has adopted a non-traditional strategy in this bargaining round. Instead of the usual positional and adversarial approach we have limited our claims and sought to use interest based bargaining to try and get a deal that would work for both parties.

LPC has since concluded a collective agreement with MUNZ for a rollover of existing terms and conditions with a 3% increase on wages and allowances for an 18 month term.

Our two key claims were around **productivity** and **equity**.

We have sought the establishment of a strategic relationship with LPC, through the creation of an industrial council, that will act as a consultative body as we can progress issues such as productivity and zero harm, in a co-operative way instead of the parties 'saving up' issues for bi-annual or tri-annual wage negotiations as has been past practice.

LPC is under some competitive pressure because of interport competition from Timaru and Port Chalmers. Port of Tauranga owns a majority shareholding in Primeport Timaru. The Port of Tauranga-Kotahe megashipping deal has exacerbated LPC's situation. This deal caught LPC by surprise, by management's own admission. LPC management state that the Port has to improve productivity if it is to grow sustainably. The RMTU says that productivity cannot be sustainably improved whilst the current poor relationship exists between the stakeholders and the Port Company.

After the impact of the RMTU overtime ban became apparent LPC have agreed to the establishment of workplace forums with elected worker representation. Whilst this does not achieve all we wanted it represents an improvement and we have agreed to this principle in the context of any overall settlement.

Our second key claim is to incorporate the Inland Port into the collective agreement and to begin the process of aligning terms and conditions over time. Workers in Woolston are paid around \$6 per hour less than those on the waterfront, and whilst we accept this gap will not be bridged in one wage round, we are seeking to begin the process of doing so. LPC has made no offer to date to these workers.

We are also seeking to achieve **real wage growth** for our members. LPC is a profitable company and is forecast to grow rapidly in the next decade, with the Christchurch re-build playing a key part in that. We are pragmatic how we achieve this claim as we represent different occupations and trades and the labour market in Christchurch is very differentiated. For example, we have anecdotal evidence that maintenance trade rates have shifted considerably, and we want to engage with LPC on this and so have agreed, in the context of any overall settlement, to address this in workplace forums during the term of any agreement. We remain flexible around the term of any agreement.

There are a few departmental claims which, while they are important to the members concerned, are not large cost items should LPC accept them.

LPC had one claim, to change the **maintenance workshop roster**, but in the absence of a detailed and coherent proposal, and after the overtime ban started to bite, they have agreed to address this in a workplace forum during

the currency of a collective agreement. We have met for five days of bargaining since 19 September and have had another two scheduled days postponed by LPC since they were 'not ready' in that time. Since we issued the notice of the overtime ban we have met three times in mediation in addition to the meetings above.

LPC's Most Recent Offer and RMTU Response as at 27 January

- **Term:** 24 months from date of settlement i.e. until 27 January 2017 if we settle now
- **Increase:** 3% with effect from date of settlement, backdated to 8 September 2014 and a further 1.5% 18 months after settlement–
- This means the second increase is a moving target, that is if we settle today we get 3% backdated to 8 September but the next increase isn't until June 2016 meaning a 22 month gap. This is so close to 1.5% annualised as makes no difference. There is no offer to inland port members. We are seeking a two year term from expiry with a % increase for the first year and a further 3% for the second year. This offer is inferior to the MUNZ settlement.
- **Sick Leave:** Increase the cap from 20 days to 25 days no offer to inland port
- **Lines Supervisors:** \$1000 increase plus the increases outlined above
- **Workplace Forums:** with elected reps as an alternative to an Industrial Council. This represents a step forward and is something we can agree to.
- **Workshop Roster and Trade Market Rates Survey:** remove from bargaining and deal with in Workplace Forums. Again, this is something we can agree to.
- **Inland Port:** Negotiate a separate agreement with RMTU as an alternative to including a schedule in the current collective agreement. This is unacceptable to our members.

This offer is inferior to deals recently negotiated in other New Zealand ports and excludes over 10% of our membership who operate the inland port at Woolston. It also has to be read in the context of LPC's CEO Peter Davie recently receiving an 18% pay boost taking his salary package to \$1.2m. Accordingly we advised LPC that the above offer was not acceptable and we would report back to members.

The negotiation team reported back to the membership on **27 January** and recommended escalation of industrial action in pursuit of our claims. This was endorsed overwhelmingly by the membership.

Conclusion

At the time of writing the morale of the members is good and management seem to be under pressure due to the impact of the overtime ban and the notice of rolling stoppages. They also realise the corrosive effect on relationships on the job this is having as well as affecting the ability of the port to operate.

Lyttelton Port is wholly owned by the local Christchurch City Council through its investment arm, Christchurch City Holdings Ltd, and we intend to apply pressure to the Council in the next couple of weeks calling on them to influence port management.

We have been successful in building stronger organisation through this campaign to date. Since August our membership has marginally increased and we are using technology and social media to update members in real time as events unfold. Our activist base has grown and our delegates are doing excellent work.

Solidarity - messages of support to Lyttelton Port Branch Delegates, H&S Reps and Activists

RMTU Lyttelton Port Branch members need support, they have been battling with their employer for months to gain a fair deal and build forums to improve safety and productivity. The latest talks have broken down and they have now voted to take strike action from February 11th.

We ask that you all send a message of support to the RMTU Lyttelton Port Branch Delegates, H&S Reps and Activists.

[Click here to send a message of support](#)

In global unity and solidarity

Wayne Butson
General Secretary
Rail & Maritime Transport Union Inc