

New Zealand bus drivers reject union-backed pay deal

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The deepening resistance by New Zealand workers to attacks on living standards was highlighted this month by the rejection of a union-backed management pay offer by Auckland-based drivers and cleaners from NZ Bus. The stance by workers followed five months of bitter struggle involving strikes and a week-long employer lockout.

Four unions—the Engineering, Printing and Manufacturing Union (EPMU), National Distribution Union (NDU), Auckland Tramways Union and the Akarana Union—backed the deal at a mass meeting in Auckland on November 4. After two hours of discussion, the 700 workers voted by a 55 percent majority in a secret ballot to reject the dismal deal, which amounted to an increase of just \$NZ2 an hour by the end of a three-year contract. The offer included a \$500 per person bribe from the Auckland Regional Transport Authority (ARTA) designed to swing the vote the company’s way.

The deal was part of a proposed new employment agreement covering 900 workers agreed by the company and unions behind closed doors the previous week. NZ Bus is contracted by ARTA to operate 70 percent of public bus transport in the country’s major city, including services provided through Metrolink, North Star, Waka Pacific, Go West, Link and City Circuit buses.

NZ Bus operations manager Zane Fulljames immediately denounced the workers, saying their decision “completely beggars belief”. He also lambasted the unions for failing to deliver the expected result. “The unions agreed to take and recommend the offer to their members. This did not happen,” he bitterly complained.

However, Combined Unions spokesman Carl Anderson emphatically rejected any suggestion that the unions had not tried to sell the deal. He told Radio NZ that they had “strongly” recommended it as “the best deal that we could get”. Anderson said that the negotiators were aware that the vote could go either way.

The drivers and cleaners are poorly paid and regularly have to

work split shifts and unsociable hours. The previous collective agreement expired on July 4, with the company offering a rise of just 3.5 percent. The unions sought an immediate increase of 6.8 percent, rising to 12.6 percent over three years, plus an increase in the overtime rate from time-and-a-quarter to time-and-a-half. After rejecting the latest union-backed deal, several workers told Radio NZ’s “Checkpoint” program that it was simply not enough for them to live on.

The unions quickly moved to reassure the company and local government officials that they had no plans for further industrial action. Bitter recriminations followed. Andersen accused the Tramways Union of “breaking ranks” by allegedly urging “rejection rather than ratification. Tramways Union president Gary Froggatt immediately issued a denial, saying he had backed most of the offer but had been instructed by members to point out the pitfalls of two “clawback” conditions.

The NDU, which represents 32 drivers, withdrew from the negotiating team and announced it intended to accept the offer, provoking an angry response from NDU members. One wrote in a blog published on the *Indymedia* web site that the union had “lurched to the right” under the leadership of “lifelong union bureaucrat” and former Maoist Robert Reid. The NDU subsequently agreed to re-join the negotiations.

Throughout the dispute, the four unions deliberately limited the campaign. On October 8, NZ Bus withdrew 700 buses from its Auckland routes and locked out the workforce after the unions initiated a limited work-to-rule. The company declared it would not lift the lockout until the unions removed their notice of action and submitted to negotiations facilitated by the government’s Employment Relations Authority (ERA).

NZ Bus’s actions quickly alienated large numbers of stranded commuters. The company lost subsidies worth \$NZ1.1 million (\$US800,000) over the course of the lockout, while the Auckland Regional Council, facing mounting public pressure, threatened to cancel all NZ Bus’s contracts if bus services did not resume.

The unions, however, came to the company's rescue by offering what the NDU boasted was a "constructive compromise"—agreeing to drop notice of industrial action and return to mediation if NZ Bus did the same. The company lifted the 7-day lockout and talks restarted.

The ERA declared that while the bus drivers were definitely underpaid, NZ Bus was "not in a financial position to meet a major realignment of bus drivers' wages at the current time". Accordingly, it recommended a rise amounting to 40 cents an hour less than the company's previous best offer. The workers overwhelmingly voted down the ERA's recommendation, which was followed by further talks that produced the deal that was rejected on November 4.

The steady erosion of pay and conditions is a product both of the present economic downturn and the protracted process of privatising public transport. The Labour Party set the stage for the sell-off in the 1980s through the transformation of public services, including NZ Rail, into profit-making State-Owned Enterprises. In 1993, the National government sold the rail corporation for \$328 million to a consortium of local and overseas companies.

Bus services followed. The Scottish company Stagecoach took over the privatised Wellington City bus system in 1992, then in 1998, did likewise with the Yellow Bus Company from the Auckland Regional Services Trust. Without exception, the privatised transport operators have sacrificed jobs, conditions and safety to the drive for profit.

Infratil, the current owner of NZ Bus, which has a book value of \$211.8 million, baldly states on its web site that its aim is "to provide its shareholders with a consistent return of 20 percent per annum over the long term." Further cost-cutting and restructuring is inevitable amid current government moves to amalgamate six local authorities in the Auckland region into one "super city".

The vote by bus drivers and cleaners reflects a rising tide of opposition to the moves by employers and the government to place the burden of the economic crisis onto the backs of the working class. Figures released by Statistics NZ this month showed 53 percent of salaries and wages have been stagnant over the past year. Moreover, according to an Employers and Manufacturers Association survey, remuneration for one in five jobs was cut over the same period. A number of significant struggles are underway, many over pay, including among couriers, hospital workers, miners, parliamentary staff, public servants and tertiary education teachers.

The conservative National Party-led government has relied entirely on the union bureaucracy to contain this opposition to

its austerity agenda. Since participating in the government's fraudulent "Jobs Summit" early this year, the unions have helped enforce plant closures, shorter working weeks, wage cuts and rising unemployment. None of the unions have lifted a finger in a series of employer lockouts designed to starve workers into submission.

For its part, the opposition Labour Party helped established the framework for stifling industrial action. Its Employment Relations Act (2000), which has been kept in place by the Nationals, narrowly restricts strikes to the bargaining period for a new contract, outlawing any action deemed to be a "sympathy" strike or "political" stoppage. As collective bargaining can only be undertaken by a union, only union members—that is, less than 20 percent of the workforce—can lawfully strike. General strikes are illegal. The so-called "independent arbiter"—ERA, also created by the last Labour government, has invariably sided with the employers.

Over the past week, the Combined Unions have been involved in frantic negotiations with NZ Bus, under the auspices of a government mediator. An "agreed position" was announced last Saturday, which will be taken to ratification meetings this Thursday. Andersen would not divulge details but told the *NZ Herald* that "the number of issues between us" had been small—a clear indication that the new agreement will be little different from the previous one.

The determined opposition of NZ Bus workers to one wretched pay deal after another is important, but not sufficient to defend their fundamental rights. Without a rebellion against the unions, workers will be isolated and worn down by union leaders who are seeking to ram through a deal that meets the needs of the company. Such a step involves an independent political and industrial struggle, not just against NZ Bus but against the unions, the Labour party and the government, based upon a socialist program that aims at the complete transformation of society in the interests of the vast majority, not the wealthy few.



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