

# THE ACTIVIST



**Published Regularly - ISSN 1178-7392 (Print & Online) 4 June 2010**

## **NZ ECONOMIC SNAPSHOT**

- GDP increased by 0.8 percent for the December 2009 quarter. In annual terms GDP declined 1.6 percent.
- The Consumer Price Index (CPI) rose by 2.0 percent for the year to March 2010 and by 0.4 percent for the quarter.
- Food prices fell 0.5 percent for the month but have increased 0.4 per cent for the year to April.
- Unemployment was at 6.0 percent in March 2010. Maori unemployment was 14.2 percent, Pacific unemployment was 14.4 percent, Asian unemployment was 9.8 percent and European/Pakeha unemployment was 4.4 percent. Youth unemployment (15-19 year olds) was 25.2 percent. In March 2009, 60,211 people were on an unemployment benefit.
- The total number of people in employment decreased in the year to March 2010 by 0.1 percent to a total of 2,177,000
- The minimum wage is \$12.75 an hour and \$10.20 an hour for new entrants aged 16 or 17 in their first 3 months or 200 hours, whichever ends first.
- Ordinary time hourly wages, as measured by the Quarterly Employment Survey (QES) for March 2010, were up 2.2 percent in annual terms (1.6 percent in the private sector and 3.7 percent in the public sector). The average hourly wage is now \$25.27 (\$23.35 in the private sector and \$32.56 in the public sector). The average female wage is \$23.50 which is 87.7 percent of the male wage of \$26.79. The Labour Cost Index (LCI) shows that ordinary time wages went up by 1.5 percent in the March 2010

year (1.3 percent in the private sector and 2.3 percent in the public sector). For those workers who received a pay rise in the year, the median increase was 3.3 percent and the average increase was 3.9 percent.

- On 29 April, the Reserve Bank left the official cash rate at 2.5 percent for the 9th consecutive review. The next review will be on 10 June 2010.

## **KR – VEOLIA MECA - UPDATE**

The Steering Committee met in Wellington this week to review the completed draft "amalgamated" CA. The work of merging the 5 CAs together has been largely completed with the methodology used being called "the best of the best".

The merger of the wage scales has posed a challenge wherever there are duplications. Scale 1 is in all 5 CAs and has different rates for each level in each case. The KR 4 need to merge and the Veolia one shall remain in its current form/other? reflecting the fact that it is a different company. Mechanical is another where duplication exists. The majority of designations have no duplication, but the employer needs to identify "the cost" of the merger.

This work actually complements another project occurring at present which is the change of payroll systems within Rail. Currently NZRC and Ontrack Infrastructure are paid using Pay Global and the ex Toll and UGL businesses are paid under Jade. Pay Global is being replaced by Jade.

A meeting is being arranged for June 24 where the Steering Committee and various working parties will report back to the Wider Reference Group (ie. the full employer and RMTU teams).

Veolia attended the Wellington meeting and following a round of member meetings last

**This is for the information and guidance of RMTU members only!**

week. It is anticipated that face to face meetings will get underway next week.

The KR Drug and Alcohol clause/policy working party met last week to consider the merger and standardization of the D&A framework for KR Group and also the wish by KR to have its employees subjected to customer D&A testing when our people go onto customer sites. This matter came to a head last month. A KR member was requested to undertake a D&A random test when he stepped onto a West Coast Solid Energy work site. A sub group meet next week to discuss this matter. The RMTU reps are Scott Wilson, Hayden Smith and Les Ingram.



## ITF CONDEMNS ISRAELI ATTACK ON AID SHIP

The ITF, which represents professional seafarers worldwide, is shocked and appalled by Israeli forces' attack this morning on the lead ship of a humanitarian aid convoy, the Turkish vessel "Mavi Marmaris", killing at least ten people.

The ITF holds the Israeli authorities entirely responsible for the provocative storming of the ship, and condemns the harm caused to the civilians on board, who included peace activists and parliamentarians from many different countries.

With the rest of the international trade union movement, including the ITUC, the ITF is calling for a full, open and independent enquiry to establish the details of what took place when Israeli soldiers boarded vessels in the convoy.

The ITF denounces Israel's blockade of Gaza and calls on the international community to support a political solution in which a viable Palestinian state can play a full part in international trade and commerce, which would include the full restoration of transport links.

## PORT TARANAKI CA - UPDATE

The Port Taranaki CA negotiations are nearly completed with the only outstanding issue being to sort out the cargo section

wording. Drafting of this section is expected to be completed in the next two weeks.

## MAJOR HR STUFF-UP DUE TO RUSHED SUPER CITY PROCESS

A major error by the Auckland Transition Agency has left hundreds of skilled council staff unable to apply for positions in the new Auckland Council the Green Party said today.

"This failure is another symptom of the rushed and flawed process the Government has used to push through the Super City," Green Party Super City spokesperson David Clendon said.

Last week thousands of council staff were supposed to receive a letter telling them they had been 'mapped' to a certain area of the council, and to give them access to a website where they could apply for suitable jobs.

Mr Clendon said that at least several hundred council staff have not received letters while many others who have are directed to a site which will only allow them to apply for jobs that are clearly not matched to their skill set.

"This shows a lack of respect for council staff, and could lead to lower quality services for all Aucklanders," Mr Clendon said.

"Morale and motivation are already low among Auckland Council staff and this will worsen the situation.

"Taking more than a week to apologise for a major mistake like this shows little concern for the feelings or predicament of council staff.

"It is clearly an unfair process if only some staff are able to apply for new jobs, while others are not, through no fault of their own.

"This is definitely not the best way to ensure Auckland Council gets the best staff possible to plan and deliver essential services to the region.



## NZ WORK FOR NZ WORKERS CAMPAIGN

The Union website has a campaigns page and all materials needed to support this campaign are available for download here.

You can also log onto the online petition and send an email of support for the campaign to KiwiRail CEO Jim Quinn and Transport Minister Steven Joyce.

**June 8 see's a major protest march through the main street of Dunedin with speeches from key figures.**

[www.rmtunion.org.nz](http://www.rmtunion.org.nz)

## WE NEED YOUR HELP AND SUPPORT FOR THE CAMPAIGN!

### WELLINGTON GO BUS – UPDATE

The Operations controllers CA expired on 31 March 2010. The CA has been ratified and settled for a 2 year term (expires 2012) with a modest increase in rates.

### QUINN, JOYCE WIN AWARD

Community Co has written to Quinn and Joyce stating the following;

*"You have earned a Community Co, 'Are You Freaken Nuts Award'. You may view your award at*

<http://communityco.20toes.net/showthread.php?tid=33>

*KiwiRail needs to spend \$500 million on new trains for Auckland. The expertise and equipment needed to undertake this work exists in the workshops in Dunedin and Lower Hutt, and I know that New Zealand rail workers want to do this work.*

*From both a job creation point of view, and wider benefits to the New Zealand economy, I believe there is a strong case to build these trains in New Zealand.*

*I am asking you both to back Kiwi workers, and make sure our trains are built at home."*

Quinn responded with a form email promptly which those of you who have sent an email of support will have also received. The correspondence however didn't stop there as is the norm. Community co sent the following in reply.

*"I am an old soldier Jim, the word 'can't' simply does not exist in my vocabulary; it is a matter of inventing the ways. You may say this is simplistic but who dares wins. I seriously doubt our ANZAC troops on Chunuk Bair said to themselves this is beyond us, a question of scale.*

*They may have thought it madness, questioned the general's sanity, but it did not stop our troops from taking the high spot, defending and holding it until the end of the campaign.*

*Now you may argue the relevance of what I say but for me it is a matter of spirit, that good old 'Kiwi can do' thing. I would urge, find the spirit, invent the ways and fight the good fight. Reconsider."*

We are not aware if Quinn replied but this is the type of support we need and expected of Kiwi's. After all, the BERL

business case is very compelling and this Governments first loyalty should be to NZ and its workers.

No wonder the Nat's are dropping in the polls!

### TOLL NETWORKS – TTL CA

The current Collective Agreement between Toll Networks (Toll Tranz Link) and the RMTU expires on 30 June 2010. The union has issued an "initiation of bargaining notice" to Toll, and now we need to gather member's claims for negotiation. Because Toll have received the initiation notice the terms and conditions of the CA extend past 30 June for up to 12 months or until the new CA is negotiated, settled and ratified.

We expect to start negotiations before 30 June so there is a bit of work to be done before then.



In the meantime can all TTL members consider what they are seeking for claims in this wage round, meetings will be arranged at all sites to discuss and debate all potential claims prior to the commencement of negotiations.

## PORT TAURANGA CA TALKS

A date has been set for the commencement of the negotiations associated with the renewal of the Port Company CA. It is 21 May 2010.

This set of talks will be the first major exposure of the new POT Corporate Services Manager Sara Lunam to the RMTU in the maritime bargaining context. Sara will be well known to long service Tranz Link rail members as she headed the business for a period of time during Tranz Rail days.

## WIN A DELUXE COFFEE MACHINE - UNION MEMBERS ONLY

Union Plus (in association with Sovereign) is giving you the chance to win a Deluxe Coffee Machine valued at over \$2,000. There are also 25 coffee packs to be won. There is one condition - you must be a current Union member to enter.

Text the word CUP109 and your Name & RMTU to 382.

You will receive an auto-responder message to confirm your entry and that 'an adviser will be in touch. Don't worry, the only contact you will have is from the Union Plus Member Benefits team to ask if you wish to opt-in to receive their monthly member benefits updates.

The competition ends on June 30th.  
[www.unionplus.co.nz](http://www.unionplus.co.nz)

## A NEW RMTU EMPLOYER - NORFOLK

Welcome aboard to our newest group of members from Norfolk Electrical. These members are working on the new overhead structures in Wellington and while on fixed term agreements are keen to have a Collective Agreement in place for the

remainder of their term, and beyond hopefully. Negotiations are due to commence on June 8.

## CATERPILLAR BUYS EMD

Construction-equipment maker Caterpillar (CAT) says it will buy locomotive maker Electro-Motive Diesel for \$820 million from a private-equity firm. The purchase would represent Caterpillar's its first full foray in a rail equipment business at a time when more freight is being moved on rail and business leaders such as Warren Buffett have forecast more rail use in the future.

EMD had sales of \$1.8 billion last year and has an installed base of 33,000 diesel-electric locomotives in the U.S. EMD is one of the world's oldest and best-known makers of locomotives, producing its first engine in 1922. The brand will remain unchanged as EMD's brand is well-known in the rail industry.

## ORICA CA

The negotiations to renew the Orica Collective Agreement in Mount Maunganui are about to get underway.

## TAX REFUNDS ON THE UP

New Zealand's tax system is broadly accurate, but still every year hundreds of thousands of people are left being owed tax refunds. Those who work shift or overtime, seasonally, part time, partial tax year or secondary employment, those working while still at school and anyone earning commission or bonuses are likely to receive tax refunds.

One company has recently announced it has refunded over \$100million in overpaid taxes to hard working New Zealanders. That is \$23 for every man, woman and child in New Zealand and \$46 for every worker. [TaxRefunds.co.nz](http://TaxRefunds.co.nz) says anyone who earned a salary or wage in the past 5 years can get a free estimate of what they may be owed by visiting [www.taxrefunds.co.nz](http://www.taxrefunds.co.nz). Interestingly, the company says after processing well over a million applications they've found the value of refunds is getting larger and the number of people receiving refunds is increasing too.



As well as refunds for overpaid personal tax, there are other tax credits available including; Working for Families Tax Credits, Donations of \$5 or more (church tithes, charities, BOT, PTA, Kindergarten donations – not made through payroll), Childcare (for children under 18, both parents employed or if a parent is physically unable to care for a child), Housekeeping (due to disability or physical inability) and Redundancy Tax Credits.

Personal tax refunds and tax credits can be claimed for the 2010 tax year from 19 June onwards.

### **HALLS CA UPDATE –**

The Halls CA expires 30 June 2010, the RMTU has issued an initiation of bargaining notice and talks are due to commence late June. In the meantime Halls RMTU members are requested to consider claims and RMTU Organiser Todd Valster will be in contact with you soon.

The CA was formed when Tranz Link Refrigerated was sold off some years ago. The CA is unique in that we are unable to add new members to the CA because there was a prevailing Collective within Hall's which is negotiated with the NDU. Why weren't our members handed over to the NDU you could ask and the answer is that the conditions that our members had were superior to the Hall prevailing conditions and so the "same or more favourable" requirement could not be met any other way.

### **CTU CALLS FOR STRONGER ACTION OVER GAZA**

The CTU has called for stronger action over the Israeli attack on the humanitarian flotilla attempting to breach the blockade of Gaza.

Peter Conway, CTU Secretary, said: "It is not enough for our Government to simply call the new Israeli ambassador Shemi Tzur in for a chat. The new Israeli embassy in Wellington should be closed and the special arrangement for young Israelis to travel to New Zealand should be revoked."

"The Government should also call for an end to the blockade."

### **AUSTRALIA 1 STEP AHEAD AS USUAL**

The RMTU and other transport Industry players have for years been calling for the development of a National Ports Strategy. Infrastructure Australia and the National Transport Commission have commenced the development of one for Australia. Industry consultation is well advanced. They are not just the "lucky" country – they are the "leaving us for dead country" as they show a willingness and a desire for national planning for strategic assets for the nation. This is something it appears our leaders are not willing to undertake. So it is left to the "market" to determine who are the winner and loser ports as they all scramble to be more flexible and lower cost than their competitor port up or down the road and more money is spent on equipment, berths etc on the off chance that the shippers may use us. This boom bust cycle for ports must stop if we are to have a sustainable transport infrastructure in NZ.

### **CHAMPION FLOUR MILLS CA**

The negotiations to renew the Champion Flour Mills Collective Agreement in Mount Maunganui are due to kick off soon.

### **STRIKE ADVICE**

OCS Hospital workers to strike Thursday 3 and Friday 4 June 2010. 300 workers employed by trans-national contractor OCS at Auckland, Greenlane, Rotorua, Hawkes Bay, Wairarapa, Burwood and Christchurch Hospitals are striking between 7am to 9am, 11am to 1pm. and 4.30 pm to 6.30 pm tomorrow Thursday 3 June and Friday 4 June.

The SFWU ask that other unions with members on these sites let people know about these pickets so other hospital workers can show solidarity and support.

### **SAHA IS HERE ....**

Saha International (SAHA) has been appointed to undertake Phase 1 of a Productivity Review of KiwiRail's Network business to identify opportunities to improve the efficiency, effectiveness and ability to



deliver service improvements on the rail network. SAHA will be assisted in this engagement by Bond CM Ltd who will provide specialist advice with relation to cost estimation and commercial procurement for key maintenance and capital infrastructure projects.

Over the past 18 months KiwiRail's management have been reviewing the business and developing a turnaround strategy to drive growth in volumes on rail and to improve profitability. This strategy was submitted to the Crown earlier this year with a request for funding to reposition the business to capture revenue growth and reach its potential. The bulk of this funding request was for investment in infrastructure.

Subject to funding approval, KiwiRail Network will have responsibility for delivering \$2.4bn of network upgrades, expansion and renewals over the next 10 years. A significant proportion of the expenditure is required in the next 5 years. While there has been an ongoing focus to manage costs and deliver value for money to the shareholder, there have been no comprehensive productivity improvement reviews of KiwiRail Network for over 10 years. There is a current desire both within the organisation and within Government to identify any opportunities to improve productivity, particularly in the short term, to ensure that efforts to grow the business are supported by improved service and reliability on the network and that investment of both time and resources is optimised.

Five key broad areas for potential productivity improvements with the Network business have been identified:

- Alignment of KPI's
- Allocation and prioritisation of resources
- Delivery of works and capital projects
- Procurement of people, plant and materials
- Inventory management.

Preliminary discussions with Network management shows that other work is currently being undertaken to address the culture and structure of the organisation.

Saha gave a presentation to the KR Network's Industrial council when it met yesterday in Wellington. We await feedback

from our Industrial council delegates to the presentation and the work proposed.

## ACC BUDGET CASH FOR PRIVATISATION

The Government's allocation of \$2million for 'robust policy advice' on ACC is further evidence that it intends to privatise the work account regardless of the best advice, says the ACC Futures Coalition.

ACC Futures spokesperson Hazel Armstrong said: "The Department of Labour clearly has not given the Minister for ACC the answer he wants, so now he is looking to manufacture it."

"The talk of further investigating the option of privatising the Work Account is simply window dressing as the Government's intentions are clear. ACT supported the passing of the ACC Amendment Bill last year explicitly in return for privatisation."

"Privatisation is bad for NZ workers and bad for employers. It will cost more in the long term and private providers will have little incentive for giving workers their rights - employers not employees are their clients."

"The Work Account does not need the so-called 'benefits of competition and choice': it is in a healthy condition. All those injured New Zealanders who have been unjustly refused compensation over the last year due to the Government's draconian cost-cutting will be rightly sickened by this."

## PORT CHALMERS CA

Bargaining will soon get underway for the renewal of the joint RMTU-MUNZ-PO CA. The talks over recent years have had their moments at times, to say the least. A factor in the talks will no doubt be the implications of the merger talks between Port Chalmers and Port Lyttelton and its implication for workers within the port, if any.

## WELL OVER \$100 MILLION CUTS IN HEALTH SERVICES ON THE CARDS

Health services across New Zealand face cuts of well over \$100 million in the year ahead,



says the CTU as deeper analysis of the Budget Health Vote reveals the full extent of the funding shortfall and the reality of 'reprioritised savings', inflation, and cost shifting from ACC.

"The \$508 million in additional operating funding, announced in the Budget, is barely enough to meet previously anticipated costs," said CTU Economist and Policy Director Bill Rosenberg. "Any service improvements and restructuring costs must therefore be funded from cuts in other services, deterioration in their quality, increased user charges or increased DHB deficits, unless efficiencies can be found."

"We estimate that taking into account possible efficiencies, around \$118 million of cuts or other deterioration in the Health system will be required. The cuts are likely to be even greater than \$118 million due to the effects of high inflation and costs from the cuts in ACC being loaded onto public health services."

"Our pre-Budget analysis, which estimated \$555 million would be needed just to stand still, allowed for inflation at 2.4 percent in 2010/11, but the Government's own forecast is for it to go as high as 5.9 percent. That would cost \$58 million excluding the rise in GST."

"We have not factored in any consideration of the inflation impact on wages but note that the Government will have to find another \$90 million for each 1 percentage point wage increase greater than that allowed for in the Health Vote."

"The greatest part of the burden will have to be borne by DHBs. As well as the increased pressure on their operating budgets, DHB deficit support for the coming year is around \$20 million less than forecast DHB deficits for the year to June 2010," said Mr Rosenberg.

The attached paper, Did the Budget provide enough for Health? details the CTU's analysis in full. It can also be found at <http://union.org.nz/health-working-papers>.

## **NAPIER CRANE DRIVERS CA**

The negotiations to renew the Gottwald Mobile Harbour Crane drivers CA will

commence next week. No doubt the crane drivers will be looking for a fair share of the spectacular growth experienced by the Port as tonnage volumes have increased despite the recession.

## **ACC DOUBLE STANDARDS ON HEALTH BENEFITS OF WORK**

The ACC Futures Coalition says it is deeply ironic that the Accident Compensation Corporation should openly endorse research showing that injured people out of the workforce are more likely to have higher rates of depression and suicide, and will potentially live shorter lives.

The ACC website carries an article praising the report 'Realising the Health Benefits of Work' from the Australasian Faculty of Occupational and Environmental Medicine which was released in Sydney last week and presented in Auckland on 25 May. (See <http://www.acc.co.nz/news/WPC086499>)

ACC Futures spokesperson Hazel Armstrong said: "The Corporation's relentless drive to slash costs by unfairly refusing entitlements is leaving many injured Kiwi workers without the means to achieve proper treatment and rehabilitation. ACC is leaving them in the exact danger which it claims to be working to avoid."

"We are well aware of the health benefits of work and wholeheartedly support ACC's founding principle of full rehabilitation. Unfortunately the Government's recent assault on the Corporation has totally undermined this principle and ACC is no longer adhering to that founding principle."

"The positive, cooperative tone of ACC Director of Clinical Services Dr Kevin Morris's comments on ACC's Better@Work trial is at odds with the reality of claimants being hounded off weekly compensation and on to invalid and sickness benefits if they are not yet well enough to work."

"The increased role of 'partnerships' between ACC and private sector third party administrators (announced on 30 April) to deal with a number of long term claimants also makes a mockery of the good intentions of Better@Work since third party administrators have been widely criticised

for forcing claimants back to work before they are ready to do so.”



## BORON BACK

ILWU Boron workers who faced down global goliath Rio Tinto by standing solid throughout a 15 week lockout returned to work on May 15. The agreement provides guaranteed pay rises, a \$5000 per worker bonus and most importantly protects full time job security and seniority rights. Even more importantly it removes SCAB's from the workplace!

The RMTU salutes the unity, strength and solidarity of the ILWU members of Local 30 and praises the support provided by the 570 working families in Boron California.

### United We Stand – Divided You Beg!

## BITS AND BOBS

- The issue of the Otira fuel allowance continues to boil. We believed that this matter had been sorted and so imagine our surprise when we learned this week that it wasn't. This matter first appeared in early 2008 when Loco Engineers based at the very isolated outpost of Otira on the West Coast of the south island complained that their isolation placed major costs upon them for transport to get groceries etc. KRG have said that the matter will be given priority.
- 3 RMTU delegates attended a Maritime Union of Australia Logistics conference in Melbourne this week. 2 reps from Port Chalmers and 1 from Port Tauranga were nominated to attend and we look forward to receiving the report backs and photo's soon.
- Talks at NorthPort should be getting underway soon for the renewal of the CA.
- The Ontrack Infrastructure Flexible Hours and Pay and Progression working party continue to make good healthy progress toward a deal which can be put out for ratification. This may not be able to be achieved in time for the MECA but should be shortly thereafter.

- The Mount Maunganui Cosmopolitan Club CA talks are progressing very slowly at present but our Organiser responsible for the bargaining is confident that we will get there in the end.
- Phil is also confident that another Collective Agreement he has "on the boil" at present is also heading for a conclusion. The CA in question is with Quality Marshalling Ltd.
- A stopwork meeting is being held today at Hutt Workshops to allow members to discuss matters of concern at the shops.
- The RMTU will be filing in the Employment Authority soon a reinstatement claim on behalf of a dismissed member who worked for Ontrack Infrastructure on the Waikato/BOP area.
- It is rumoured that the KiwiRail Board at its meeting last week resolved to mothball the SOL Line. Coincidentally, KiwiRail has this week begun talking seriously to KR members about transfer, redundancy, redeployment options out of Stratford and New Plymouth. Any movement/change will occur under the relevant provisions of the Collective agreement. All members are strongly advised to read the relevant provisions of the CA and/or speak to their branch officers or the Organiser responsible for the area, Todd Valster (04 473 4215 or 0274 454 691 or [tvalster@rmtunion.org.nz](mailto:tvalster@rmtunion.org.nz))
- The RMTU and MUNZ steering teams meet next week for the first of what will become regular meetings between the Union's as part of the Alliance Charter. The RMTU team is Aubrey Wilkinson, Ruth Blakeley, Wayne Butson and Libi Carr.
- Scott Wilson about to depart on a month's leave thru California. There will be no permanent relief based in the Auckland office during the absence. Organisers from other areas will be in attendance from time to time.

**"WE'RE STRONGER TOGETHER"!**

