



The New Zealand Merchant Service Guild

**108th ANNUAL REPORT AND BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2009**

The first organisation of maritime officers in New Zealand was the Mercantile Marine Officers Association of Australasia which was formed in 1890 and played a major role in the maritime strike of the same year. It was over 10 years later that a ship's officers union was registered under the Industrial Conciliation and Arbitration Act 1894, being the New Zealand Mercantile Marine Officers' Association Industrial Union of Workers.

To comply with the Act of the time it was necessary to publish an annual report and balance sheet hence this is the 108th such document sheet. Copies of annual reports and balance sheets are held in the Guild office dating back to 1949, and are available for the perusal of interested members.

Shipping Companies

A change of government last year effectively brought a halt to the initiatives of Labour Government's *Sea Change* policy, to the great disappointment of maritime unions and employers. The Sector Reference and Workforce Development Groups continue to meet but with less enthusiasm from ship owners about introducing an industry training scheme and planning for future labour needs. An important focus for the Guild this year has been refining its policy on work permits issued to maritime officers to work in New Zealand. It is vital for Guild members and New Zealand's maritime workforce that all maritime unions are vigilant and proactive on the question of allowing temporary migrant workers to supplement the New Zealand workforce. The Guild has been lobbying for immigration rules and procedures to be specifically tailored for the needs of the maritime industry, and enforced by government. We believe that New Zealand ship owners must continue to demonstrate a commitment to the New Zealand workforce.

Meanwhile the world economic recession has had a drastic affect on international shipping and looks to continue for at least another year. The impact on New Zealand was delayed but the effects are now being felt in most industries including our own. Notwithstanding the economic situation a worldwide officer shortage persists and the retention of maritime skills remains a major issue for the Guild and the wider industry.

Port Companies

The economic situation also continues to impact on port companies. Competition for important customers is still a major influence on the activities of port companies. Rationalisation of port calls by major

shipping companies, and talk of consolidation and hubbing has continued throughout the year, but a clear direction for the future is still not established.

Inshore Passenger Tourism Sector

Tourism is one area initially hit by the economic situation but growth in the domestic, Australian and independent traveller markets has offset much of the expected impact. The Guild has successfully negotiated this year two new collective agreements (Black Cats and Stewart Island Experience), but is facing the threat of redundancy in Real Journeys. Litigation instigated by the Guild challenging the Real Journeys proposed redundancies is presently underway.

Collective Agreements

In the last year collective agreements have been concluded with Kiwirail Ltd for the vessels ARAHURA, ARATERE, and KAITAKI; McCallum Brothers; the Port of Tauranga for the Customer Service Centre; Leonhardt and Blumberg for masters employed on international container vessels; Pacifica Shipping (1985) Ltd for the SPIRIT OF COMPETITION and SPIRIT OF RESOLUTION; Primeport Timaru pilots and marine service operators; Port of Napier pilots, tug masters, launchmasters and marine operators; Ports of Auckland marine services, harbour control, and pilots; Niwa Vessels Ltd for the TANGAROA, Holcim for the MV WESTPORT and MILBURN CARRIER II; Golden Bay for the MV GOLDEN BAY, PB Sea-Tow for the tugs KARORI, KATEA, GIBSON, COOK and KAITUNA; Silver Fern Shipping for the tankers KAKARIKI and TOREA, Stewart Island Experience Ltd for the Foveaux Strait catamaran launchmasters; Black Cat Group 2006 Ltd for the Diamond Harbour and Akaroa launchmasters; Strait Shipping for the SANTA REGINA, MONTE STELLO and KENT; NorthTugz for the Marsden Point pilots; Port Otago pilots; and Buller Port Services for the dredger KAWATIRI. A renewed Multi Employer Collective Employment Agreement was also concluded with five employers in the Offshore Oil and Gas industry.

Negotiations are pending or underway for collective agreements with C3 Ltd for its stevedore foremen, Pacifica Shipping (1985) Ltd to renew the collective for the Spirit of Competition and the Spirit of Endurance this year, Holcim and Golden Bay for the renewal of their collective agreements, Port Taranaki Westgate pilots, tug masters and pilot launch masters, Port of Tauranga pilots, tugs, launch and Customer Service Centre agreements, Port of Lyttelton pilots and tugmasters; CentrePort tug and launch agreement, Strait Shipping Ltd, Leonhardt and Blumberg for a new collective agreement, Real Journeys Ltd

launchmasters and crew, Stewart Island Experience Ltd launchmasters and crew, Port of Nelson pilots, New Zealand Dredging for the dredger Pelican, Buller Port Services Ltd for the dredger Kawatiri, Holcim Ltd for the Westport Harbourmaster and Deputy Harbourmaster, and McCallum Brothers.

Tower Superannuation Scheme

The introduction of Kiwisaver brought with it an entirely new legal and financial regime for superannuation schemes which forced all stand-alone schemes to merge into master trusts or make other arrangements. More than 18 months' work, the vast bulk of which was carried out by Trustee Chairman, Gerry Breen, was necessary to facilitate and monitor the transfer of the NZ Ship Officers' Superannuation Scheme into the Tower Life Saver Trust. The transfer was fraught with problems and in our view handled in an unsatisfactory manner by Tower. Only Gerry's vast knowledge and vigilance averted many mistakes caused by Tower's poor understanding of the special character of our scheme. We still believe that some errors may have occurred in the transfer and we urge members to thoroughly check and continue to closely monitor their account balances.

Litigation

A significant amount of resources were put into legal representation of Guild members again this year. The Guild maintains a high standard of representation for the membership in personal grievances, compliance, breach of contract and other matters. Paul McBride, partner at McBride Davenport James Solicitors continues to provide us with expert assistance and advice, often at short notice, and to represent the interests of Guild members. Paul and his colleague Guido Ballara both give excellent legal representation to the Guild and its members. The Guild was forced to defend Maritime New Zealand's successful appeal in the Court of Appeal in the matter of Mate/Master incident reporting case. Further appeal by the Guild to the Supreme Court on this issue was decided against after careful weighing up of many factors. The other major litigation this year is the Guild's challenge to Real Journeys' proposed axing of skipper jobs in its day cruise operation in Milford Sound. An interim injunction is currently in place preventing the termination of employment of Guild members pending a full decision from the Employment Relations Authority, which is expected in the next month.

Obituary

Capt. Michael John Perfect:

News of the recent death of Capt. Michael Perfect was received by all in the Guild office with great sadness. In his retirement Michael helped out with some special projects in the office and provided wise advice and moral support on many tricky issues. Michael's expertise went well beyond the bridge, and his input on industry matters was always very highly valued. He was a colourful, witty and intelligent member of the Guild staff, and will be greatly missed.

Committee of Management -2009 - 2010

Seagoing Panel:

Captain M J Webb (President)
Captain R Baldock
Captain J W Eveleens
Russell Petrie

Waterfront/ports industry panel:

Mr L W Butterfield (Vice President)
Captain R D James
Mr W T A Smith
Captain L Henderson

Inshore Passenger/Tourism Industry Panel:

Mr J Conrad

NOTICE OF MEETING

ANNUAL GENERAL MEETING

Members are advised that the Annual General Meeting will be
held in the Guild office, Xacta Tower, 6th floor,
94 Dixon Street, Wellington on Monday 31 August 2009

Commencing at 1430 hours