

New Zealand rail union pushes pro-company collective agreement

Our correspondent
3 August 2016

The New Zealand Rail and Maritime Transport Union (RMTU) is seeking to force through a new employment contract negotiated with the international rail consortium, Transdev. The company, in partnership with South Korea's Hyundai Rotem, took over Wellington's passenger rail service on July 3.

The Labour and Green Party-dominated Greater Wellington Regional Council (GWRC) announced in December that it would privatise the service. The previous operator and unsuccessful bidder for the new contract was Tranz Metro, a subsidiary of the state-owned rail company, KiwiRail. Transdev's 15-year contract covers passenger services in the lower North Island, including the heavily-used Kapiti, Hutt Valley, Melling, Johnsonville and Wairarapa lines.

The RMTU held stopwork meetings on July 28 to present the employment contract to locomotive engineers, train managers, passenger operators and train examiners. Not all workers could attend as the union claimed that a full halt of services would constitute "industrial action." The previous collective agreement between KiwiRail and the RMTU expired last month.

Transdev has promised to save the GWRC \$100 million across the life of the 15-year contract, by, it claims, increasing on-time performance, reliability and customer patronage. However, the company will be able to make the large savings only by attacking jobs and conditions across the board. The Multi-Employer Collective Agreement (MECA), which is to run for one year, is intended to contain costs in order to pave the way for future attacks on rail workers.

Transdev's chief operating officer Alan Bannister was allowed to address the union meetings to promote the company's "productive business" model. A union-company "Memorandum of Understanding" seeks to obscure the real agenda by falsely promising the "same

or more favourable" wages and working conditions. If this were true, there would have been no purpose in changing rail operators.

In fact, Transdev will operate under the National Party government's "public transport operating model." Unveiled in 2011, it targets bus, ferry and rail services for private operation with the objective of "less reliance on [government] subsidy" and creating a "fully commercial" service. Since 2008, the government has sold other state-owned companies, cut thousands of jobs at NZ Post, sold power generators and public housing. KiwiRail, which is presented in the media as a "burden" on taxpayers, has been a target of cost-cutting and privatisation for some time.

The MECA entrenches existing inadequate on-board manning levels, which are opposed by train managers and ticket "clippies," and pose a safety risk to passengers. The proposed wage increase of 2 percent on hourly rates and allowances is only marginally above the official inflation figure of 1.6 percent per annum.

The meagre increase is well below the increasing costs hitting working people, particularly in housing, food and transport. House prices across the Wellington region skyrocketed by 10.2 percent in the year to June, which has also added to pressure on rents. In the June 2016 quarter, petrol prices rose 5.3 percent.

RMTU general secretary Wayne Butson told the union meetings that Transdev workers in Auckland had recently voted to accept a wage increase of 2.85 percent in the first year and 2.25 percent in the second, after earlier rejecting two previous offers. Butson opposed fighting for even this paltry increase in Wellington, accusing workers of being unwilling to fight and plagued by "apathy." The union has assured Transdev and the GWRC that it proposes no industrial action

over the new contract.

The RMTU will ratify the new agreement on the basis of a two-thirds majority vote in a profoundly anti-democratic secret ballot. Those who do not return their ballots are counted as part of the yes votes for the contract. Workers opposed must mark a box with an “x” and return their ballot to the union’s national office. Voting closes on August 12.

Transdev operates commuter rail and bus services in 20 countries, and ran Melbourne’s rail and tram service from 1999 to 2009. In Sydney, Transdev operates the light rail system, whose drivers and conductors held a second strike for 24 hours last month over crowded carriages, increased driving shifts and unreasonable passenger loading times.

The opposition parties, Labour, the Greens and NZ First, earlier postured as opponents of the GWRC’s decision to privatise rail. However, NZ First leader Winston Peters’ main criticism was that profits would flow to “large overseas companies” like Transdev. The Green Party similarly attacked the government for allowing “huge foreign companies” to run “key infrastructure services.” The history of rail privatisation, however, demonstrates that New Zealand investors like Michael Fay and David Richwhite are no less rapacious than foreign ones.

Throughout a protracted assault on rail workers, the RMTU has collaborated with a series of successive public and private owners, who have gutted services and made workers pay the price with cuts to jobs and conditions. Rail staff levels are 3,700 today, compared with 21,000 in 1982. Working conditions have been eroded, with the introduction of part-time, casual and split-shift work to undermine full-time permanent employment.

In 2012, the RMTU played the central role in axing 200 jobs at KiwiRail and slashing \$14 million annually from the company’s wage bill. Plans to make the workforce bear the brunt of the cost-cutting program were outlined in joint union-management “consultation” meetings at which the RMTU boasted it had put forward “all options for achieving cost savings.”

In February, KiwiRail chief executive Peter Reidy revealed to a parliamentary committee that another 300 jobs are to be cut this year, bringing total job losses to 800 over two years. In addition, the rail and passenger

ferries, which operate between the country’s North and South Islands, could be lost as the company “looks at the way it shifts its freight across the Cook Strait.”

Bus drivers are now facing similar assaults. The GWRC ends its contract with Infratil’s NZ Bus in Wellington next year and will seek to drive down costs by opening up bus routes to competitors. Drivers employed by NZ Bus voted at Tramways Union stopwork meetings earlier this month to strike if new operators threaten wages and conditions. In February, over 1,000 NZ Bus workers in Auckland took strike action in response to attacks on conditions, including increased driving hours without adequate toilet breaks.

The Socialist Equality Group (NZ) calls on rail workers to reject the cost-cutting deal being promoted by the union and management. The agreement is designed to boost Transdev’s profits and the GWRC budget at the expense of the workforce.

It is not enough, however, simply to reject the deal. In order to defend jobs and fight for decent pay and conditions, workers need to make a complete break with the trade unions, form their own independent rank-and-file committees and turn out to other sections of workers facing similar attacks. Such a struggle requires a new political perspective—the fight for a workers’ government and socialist policies, including the placing of transport companies and other major corporations under public ownership and the democratic control of the working class.



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