

# New Zealand rail union cancels strike, presents sellout deal

Tom Peters  
15 December 2021

The Rail and Maritime Transport Union (RMTU) announced on December 7 that it had withdrawn a notice for a nationwide strike on December 16 and 17, following negotiations with the state-owned employer KiwiRail.

The strike would have involved 2,500 workers and effectively shut down the country's rail and inter-island ferry network. Last month, 1,420 workers voted in favour of striking and just 81 against, after being offered a pay increase of just 2 percent per year for a two-year term.

There is growing anger among workers throughout the world, who are coming into conflict with employers, governments and unions over low wages and gruelling conditions, including the lack of protections from COVID-19. New Zealand's Labour Party-led government, backed by the unions, is presiding over soaring social inequality, an out-of-control housing crisis, and has recently succumbed to pressure from big business to allow COVID-19 to spread throughout the community.

Following the RMTU's anti-democratic decision to cancel the strike, the union recommended that members accept KiwiRail's new offer of an across-the-board increase of just \$2.48 an hour for the first 12 months of the agreement, and a 4 percent increase for the 7 months until the end of June 2023. The increase is not backdated to July, when the previous agreement expired.

The union gave members until February 11, two whole months, to vote by mail-in ballot on the proposal. This is to ensure that, even if it is rejected, there can be no strike during the holiday period. The RMTU operates an anti-democratic voting system, whereby all abstentions are counted as votes in favour of the deal.

In an arrogant memo sent to members on December 8, RMTU secretary Wayne Butson acknowledged that he and other union officials had "received criticism for the fact that many members heard about the withdrawal of the strike notice via the media." He declared: "I am dismayed that we appear to have members upset [by] this call rather

than celebrating the success we have achieved."

The aim of the media blitz was to place pressure on workers to accept, before they even had a chance to read and discuss the proposed agreement. The media outlet *Stuff* falsely portrayed it as a done deal in its headline: "KiwiRail strike averted as settlement reached." This echoed a joint media release by KiwiRail and the RMTU, which quoted Butson saying "an appropriate settlement has been arrived at" and "the outcome will be recognised by members as a fair one."

As far as the company, the union and the corporate media are concerned, the deal has been settled and ratification is a mere formality. Workers just have to accept the deal as instructed.

The details of the proposal, which have not been reported in the media, amount to a sellout that workers should decisively reject. The RMTU says that the deal equates to an 8 percent increase to KiwiRail's overall wages bill, even though some members will get more and others less as a percentage.

For the lowest-paid workers whose role is listed as "Mechanical Engineering Level 1," the \$2.48 an hour is an increase of nearly 10 percent. For a Traction Electrician Level 1 worker it is 6.8 percent, for a Senior Signals Equipment Technician, 7.27 percent, and for a Leading Hand Traction Technician, 5.8 percent.

These figures must be measured against the soaring cost of living. Butson's assertion that the increase is "a great victory" that will "maintain living standards for all" is clearly false.

The latest offer follows years of essentially frozen wages. From 2018-2020 workers got a meagre flat rate increase of just \$1.63 per hour. Then, for the 2020-2021 year, the RMTU imposed a zero percent increase. Over this period, from mid-2018 to September 2021, consumer prices went up 9 percent, according to the Reserve Bank.

Butson told Newstalk ZB on November 23 that the

“responsible” RMTU had chosen not to lodge a pay claim in 2020, but “kept those trains moving all through those COVID lockdowns. We did our bit helping New Zealand.”

The inflation rate for the 12 months to September was 4.9 percent. The Reserve Bank expects it to peak at 5.7 percent early next year, meaning an 8 percent pay increase is actually a real wage increase of just 2.3 percent. If inflation remains similarly high a year from now, the subsequent 4 percent increase will amount to a real wage cut.

The cost of housing is rising even faster than the inflation rate, as a result of rampant speculation by property investors, placing extraordinary pressure on workers. The average household rent increased in the last year by 9.4 percent, or \$43 a week. In parts of Auckland, according to Interest.co.nz, rents are up more than \$70. That alone would consume most of KiwiRail’s proposed wage rise of \$99.20, before tax, for someone working 40 hours a week.

Seeking to justify cancelling the strike, Butson referred to the need to “avoid the damage to the employer/employee/Union relationship” that would have resulted. He also attempted to intimidate workers by referring to the “loss of remuneration” from a strike, and the possibility that KiwiRail would respond with lockouts or suspensions.

While conceding that KiwiRail receives “massive” funding from the government, Butson also said management had advised that “for the next three years the operating cashflow of the company is negative.” He stated that “a consideration in all wage disputes is an employer’s ability to pay.”

Workers should reject these pro-company arguments with contempt. Butson’s memo underscores the fact that the RMTU does not represent the workers, but functions as an agency of the corporations and the state. It never had any intention of striking and made no attempt whatsoever to build a unified struggle with support from other workers, including bus drivers and commuter rail workers, who all face the same deteriorating wages and conditions.

Since the 1980s, when the Labour Party government began a ruthless restructuring of state-owned assets, the rail unions have collaborated with sacking thousands of workers, insisting that workers had to sacrifice so that rail could be transformed into a competitive business.

The RMTU collects about \$1.7 million from its members every year, and overall the unions collect tens of

millions, but these funds are never used to support workers to strike. There has not been a nationwide stoppage of the rail network in 27 years. Meanwhile the RMTU contributes tens of thousands of dollars to Labour’s election campaigns.

This week the RMTU persuaded port workers in Timaru to withdraw their notice for another planned strike that was scheduled to last seven days, in exchange for a wage increase of just 5 percent, i.e. a pay freeze. Initially, the union had asked for 8 percent. Organiser John Kerr told *Stuff*: “It’s a positive result and the employers are happy.” The union had “always had a good relationship in the last decade” with management at the port, he said.

All the unions have lined up behind the government’s response to the pandemic, including the transfer of tens of billions of dollars to corporations and the banks. They have also collaborated fully in the dangerous reopening of schools and workplaces in Auckland, allowing COVID-19 to spread throughout the country so that businesses can go on extracting profits from the working class.

To undertake a real struggle for decent wages and conditions—based on what workers’ actually need, not what the company claims it can afford—workers need new organisations. We call on KiwiRail workers, and other workers in the public transport and freight industries, to contact the World Socialist Web Site to discuss building rank-and-file committees, independent of the unions and controlled by workers themselves.

These organisations would seek to unite the entire working class against the capitalist austerity agenda, and in a political struggle for the complete reorganisation of society along socialist lines. This includes redirecting tens of billions of dollars to upgrade and expand rail and other vital public services, and to provide decent, high-paying jobs for all.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**