



Ports of Auckland

Open Letter to Auckland Exporters, Importers and Road Carriers

Industrial Action at Ports of Auckland

Ports of Auckland regrets to inform exporters, importers and road carriers that the Fergusson and Bledisloe container terminals will be closed from 10.30 pm on Thursday 1 December 2011 to 10.30 pm on Monday 5 December 2011.

Our multi-cargo wharves, the Port of Onehunga and the Wiri Inland Port will remain open, and our vehicle import business, cruise ships and marine services, including the Awanuia fuel barge, are **NOT affected**. The on-dock empty container depot will also remain open.

The closures are the result of an unexpected two-day strike notice issued by the Maritime Union of New Zealand – Local 13, and a lockout notice issued in response by ourselves, covering most of the period in between the two strike days.

This is an extremely disappointing situation. By value, Ports of Auckland is New Zealand's largest port for both import and exports, and the disruption and costs this stoppage will cause – right through the supply chain – are significant.

In our view, the union's strike action is unnecessary. Ports of Auckland made what we consider to be a very fair offer to staff. The offer included:

- Rolling over the existing Collective Agreement with **no changes to terms and conditions**
- **Working collaboratively** with staff and the union on a range of performance initiatives
- **No redundancies** as a result of these initiatives during the term of the agreement
- **No further contracting out** of labour during the term of the agreement
- A 2.5% **pay increase**
- A \$200 **signing bonus in lieu of backpay**

Over the course of this year we have worked hard to build a consultative partnership with staff and the union. We want a collective agreement with the union and our staff and we had hoped to be able to achieve this through open and honest dialogue.

However, the union has chosen, as it has many times in the past, to take highly disruptive industrial action during one of the busiest periods in the shipping calendar, to pressure the company into conceding to its demands.

We sincerely apologise for the inconvenience caused to local businesses and their customers during this busy pre-Christmas trading period.

The length and timing of the union's two-day strike, and the threat of continued strike action by them up until Christmas, has led Ports of Auckland to the difficult decision to lock out staff, and close the container terminals in the period between the two strike days chosen by the union.

One of the challenges in managing previous strikes at Ports of Auckland has been that employees have not always lost income as a result of choosing to strike. In fact, at times some have benefited through working extra shifts in order to turn ships around either side of a strike period. Not all groups have benefited equally in this re-couping process.

The lockout is designed to encourage the union to withdraw their strike action. We undertake to lift our lockout notice if they do. Unfortunately, we believe this is unlikely and we must now plan ahead on the basis that the strike is happening.

Concerned exporters and importers should contact their shipping line or freight forwarder for information about their cargo.

Yours sincerely

Tony Gibson
Chief Executive