



AVIATION & MARINE ENGINEERS ASSOCIATION

Newsletter - October 2014

AMEA ANNUAL REPORT

— 1 JULY 2013 TO 30 JUNE 2014 by Jacqui Roberts, National Secretary



Another proud achievement. Jacqui with her son Zac who graduated with an Engineering Degree this year

BACKGROUND

The Aviation and Marine Engineers Association is a not for profit incorporated society (union). As such we are legally bound by our rules to provide to each financial member a copy of our annual accounts, auditor's certificate and an annual report. While reading accounts may not be everyone's cup of tea, it is important for members to check the ongoing financial viability of your union and to read the notes and auditors report inserted.

This is my fourth annual report since being elected to the role of National Secretary. I am pleased with our financial position this year. We have recouped some of the deficit from last year and this will further be consolidated when we receive recompense from Air New Zealand for our legal costs in the forthcoming financial year.

FINANCIAL POSITION

Our annual accounts were presented to the Annual General Meeting on 7 October 2014 and accepted unanimously.

The 2013/2014 financial year was unremarkable, in so far as the accounts reflect a satisfactory surplus for the AMEA. This year the Statement of Financial Performance [Schedule 2] shows a **surplus after**

taxation of \$66,394. This surplus was achieved by a small increase to subscriptions at the beginning of the financial year and by the consolidation of savings having an organiser based in the South Island.

Items of note in Schedule 2:

- The affiliation fee is higher than last year because the International Transport Workers changed their invoicing date by one day which crossed over our financial reporting year. As a result we paid two affiliation fees to them in the 2013/2014 financial year but none the previous year.
- The Travel and Negotiation and Car and Parking Reimbursement expenses were less than the previous years' due to the Auckland-based organisers not having to travel to the South Island. Having an organiser (Bob Brough) based in the South Island has reduced these costs and also given our Southern members quicker and more regular access to an organiser, as required.
- The previous year included legal costs of \$193k which resulted in a net deficit for that year of \$125k. This year our legal costs were \$43k, which includes the successful defence of an appeal by Air New Zealand in the Court of Appeal. We have since negotiated with Air New Zealand the reimbursement for some of our legal fees. These will be accounted for in the 2014/15 financial year.

Schedule 1 shows the Statement of Financial Position, i.e. the AMEA's assets and liabilities. It shows that **the AMEA has a total of \$676,843 in Accumulated Funds.**

The AMEA holds its assets in the form of term deposits to ensure that we have ready access to cash should we require it. This year we added \$55k to our term deposits to rebuild our "war chest". This will increase by a significant amount this coming year when we receive the reimbursement for legal costs from Air New Zealand.

The AMEA Executive's goal is to hold the equivalent of one year's subscriptions in our term deposits to ensure that we have the security to withstand any challenges to our future or to take on legal challenges should it be required. When you are a medium sized union (as we are now), we need to have the ability to challenge large corporate businesses and survive. I am pleased to say that we have successfully managed to do this over the last couple of years without the need to consider merging with other unions.

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General Meetings:

Auckland:

Tuesday 2nd Dec 2014

Tuesday 3rd Feb 2015

Tuesday 3rd Mar 2015



MEMBERSHIP

Pleasingly, the membership has increased this year to 2411. The only two divisions to lose members were the Aviation Technicians (ATA) and Managers Divisions.

The ATA lost a total of 40 members. This was due to voluntary redundancies in Line Maintenance and also from the 50 members at Air New Zealand Technical Operations who were persuaded to join the EPMU. We have also made significant membership gains in other ATA sites e.g. the Christchurch Engine Centre.

Some of our longer serving members at Air New Zealand (former AIOU members) retired or were made redundant this year. Most of these members were in our Managers Division as they were on Individual Employment Agreements. We wish them well in their retirement and thank them for their support over many years.

The biggest growth is in the Administration Division, which has increased by 29 members. The Administration Division primarily covers members who are non-engineers but who work for Air New Zealand in support roles. The new members have mostly come from Auckland International Airport.

The diversification in our membership has allowed for the loss of members in the ATA to be somewhat offset by the Administration members.

The table below indicates an increase of 7 members compared to the same period last year.

MEMBERSHIP	JUNE 2013	JUNE 2014
Flight Engineers	2	2
Administration	341	370
Managers	132	121
Salaried Engineers	523	525
Aviation Technicians	869	829
Marine	293	306
Industrial	212	226
Flight Planners	29	30
LIFE MEMBERS	3	2
TOTAL	2404	2411

GENERAL ENVIRONMENT

The employers whom the AMEA deal with have continued to face challenging times financially, especially those businesses exporting goods overseas. The high New Zealand dollar has not reduced by much despite government interference. We have been fortunate that none of the AMEA employers have gone out of business, however they have been constantly looking at how to reduce costs. It is a tough business environment.

One of the largest business costs is labour, which means labour is always under review. General wage increases have been difficult to achieve, with more than one employer offering a 0% wage increase. Restructures and reorganisations seem to be a way of life in New Zealand work places at the moment. This creates job insecurity for our members which means

that members in a lot of circumstances are not prepared to take a stand to achieve higher pay increases.

The Centre for Labour, Employment and Work (CLEW) at Victoria University found that it does pay to be on a Collective Employment Agreement (CEA) rather than an Individual Employment Agreement (IEA). Their research (which the AMEA contributes to) found that the average pay rise per year for members on CEAs was 2.6% a year. For all workers, according to Statistics New Zealand's Labour Cost Index (LCI) was 2.1% a year. They also found that employees on CEAs get bigger and more frequent pay rises, better job security, leave, redundancy pay, have better consultation processes, and more say in their working conditions. Over the years the AMEA has also found this to be true especially with our IEA members at Air New Zealand.

While the average pay increase last year was 2.6% it is above the 2014 Consumer Price index (CPI) of 1.6% and above next year's predicted CPI of 2.2%.

The changes to the Employment Relations Act have not eventuated yet. The timing of the national election has delayed these, although we are expecting these amendments to be voted through soon.

TEAM AMEA

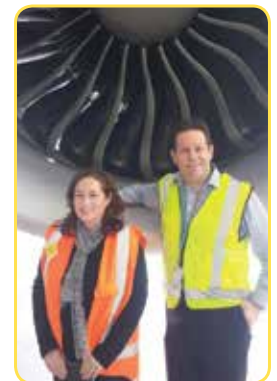
The AMEA team of organisers has remained the stable this past year. We faced a wee challenge with Stan taking sick leave for a few months but the team pulled together taking on much of Stan's work in his absence. We are also fortunate that some of the union reps helped out on site by taking on more responsibility. We did have a few issues but as a small team we appreciated your help and understanding during this time. I am pleased to say that Stan has recovered well and is now back on deck fulltime.

This past year, Pat Lott (our Office Administrator) retired. Pat was an integral part of the AMEA and we were sorry to see her go. Over the 14 years Pat was with us her role had evolved from that of a typist/receptionist to one which took on more of a financial focus. Hence, we were keen to employ someone with a financial background to manage the office and to take most of the financial duties off the National Secretary. We are pleased to announce that we have employed Nicolette Carrington into the Financial and Office Managers role. Welcome aboard Nicolette.

Nicolette Carrington – Finance and Office Manager

Nicolette is employed on a part-time basis and works school hours in the Finance and Office Manager role. Nicolette brings a wealth of experience from her previous roles with big companies. She is keen to implement new and efficient systems.

Nicolette is your initial point of contact in the AMEA office and she will answer any membership queries you may have. We are pleased to have Nicolette join us and hope she enjoys working with us all.



Nicolette and Chris Mills GM HR Air NZ

CHRISTMAS SHUT DOWN

The AMEA office is closed from midday 24 Dec until 12 Jan 2015. For urgent matters please contact the organisers on their cellphones.



Stan Renwick - National Organiser

During the year, Stan continued to have the primary responsibility for the Marine Division. He also organised in the Industrial and Air New Zealand ATA Divisions which he shares geographically with Bob Brough. While these are Stan's allocated work areas, Stan is happy to work anywhere and often pops up where he thinks he can be of assistance. Stan is passionate about his work and the members. He is also extremely loyal and passionate about the AMEA much to the annoyance of other unions.



After 4 years with the AMEA, Stan has inserted himself into our lives to such a degree that we actually miss him, his stories and humour when he's not around! Keep well Stan.

Penny Dillimore - National Organiser

Penny represents members from Air New Zealand employed in the Ground Staff, Airports and Flight Planners Collective Agreements. She also organises members at the Christchurch Engine Centre but is willing to lend a hand in any area when asked.



Being an ex-manager with Air New Zealand can have its disadvantages, however for the AMEA it definitely has been a benefit for us. Penny has in-depth knowledge of Air New Zealand's policies and procedures to such an extent that it often exceeds those of current management. She is able (usually) to work well with management to get good results for our members.

Penny has a compassionate nature and goes above and beyond her work requirements to assist members when required.

Bob Brough – National Organiser

Bob is responsible for organising our South Island sites. This includes such sites as Airways, Silver Ferns Farms, Alliance, Christchurch City Council, Air New Zealand etc. Although Bob is based in Christchurch he does spend a considerable time on the road working out of his car.



Bob is an experienced South Island organiser with a passion for righting the wrongs which have been done to members. Bob is always keen to engage directly with an employer on behalf of the members. He is persistent and articulate which results in good outcomes for the members. Bob is always keen to discuss a problem and will jump in and lend a hand when required.

MEETINGS

The AMEA has continued to hold monthly General Meetings in Auckland. We have been struggling to get quorums of 7 members attending these meetings. Your attendance at these General Meetings is appreciated and it is an opportunity to exercise your democratic right to direct the union. The General Meetings are held on the first Tuesday of every month except January. Dates of meetings are announced in the AMEA Newsletter.

We have also held 4 Executive Meetings and an AGM during the year.

EXECUTIVE COMMITTEE



Steve Bovaird



John Stickley

President:	Steve Bovaird
Vice-President:	John Stickley
National Secretary:	Jacqui Roberts
Ross Gosling	Craig Campbell
Tim Rogers	Dave Rowe
Tania Lee	Sandra Henderson
Tom Duncan	Murray Painton
Ian Cox	Mohammed Suliman
John Fraser	David Bainbridge-Smith

The Executive Committee is comprised of the President, Vice President, National Secretary and the Chair and Vice Chair from each of the AMEA's active Divisions.

Steve Bovaird and **John Stickley** continue in their elected roles as President and Vice President respectively and Jacqui Roberts is the current elected National Secretary. There was one change to the Executive during the year when Mohammed Suliman replaced Rob Patterson as one of the Flight Planner representatives.

The Executive Committee is responsible for the good governance of the AMEA within the objectives as set out in the rules. As evidenced by the financial accounts, the Executive Committee has continued to provide the AMEA with good governance to ensure the continued viability of the AMEA.

I would like to record my appreciation of Steve, John and the Executive Committee for the dedication and support that they give to the AMEA year on year to make your union a success.

CONCLUSION

Each union and business has its own identity, values, behaviours and objectives. While the AMEA's objectives are written in our rule book, it was nice to hear that these objectives are being put into practice and recognised by management. One HR practitioner stated that unlike another union on their site, the AMEA puts our members first. While it seems like a no brainer, he went on to say that the other union's organiser appeared to be intent on furthering their own career at the expense of their members' interests.

Being a middle sized union which is not politically affiliated allows the AMEA to focus on our members, not internal union infighting or national politics.

OBITUARY – KAREN LEE

Written by Jacqui Roberts, National Secretary



Karen Lee, Jacqui Roberts & Shelley Clark at the ITF Workshop 2004

I first met Karen in 1998 when the Airline Officers Union at Air New Zealand Engineering decided to join the AMEA. Because there were a number of females who were joining the AMEA, the then National Secretary John Bainbridge decided he wasn't very PC and a female was needed to represent the new group of Clerical and Classified Officers.

Karen began her involvement with the AMEA as a union delegate. She was subsequently elected onto the AMEA's Executive Board and then this year became a Life member of the AMEA. She is our first female life member.

As a union delegate Karen had many special qualities. She respected an individual's confidentiality, provided a sympathetic ear, had a good understanding of the Collective Agreement and provided good common sense advice. She followed issues through right to the end with members and provided support for them throughout any process. Karen also had good relationships with management which assisted her in getting good outcomes for members. While Karen looked meek and mild and had that Motherly persona, she was also very persistent, stubborn and feisty.

Karen's family was her highest priority. She loved and supported them and ensured that they were looked after. She loved to have them around her. At one stage there were 4 Lees working at Tech Ops: Karen, Raymond, Craig and Tania.

Christmas was a special time for Karen. In addition to the usual lolly jar in Publications, Karen dusted off the Christmas decorations and started alternating her Christmas brooches and earrings. Some earrings even flashed!

Karen continued her friendships with work mates long after they left AirNZ. She was active on Facebook posting lots of photos of her family of course and her travels. My last contact with Karen was via Facebook chat when I asked how she was doing. She said "I am doing OK. Boys are here from Perth so family all together. It feels good. Just time to thank you for all your support." Which was typical of Karen. Thinking of others.

So, thank you once again Karen. Thank you for all your support. We will miss you so much.

NATIONAL SECRETARY ELECTIONS

Nominations for the position of National Secretary were called for in the March Newsletter. Only one nomination was received. Hence, Jacqui Roberts has been elected unopposed to the position of AMEA National Secretary for another 4 years.

PROPOSED ADDITION TO AMEA RULES

At the last Executive meeting, following discussions at several general meetings, it was agreed to allow deck officers to join the AMEA. The following addition to the rules was agreed (see shaded additions).

4. MEMBERSHIP

Membership shall be open to persons employed or engaged to be employed as: ...

"4.9 *Masters and Deck Officers
Cadet and trainee officers*

on New Zealand crewed and partially crewed ships and vessels, including those engaged in the off-shore oil/gas operations industry in New Zealand coastal waters who form part of the ships or vessels compliment whether they are on ships articles or not. The foregoing applies to persons employed full-time, part-time or casually on duty and off, and includes persons engaged to relieve in these positions."

In agreeing to open up membership to deck officers, the Executive considered the following:

- ➔ Over the years we have been approached by many deck officers who currently belong to the NZ Merchant Service Guild (Guild) but would like to join the AMEA. Due to our rule restrictions we cannot accept them. The Guild changed their rules some years ago to allow engineers to join them. The only engineers who we are aware of belonging to the Guild are the Ports of Lyttleton Tug Engineers and the Ports of Auckland Tug Operators (who belong to both the Guild and AMEA).
- ➔ The Guild and the AMEA leadership have met to discuss forming an alliance between the two unions. We mostly attend the same negotiations which results in a duplication of resources. We also believe that the AMEA negotiations get undermined by the Guild. If we were in the same union we would have control of the negotiations.
- ➔ We have been told that some of the deck officers are not happy with their representation in the Guild. They believe that the Guild is being run by the Masters and their needs aren't being met. The AMEA did discuss excluding the Masters from proposed membership but there will be occasions where a first mate, for instance, will act up as a Master.
- ➔ Masters are also more exposed to more liability and potential legal action should an incident occur on board the ship. We believe that Guild members pay 0.86% of their salary to be a member of the Guild. A Masters salary is around \$140k. That would mean that their fees would be more than 3 times ours at \$1200. We also don't want Guild members to change purely based on price. Hence, we suggest that should Guild members want to change then they should pay the AMEA membership fee plus a "legal levy". This levy is to top them up to what they currently pay at the Guild to cover potential legal liability. These fees would be set aside in a separate bank account.
- ➔ The engineers do not want to be outvoted by the Deck Officers should they join the AMEA. To prevent this we have suggested that the Deck Officers have their own Division within the AMEA. This will ensure that each Division votes separately and the requirement of 50%+1 is required of both the Deck Officers Division and the Marine Engineers Division.

The AMEA does not want to put the Guild out of business. We believe that if their current members are not happy with the representation then they should address it with the Guild leadership. However, should the AMEA decide to take on a group of deck officers at a later date then we want to have that option.

NEWS BRIEFS

MARINE



OFF SHORE AGREEMENT

As part of the settlement of this Agreement the parties agreed to meet during the term to address the question of "Revalidation". To date no progress has been made in part due to the retirement of the advocate from the Port of Taranaki and an unwillingness by employer parties to engage with the Unions at this time. Members will be aware that Maritime New Zealand have been slow in tabling their requirement for the industry.

HOLCIM

Ratified a three year term with yearly increases of 2.0%, 2.0% and 2.75%.

PACIFICA

Under negotiation. Some progress has been made in the Collective re-write but little progress has been made when it comes to addressing claims.

CENTREPORT

Ratified a three year term with yearly increases of 3.0%, 3.5% and 4%.

PORTS OF AUCKLAND

The following two year settlement was ratified: year 1 – 3.0% back dated to expiry and year 2– 3.5%. Other changes agreed to are the:- Deletion of Picnic Day, Annual leave increased by one day, agreement reached in principle for employer to make payments for revalidation of marine qualifications and access of employees' vehicles within the outer perimeters of the Ports of Auckland when required to start early.

PORT OF TAURANGA

Bargaining has been initiated. Agreement has been reached on the increase subject to the CPI and the remaining issues centre around shifts and telephone payments.

PORT OF OTAGO

The following 3 year settlement was ratified: year 1- 2.85%, year 2 - 2.85% and year 3 - 2.5% or CPI, whichever is the greater.

SOUTH PORT

Currently under negotiation. The employer has offered a 2 year deal of; year 1 - 2.5% (backdated) and year 2- 2.5% or CPI (whichever is the greater).

AWANUIA

Back to the drawing board with the employer withdrawing all previous offers and playing hard ball.

SILVER FERN SHIPPING

Offer of 1.5% for year 1 and 2% for year 2 is out for ratification. The 2nd engineers have also been offered two increases of 1.5% midterm in recognition of increased responsibility.

NIWA AND STRAIT SHIPPING

Still under negotiation.

INDUSTRIAL



WATERCARE SHIFT OPERATORS

Negotiations are underway for the renewal of the Operator Collective Agreement. The employer has tabled three contentious claims; Random Drug Testing, a two Year Term, and the removal of a Holiday Entitlement that had been agreed when the plant went to a seven day/twenty four hour roster.

WATERCARE TRADES AGREEMENT

Claims to be exchanged and dates set to start negotiations.

WATERCARE ROSEDALE

Rosedale (on Auckland's North Shore) is a new site for us. We look forward to getting to know our new members. Welcome aboard.

CHRISTCHURCH CITY COUNCIL

Under negotiation.

SILVER FERN FARMS

- ➔ **Pareora and Finegand:** 2 Bargaining Meetings have been held for both sites, with a formal Labour Dept Mediation in Dunedin. Once again, no wage offer in current financial year therefore no settlement. We are currently attempting to arrange further meetings as the new financial year commenced on 1 October.
- ➔ **Shift Engineers:** not settled, but we have been offered the Meatworkers 3 year deal (with no increase in year 1) on the table. We attended Mediation to settle Bobby Calf Kill short season at Fairton.
- ➔ **Pareora Trade Guild:** 1 meeting same outcome as above i.e.nothing!!!

AFFCO

A one year deal of 1% is out for ratification.

RAVENSDOWN

The following settlement was ratified for 3 of our Ravensdown sites: 1 year term 3% and new conditions agreed to offset proposed changes to ERA.

THANKS FROM STAN RENWICK

On a personal note may I thank members and the staff of the AMEA for their good wishes and support during my recent illness. My family and I appreciated the concern shown. **Stan**



AVIATION

AIR NEW ZEALAND

High Performance Engagement (HPE) – This new way of working has still to get off the ground officially. The Air New Zealand unions and the company haven't agreed on the objectives and confidentiality agreements but Airports and the Regional Airline Working Parties have gone ahead.

Gas Turbines Salaried Group – an early rollover of 2.25% and 2.25% on salaries and allowances was ratified. A variation to coverage and job classifications has been ratified.

Tech Ops Salaried Group

- ➔ a rollover of 2.25% and 2.25% on salaried and allowances plus a one-time payment of \$300 in lieu of settling 2 months early was ratified.
- ➔ There are a lot of small working parties being set up all over the place with an HPE flavour. Planning, Components and even the Asset restructure were said to be HPE influenced.

Line Maintenance

- ➔ After a successful outcome to our legal challenge, the AMEA entered an interest based bargaining process facilitated by RAI. We achieved a satisfactory outcome but we are still waiting for the money. Air New Zealand is requiring the EPMU to agree not to pursue any costs against them before they will pay us. Our solicitor contacted the EPMU in July and are still waiting for a response.
- ➔ We have signed variations for new shifts patterns in Christchurch, Wellington and Avionics in Auckland. Auckland Nights 4 and 4 Shift pattern is working well. Auckland Mechanical Days are currently trialing a new shift pattern which goes until the beginning of February.

Wide Body Heavy Maintenance (WBHM) – the company has well and truly departed from considering any Wide Body Heavy Maintenance in Auckland. The first round of voluntary redundancies have gone. The company are currently looking to reduce staff numbers by 97. They have called for volunteers, proposing that about 30 redundancies go in June 2015 and the rest December 2015. Hopefully there will be enough volunteers otherwise the company will be considering compulsory redundancies.

Flight Planners - The CA was renegotiated after some rather protracted bargaining at the end of 2013 for a 2 and half year term. Likewise it seems to be taking the same period of time to agree the KPI metrics for this group, however the company has guaranteed 6 months full payment to date.

Operations

- ➔ There has been a solid move to the AMEA in this area which strengthens our position in the Operations area of Air NZ. Membership increases in the PAXCO, Crew Controllers and Ops Controllers sits well with our stronghold of Load Controllers and others covered under the Ground Staff CA.
- ➔ With a 2.8% GWI payable to all covered in this agreement late October this CA enters its last year of term.
- ➔ The AMEA along with a representative group from our membership in the PAXCO area is working with the company to look to define a new support role. Once this role is defined we will be looking to include it along with the PAX Care roles into the Ground Staff CA by way of variation.

Holiday Stores - currently defining the KPI metrics for the FY15 year that give our members the best opportunity to achieve and ones that are seen as incentives and rewards rather than unachievable as in past years.

Airports

- ➔ Our membership continues to grow at Auckland International Airport and our delegates have been actively involved in the High Performance Engagement project at Airports. Tasked with reviewing business practices at the Airports to see how the work could be done more efficiently to increase productivity and save an estimated \$15m in costs.
- ➔ The basis of the HPE concept is that “people closest to the problem find the solution” has meant our members and delegates get to be actively involved in looking at solutions. To date an estimated \$10m in savings has been identified. There is still considerable work to be done to implement many of these initiatives. The company has given an assurance that there will be no involuntary redundancies as a result of the HPE initiatives.
- ➔ The last GWI increase of the current CA was applied in July of the year at 2.8% with the CA due to negotiated for renewal on 1 July 2015.
- ➔ The member cleaners at International covered under the Ground staff CA receive their 2.8% GWI increase at the end of October 2014.



Warren (AMEA Rep), Christopher Luxon (CEO Air New Zealand) and Tai

AIRWAYS

Achieved a mediated settlement for a member who has now left the business.

EMIRATES

Ratified a two year deal with yearly increases of 2.5%.

CHRISTCHURCH ENGINE CENTRE

Aircraft Workers CA was renegotiated for a 2 Year term. GWI for the first term of 10 months was 2.6%, plus a one off payment equivalent of 2.6% from all wages and allowances from 01 June 2014, effectively made this increase 3.3%. Year 2 GWI 2.6%.

The CA was previously a MUCCA with the EPMU, however the EPMU did not support the initial rollover proposal from the company and choose to bargain separately.

It was disappointing to see the agreement split after many years but as the majority union on site, it does enable our union to get on with business and support the membership. Our membership is very strong at the CHCEC and getting stronger thanks to the great work of our delegates on site.

The consolidation of the CHCEC onto one worksite did force a reduction in headcount as a number of salaried roles. This was handled by way of voluntary redundancy, which saw a small number of members apply, including Alan Wilkinson our delegate.

Allan was the corner stone of the Salaried Group at the CHCEC and we are very grateful to his contribution both as a delegate and a previous Executive member to the AMEA.



Allan Wilkinson (right) with Terry Huxford and George Panfilow