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Port job losses consequence of lack of national Ports strategy

Job losses on the Timaru waterfront as shipping lines Maersk and Hamburg Sud pull out of the container business in the South Island port are the inevitable result of New Zealand's lack of a national port strategy, and the continued exemption of shipping lines to coverage by the Commerce Act says the Rail and Maritime Transport Union (RMTU).

'All New Zealand ports are wholly or majority owned by local bodies, they compete for the business of foreign-owned shipping companies who can play the port companies off against one another,' said RMTU General Secretary Wayne Butson.

'It was only in 2009 that Primeport made all of its operational workers redundant and hired those that re-applied for their jobs on new inferior terms and conditions of employment in an effort to retain traffic volumes. Clearly the strategy didn't meet long-term the rapacious greed of these international shipping lines,' he said.

'It makes no sense for a remote country of four million people, dependent on the export of commodities, to have no coherent national ports strategy. Shipping companies sign up for short term deals with individual ports, they make the necessary investment in plant and infrastructure and as those contracts come up for renegotiation the shipping lines move their business on to the cheapest bidder,' he said.

'The result is a boom and bust business cycle for the ports which is no good for working families, the ratepayers in those towns and cities or for New Zealand as a whole,' he said.

'Many ports are over capitalised as they've invested to try, remain or be more competitive. They have little choice but to engage in cut throat competition in order to try and secure business in an attempt to provide a return on that investment to their communities,' he said.

'Timaru's port is a case in point. They invested in their container terminal and were successful in attracting business in the short term. Now they've been left high and dry and more than 50 families are faced with the prospect of their breadwinner being out of work,' he said.

'The downstream effect of that goes beyond those 50 or so jobs. There are dozens of jobs in local businesses who are dependent on the port that will be under threat.'

'The solution is to move to a national ports strategy that levels the playing field when we do business with the shipping lines. That can be achieved by taking the ports under central public ownership, thereby rationalising investment decisions and dealing with foreign owned shipping companies from a position of strength,' he said.

'That will require political courage but the potential benefits for all New Zealanders, whether they are a worker, taxpayer, and ratepayer or in business would be huge,' he said.

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For more information contact:

Wayne Butson, RMTU General Secretary, on 027 4962 461
John Kerr, RMTU South Island Organiser, on 027 246 4941