

# New Zealand port threatens to sack striking workers

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Ports of Auckland (POAL), which services New Zealand's largest city and industrial region, is threatening to sack 330 striking waterside workers and contract out their jobs. Proposals have been sought from five stevedoring companies to replace the workforce following the failure of a fourth round of talks with the Maritime Union on January 12.

The preparations for mass sackings came after a two-day strike last week, the fifth since the beginning of December, over a new employment agreement. The POAL move followed threats by the international shipping company Maersk and dairy exporter Fonterra to shift their business to other ports because of the "disruption" caused by the industrial action.

POAL, which is owned by the Auckland city council, is seeking to shatter the conditions of its workforce, in line with attacks on waterfront workers internationally. According to the *Sunday Star Times* on December 18, CEO Tony Gibson is determined to push through a "cultural change" on the wharves. He has demanded a new "flexible labour model" that dispenses with existing work patterns and produces a 20 percent productivity gain in order to compete with the nearby Port of Tauranga. Gibson told workers: "If you don't change with us we'll change anyway."

Gibson said POAL had an obligation to provide a "reasonable rate of return on investment" and set a minimum target of 8.2 percent. The current POAL dividend represents a return of 2.1 percent on its estimated \$848 million value. To achieve the demanded increase, the company must lift its "labour utilisation" rate from 65 percent to over 80 percent and speed up man-hours per container from 1.21 hours to less than one hour.

The dispute is driven by demands that the port company double its rate of return to the recently

amalgamated Auckland "super city" council, from 6 to 12 percent. Speaking for a layer of Auckland business leaders, financial analyst Brian Gaynor wrote in the *New Zealand Herald* on January 14 that POAL's dividend had declined from \$34.5 million to \$17.6 million over recent years, while Tauranga's had increased from \$22.8 million to \$40.2 million.

To justify severe cost-cutting, POAL is claiming that waterside workers have "featherbedded" conditions and earn in excess of \$90,000 per year. In fact, a worker's basic conditions are a 40 hour week, \$56,700 per annum and 260 shifts per year. Most, however, are required to work large amounts of overtime and sometimes seven days a week. Sixteen-hour shifts are common. One wharfie told the *Herald* that in a "good" week he worked 64 hours, for which he took home \$2,000 gross.

The new agreement that POAL is seeking to impose would remove all restrictions on the employment of permanents, casuals or part time staff, and provide no guaranteed shifts, hours, days off or stable work. The company could change the status and duties of an employee unilaterally. The agreement would promote the use of casuals because of their lower rates of pay and reduce the minimum period requirement for casuals to be employed from 8 hours to just 3 hours. It would also introduce random drug testing, and body and bag searches.

Direct responsibility for the offensive rests with the "centre-left" Auckland Council and its mayor Len Brown. During the 2010 council elections, Brown, a member of the Labour Party, was backed as a "progressive" candidate by various unions and pseudo-left organisations. The Maritime Union even donated \$2,000 to his campaign.

Brown finally broke his silence on the dispute after

Christmas. He declared that the POAL management and board had his “full confidence” and it was necessary “to review some of the decades-long work practices to reflect the increasing and changing trends of the international shipping market.”

The Maritime Union has repeatedly sought to accommodate POAL’s demands. From the outset, the union indicated that it was prepared to discuss “flexibility” and “productivity” improvements so long as they did not affect union coverage and the organisation’s dues base. Union president Garry Parsloe declared it intended to “come up with a compromise ... that both parties can live with.”

The company made workers a “final” offer last week, which included an increase of hourly pay rates by 10 percent in exchange for replacing 8-hour shifts with flexible rosters ranging from 5 to 12 hours. In return, the union made a counter offer of a 2.5 percent pay increase and rolling over the existing contract for six months so it could “investigate ways to boost productivity.”

Unite Union head Matt McCarten revealed in his *Herald on Sunday* column on January 15 that the Maritime Union was prepared to meet all the company’s proposals regarding productivity increases. The union “thought it had an agreement” at the most recent talks, McCarten reported, but Gibson “came back and said he wanted more.”

Council of Trade Unions (CTU) president Helen Kelly confirmed that the main issue as far as the unions are concerned is not workers’ conditions but maintaining coverage of the port workforce. Kelly told the *Dominion Post* on Monday that in order to reach a settlement, the Maritime Union and CTU had “offered solutions around labour utilisation,” only to discover that “fundamentally, [POAL] said they didn’t want a relationship with the union.” POAL already contracts port shuttle work to Conlinxx, a 90-percent owned POAL subsidiary that employs non-union staff.

The union took the company to court this week alleging that it had breached its obligation to bargain in good faith by offering higher pay to workers who had left the union. In a sign that a deal may have been organised between POAL and the union to end the dispute, a sixth strike scheduled for January 31 was called off on Thursday. A paid four-hour stopwork meeting will be held instead.

The complicity of the unions in the productivity drive has opened the door to not only the destruction of jobs and working conditions but the partial or full privatisation of the port. This agenda was first raised by Christine Fletcher, a former parliamentarian with the conservative ruling National Party who is now in the right-wing Citizens and Ratepayers faction on the Auckland council. POAL CEO Gibson responded in a radio interview, saying he was “not opposed” to a sell-off. Last week, the Productivity Commission released a report calling on municipal councils to partially privatise their port and airport assets, and introduce more competition into “labour practices.”



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