

Media Release: Rail and Maritime Transport Union (RMTU)
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KiwiRail separation concerning – foreshadowing privatisation?

Rail workers would be concerned if KiwiRail's move to separate its business in two is a foreshadow of future privatisation, their union said today.

KiwiRail announced on Friday that it is seeking government endorsement to separate into two businesses, one owning the rail corridor land and the other owning the rolling stock, properties and other assets.

RMTU General Secretary Wayne Butson said that this structure sets up the company for privatisation.

"KiwiRail CEO Jim Quinn has said it is essentially a paper transaction and won't change how they operate. If that is the case, then we question the point of the move," Wayne Butson said.

NZRC was formed in the late 1980's and has always owned the below rail assets. The rail operating entity has since the early 90's owned all of the above ground assets. The renationalisation and formation of KiwiRail brought the businesses back together, Wayne Butson said.

"For such a radical write-down of assets and to re-establish the clear separation makes us fearful there has been a hidden agenda at work for the last 12 months to add KiwiRail to the privatisation stakes."

Wayne Butson said that a myth perpetuated by the proponents of privatisation was that the privatisations were not wrong, but rather that the structure of them was flawed.

"It cost Kiwis \$1.2 Billion to set up rail for privatisation in the 90's and now it looks like it is costing us another \$6 Billion in write downs."

"Rail privatisation between 1993 and 2008 was a mistake that ended costing citizens and taxpayers unnecessarily. It is clear to workers in rail that a re-election of a National government is for Kiwi's to repeat the privatisation mistakes of the past," Wayne Butson said.

Ends.

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