

# NEW ZEALAND MERCHANT SERVICE GUILD

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## NEWSLETTER JUNE 2007

### **Collective Agreements**

Negotiations have been concluded for renewal of agreements covering NZ Dredging for the *Pelican* dredge, Real Journeys, Toll Interislander, Port of Tauranga pilots, Westgate pilots, and the Offshore Multi-employer collective agreement. Negotiations are continuing for Leonhardt and Blumberg, Holcim, Toll Owens Logistics, Southport pilots/tugs, Port of Napier tugs/launch, Westgate tugs and pilot launch, Port of Tauranga tugs and launch.

### **Port Companies**

Five recent settlements for pilots' collective agreements have addressed the issue of retention and disparity of wages with earnings available overseas for pilots. Claims are also currently under consideration in two other ports. A new NZ market rate is now established, and pilots in the remaining ports will raise their remuneration claims at the appropriate opportunity.

A new government policy initiative presented by the Ministry of Transport to its Domestic Sea Freight Sector Reference Group asks whether the government should develop a port policy as part of a strategy on coastal shipping. Public consultation on a discussion document will be invited in July/August. The General Secretary, a member of the Sector Reference Group, and conveyed initial feedback on the discussion document, with input and assistance from a small group of members. The wider consultation process will include the whole Guild membership, and members' comments, questions and ideas will be welcomed.

### **Shipping Companies**

The collective agreement for Toll Interislander was signed this week by the General Secretary. This marked the closing point of protracted and difficult negotiations which frequently tested industrial relations and morale on the ferries. The company has recognised that the relationship between the parties must be improved, and the settlement this time includes a commitment to work towards enhancing the relationship.

Silver Fern Shipping continues to give open assurances to all the unions that *MT Taiko's* replacement with a newly built NZ flagged, NZ owned, NZ crewed tanker will occur in September or shortly after. Expensive chartering arrangements have been necessary in the interim.

## **Mediators – Fishing for “Yes”**

Mediating is like peering into the river holding a spear. This is how Walter Grills of the Dunedin Mediation Service describes his job.

He recently put in a 15 hour day with Guild and Real Journeys negotiating teams trying to get the two sides to a settlement. There were spreadsheets for Africa, percentage permutations galore, and bottomless cups of frightful coffee.

Walter's had the title of "MG" ("Mathematical Genius") bestowed on him by his young son, but even he was going cross-eyed at 11pm after 3.5%, then 4% + CPI, then 5% + 3.5%, then 5.25% + 3% were all entered at intervals into a mind-boggling excel sheet containing 20 individual pay calculations, and silently assessed. The waiting made drying paint seem like Formula One racing. He waited during stony-faced ruminating. He listened to long stories liberally peppered with examples, and disappeared for long stretches, no doubt to hear the other party's similar narratives. Or perhaps to meditate? Or practice the 34 consecutive tai kwon do movements he's memorised?

The art of chipping in at just the right moment got a good workout that night. Entrenchment, stonewalling and withdrawal were averted several times by a well timed comment or witticism. It's a talent of diplomacy that Walter's perfected so well that his interventions don't seem like lunges with a spear, but just natural additions to the collective consciousness at the table.

At 10 minutes to midnight when the whole crowd just wanted to run away dancing, he typed up the settlement document with two fingers. At 2 minutes to midnight both sides signed it. At 5 past midnight he let us all out into the Dunedin darkness and strode off melting into the black, waving behind him. Was that a fish in his hand?

## **Guild Industry Safety Initiatives Group**

Membership of the new "GISIC" committee has now been established. Ten experienced masters and pilots from around the country have all agreed to participate in the initiative and the first meeting will be held within the next month. A report on that meeting will be included in the next newsletter, but any specific recommendations arising from the committee's deliberations will be conveyed to the membership separately in a format to be determined.

## **Kiwisaver**

Work is continuing on the best means of including Kiwisaver into existing schemes. The MOSF has implemented its decision to include Kiwisaver in its existing structure. The NZSOS scheme trustees are still considering alternative structures under the Tower umbrella which may be advantageous to members and involve less set up cost. The Guild and AMEA are assisting with discussions and negotiations with Tower. The outcome will be known in the near future.

## Key elements of KiwiSaver are:

- Starts 1st July 2007.
- New employees aged 18 to 65 will be automatically enrolled into KiwiSaver when they start a new job but will be able to opt out of KiwiSaver from the end of week 2 after starting their job, until the end of week 8. Contributions start on the first payday but are refunded if the employee opts out.
- Existing employees can opt in.
- \$1,000 net kickstart from the government.
- Annual fee subsidy of \$40.
- If a worker stays or opts in to a KiwiSaver scheme the worker must contribute 4% or 8% of income (but until 1st April 2008, employer contributions can count towards the minimum of 4% and there are transitional provisions in that case from April 2008 until April 2011).
- Your contributions are matched by a tax credit of up to \$20 per week (\$1,040 per year) that will be paid directly into your KiwiSaver or complying superannuation fund account.
- From 1 April 2008, all employees contributing to KiwiSaver (and complying superannuation funds) will also be entitled to a compulsory matching employer contribution of 1% of gross pay rising by 1% each year until it reaches 4% in April 2011. There will be an employer tax credit, which will reimburse employers for matching contributions at the rate of 100 percent, up to a maximum of \$20 a week.
- There is no Specified Superannuation Contribution Withholding Tax (SSCWT) on employer contributions of up to 4%.
- IRD handles deductions.
- The employer can have a preferred scheme, but worker can opt for another scheme. If no-one chooses a scheme IRD allocates a default provider.
- A contributions holiday of up to 5 years can apply after 12 months. A worker can have more than one contributions holiday. Members will be able to apply for a contribution holiday in the initial 12 month period on the grounds of serious financial hardship.
- Contributions will be locked in until the age of eligibility for New Zealand Superannuation or five years after the first contribution (whichever is later).
- Earlier withdrawals are permitted only in circumstances of serious financial hardship, permanent emigration or to assist with the purchase of a first home after at least 3 years' contributory membership.
- After three years of saving, a first home deposit subsidy of \$1000 per year, up to a maximum of \$5000, will be available for first home buyers who participate in KiwiSaver. This will be available in 2010.
- A couple could receive up to \$10,000, provided they have a total household income below the income cap. This cap is still to be determined. Three or more people can combine all KiwiSaver participants' deposit subsidies, provided they had a total household income below the income cap
- Existing registered superannuation schemes will be able to continue operating independently of KiwiSaver, convert to a KiwiSaver scheme or establish a KiwiSaver scheme with their existing scheme under their

existing trust deed. Members of exempt schemes will qualify for first home assistance.

- Complying funds where the existing scheme or a section of the scheme complies with the minimum contribution and lock in requirements will qualify for all KiwiSaver benefits except for the \$1000 kick start and the \$40 annual fee subsidy.
- After three years of saving, some savers that are first home buyers will be eligible for a housing deposit subsidy of \$1,000 per year of saving, up to \$5,000 in total. Eligibility for the subsidy is determined by the individual's income and house price caps.
- After one year of being enrolled in a KiwiSaver scheme, individuals will be able to divert up to half of their own contributions to make mortgage payments on their principal place of residence. This will depend on the agreement of the provider and bank and they may attach some conditions. These contributions will not be eligible for the member tax credit.

For more information:

On our website read Peter Conway's (NZ Council of Trade Unions) "Kiwisaver - Information" <http://www.nzmsg.co.nz> (click on the Kiwisaver link); or have a look at the employee and employer guides now available on <http://www.ird.govt.nz/resources/file/eb07770c130a70a/ks3.pdf> and <http://www.ird.govt.nz/resources/file/ebd1f30da84fa34/ks4.pdf>

### **Union Company Commemoration - The "Union Rotoiti" Bell Fund**

A group of ex-Union Company employees are fundraising to have the ship's bell of the "Union Rotoiti" and a plaque incorporated into a commemorative display in the Holy Trinity Cathedral, Auckland. The cost of the project is estimated to be a minimum of \$5,000. If you would like to contribute, a Bank of New Zealand account in the name of "The Union Rotoiti Bell Fund" has been opened, account number 021257-0011332-97. For further information contact Alick Wilson, 278 Glenvar Road, Torbay, Auckland, [alick@xtra.co.nz](mailto:alick@xtra.co.nz) or Chris Barradale, 72F Ladies Mile, Remuera, Auckland, [barradale@xtra.co.nz](mailto:barradale@xtra.co.nz).

### **and finally.....Meeting venues and dates**

The Committee of Management has decided that for 2007, Wellington general meetings will be held bi-monthly, while Auckland will return to monthly meetings.

**Auckland**: meetings are held on the first Friday of every even numbered month and are held in the Aviation & Marine Engineers premises on the first floor Administrator House, 44 Anzac Avenue, commencing at 0930 hours on the following dates:

6 July, 3 August, 7 September, 5 October, 2 November, 7 December.

**Wellington**: meetings are held on the first Wednesday of every odd numbered month (except January) at the Guild premises on the 6<sup>th</sup> floor, 94 Dixon Street, Wellington commencing at 0930 hours, on the following dates:

4 July, 5 September, 7 November.