

# THE ACTIVIST



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## **NETWORKS COST REDUCTION ROAD SHOW**

The first two weeks of the networks cost reduction road show have now been completed. Rick Van Barneveldt (GM Infrastructure & Engineering) has been given a courteous hearing by Networks staff, considering the unpleasant message that is being delivered. The RMTU has been running secret ballots of members to get their views of the plan. As of 7th July Rick has four votes from members who support the KiwiRail I&E proposal. Members have unanimously voted in favour of the RMTU being used by KiwiRail for consultation with employees of I&E.

Many staff simply feel that this is a case of back to the future, having been through what seems like constant restructuring during the privatisation years of rail.

Of note to date is that at almost all meetings Mr Van Barneveldt was directly asked if the company had plans for attacks on the wages and terms and conditions of the employees covered by the MECA. Mr Van Barneveldt has stated that that was not the case. In fact an essential element of the program is, in conjunction with the staff reductions, is a need for the staff to work on improving productivity. This in itself is a big ask in the face of 200 plus redundancies. This fact was also acknowledged by Mr Van Barneveldt.

At the Wellington meeting on Friday 6 July 2012 the question (of any possible was again raised by the RMTU. Mr Van Barneveldt's

answers became evasive. When directly questioned on the issues he advised claims from the company for reductions in terms and conditions of employment through the CA renewal process were different from an attempt to reduce terms and conditions of employment through the cost reduction program! Scott Wilson, the RMTU organiser who has been participating in the North island meetings, reminded Mr Van Barneveldt of the commitments he had given to his staff at previous meetings. Subsequent to the meeting Mr Van Barneveldt once again gave assurances that he had no intention of making claims against the wages and conditions of Networks staff in the collective agreement discussions. Mr Van Barneveldt was again advised that he speaks for KiwiRail, not himself.

Mr Van Barneveldt was also advised that if his explanation to staff was simply a slippery evasion of the true situation, his reputation would be in tatters.

The parties meet again for the MECA talks on 17 July when KiwiRail will disclose its claims and also table

the company response to the RMTU log of claims.

## **CONFERENCE 2012 REMITS**

A reminder that Remits for conference 2012 close on 31 July 2012.

Late remits are frequently accepted and conference delegates also have an opportunity to table "notices of motion" at conference to be debated on the floor as well.



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

It is essential that early advice is given and received for remits which seek to achieve major change within the Union structures or rules as the Conference delegates need to be able to obtain a mandate on how to vote at conference.

All remits to conference MUST have been passed by a majority vote at a duly constituted Union branch meeting.

## KIWI RAIL MECA UPDATE

It has been a while since we updated you on the wage round negotiations for the renewal of the MECA.

There is not a lot to report as following our last face to face meeting KiwiRail has been examining and costing the RMTU claims. To assist the process KiwiRail retained the services of remuneration specialists DSD Consulting (<http://www.dsdconsulting.co.nz/>).

DSD have again (they also did this work in 2010) produced an excel spreadsheet which carries all of the payroll data for all 2850 approx workers covered by the MECA. This shows all payroll associated costs and makes it very easy for the Union and the Company to get real-time accurate data on the impact of changes in employment terms and conditions. Myself and National Vice President Howard Phillips accompanied KiwiRail's Graeme Boomer and Karla Flynn to DSD yesterday to look at the spreadsheet and DSD's work.

KiwiRail management are meeting today and tomorrow to finalise the KiwiRail response to the RMTU claims and to finalise its approach to the bargaining round. As you know there are a round of meetings occurring nationwide for Infrastructure and Engineering where the GM for that Division is outlining a "cost reduction" programme and there are key claims from the RMTU which impact on this which introduces a "possible" item of conflict.

The next face to face meeting of the respective teams will occur in Wellington on

17, 18 and 19 July. An update of what has transpired during the three days will be reported at that time.

A reminder that the full RMTU team is comprised of all members of all the Rail Industrial Councils (Freight, Passenger, Infrastructure, Interislander and Mechanical) which is 40 reps supported by RMTU paid staff.

## BULLHOOK BAN

The Canterbury branch of the RMTU has for some time been expressing displeasure on behalf of yard operating members at the lack of progress in the block marshalling of the Alliance Coupler fitted new wagon types within train consists. Additionally there is disquiet amongst yard operating members that new bullhook transition head adapters supplied to yards are actually heavier than the previous models when the weight of the adapters is a major issue on H&S grounds.

Most bullhook adapters weigh 27kg's whereas the new ones weigh in at a hefty 30 to 31 kg's.

After exhausting the normal H&S systems within the company the workers have expressed their frustration

through the branch with the following notice to management;

*To The Operations Manager, Middleton Yard.*

*We the Canterbury Branch of the RMTU resolve that from Monday 18/06/2012 any UKK/PKK type wagon that arrives at Middleton will not be cut out from the rest of the consist unless all of this type of wagons are group marshalled on any inward service.*

*This action has become necessary as it is not uncommon for shunt teams to handle up to 30 Bullhooks in a shift and Kiwirail management insisting that this type of wagon is not sent south of Christchurch.*

**The RMTU fully supports the actions of the Canterbury Branch and encourages members to report discomfort and pain to the company. Reporting incidences helps provide the evidence to the**



**company that there is a significant health and safety concern.**

## **TOLL TRANZ LINK NEGOTIATION UPDATE**

We have reached a provisional settlement for the renewal of the Toll Networks Collective Agreement. The Union and the Company are currently finalising the wording of the proposed Settlement Agreement and then report back meetings will occur at key locations during which a ratification vote shall be taken.

Details of the settlement will be reported at the meetings.

## **WHEN DOES AN EXODUS BECOME A DELUGE**

The NZ Council of Trade Unions said in a statement that "action" must be taken to stem the exodus of workers to Australia.

Statistics NZ recently reported that 53,400 people left permanently or long term for Australia in the year ending May 2012 which serves as "a stark reminder to employers and the Government that we need to create more decent jobs in New Zealand," said CTU Secretary Peter Conway.

"Action needed includes a lift in the minimum wage and a lift in wages in general through improvements to collective bargaining, including the development of industry-wide agreements, and renewed efforts to lift productivity and share the benefits with workers," he said. Conway pointed out that the steady outflow at a very high level also shows that the 2010 tax cuts which gave \$2.2 billion to the top 10 per cent of income earners was not only grossly unfair but has made Australia even more attractive for many New Zealand workers.

## **AND SO IT LEADS TO THIS.....**

New Zealand faces an acute shortage of skilled labour, said a recent Department of Labour report. Even though New Zealand

gained 1,500 more skilled workers than it lost last year, acute shortages still exist in some trades.

According to the Department of Labour, skilled jobs where shortages exist include drainlayers, fibrous plasterers, metal fabricators and crane, hoist or lift operators. More professions also are likely be added to the long-term list such as engineering and mechanical trades and truck drivers. The report explained that some deficits are an aftershock of the Christchurch quakes, others due to the brain drain. Most projected skills shortages are in jobs for the Christchurch rebuild. The projected skill shortages are likely to impact immigration policy as pressure builds to ease entry rules for foreign workers.

## **RIMUTAKA TRIAL EVACUATION**

On 16th September KiwiRail staff and members of the public will be participating in an emergency evacuation of the Rimutaka tunnel. Details of the emergency scenario are kept under wraps to provide authenticity to the exercise. The main objective of the exercise is to practice emergency procedures so staff are skilled in the event of a real emergency. RMTU Health and Safety Reps are participating in key roles within the exercise.



## **HAVE YOU MOVED RECENTLY?**

To ensure members who fall within the coverage of Collective Agreements etc receive their ballot papers We MUST know your current postal address. Please let National Office know your current mailing address or update your details online [www.rmtunion.org.nz](http://www.rmtunion.org.nz)

## **THE AVERAGE WAGE**

When thinking about increases in the average wage, bear in mind that it jumps around in ways that don't necessarily reflect what you find in your pocket. If rising unemployment hits low income earners most, then the average wage will rise because many people with lower incomes have fallen out of the workforce.

If relatively well paid construction jobs disappear as a result of the slump in the building industry but jobs get created in the lower paid hospitality sector, then the average wage will go down – without anyone in work seeing their wage rates change.

If Jo and Chris are both on \$25 an hour and Al's on \$16, their average wage is \$22. If Al loses her job, the average wage of the remaining workforce (Jo and Chris) goes up 14 percent to \$25, but no-one is better off. In the whole economy, things aren't that stark, but it is important to remember that average wage levels are affected by the composition of the workforce as well as actual wage movements.

## **DOWNER MOVES MANUFACTURING OFFSHORE**

Downer EDI has announced that it will cease building locomotives in Australia with all future Downer locomotives for the Australian market to be manufactured by the company's partner, EMD, at one of its new low cost overseas facilities. Downer said in a statement released last week that while the long term demand for new locomotives in Australia will remain strong as a result of growth in mining and the ageing Australian locomotive fleet, the market is changing due to "increased offshore competition, customer requirements for lower capital costs and shorter lead times for delivery".

A spokesperson from Downer acknowledged that increased competition from China was one of the reasons behind the company's decision to move its manufacturing of locomotives offshore.

"Chinese competition has commenced and is only going to increase. Downer and EMD have taken this action because that's the way the market is going for Australian locomotives and we've recognised that and had to ensure that we have a sustainable business model," the spokesperson said.

"China is already producing wagons for Australia's bulk market, both coal and iron ore. These wagons are being imported as finished products from China directly into those markets for customers like Pacific National and the major miners in Western Australia. Bradken are also making wagon bodies at their manufacturing facility in China and SCT Logistics have imported locomotives from China's CSR," he said.

"Now Downer has announced that they will be making all their locomotives overseas. This is an extension of the existing business model where Downer already imports locomotives for specific markets. Downer already fully import WA iron ore heavy haul locomotives from the US and are planning to supply TasRail with imported locos as well."

UGL has also moved to what it says is a low cost sourcing model and has recently entered into a joint venture with India's Texmaco Rail and Engineering Limited for the manufacture and supply engineering components for locomotives and wagons.

The new five-year agreement with EMD will see Downer continue to sell offshore EMD locomotives and after-market products, including spare parts, in the Australian market.

As the company exits high cost manufacturing

it will concentrate on sales, repairs and maintenance, and whole of life asset management.

Under the 12-month to two-year transition period, the company will continue to manufacture locomotives in Australia. A number of Downer Rail employees working on locomotive products will be transferred to other rail projects while it is expected there will be a small number of redundancies.



**NZ WORK FOR NZ WORKERS**



## NATIONAL RAIL SAFETY INVESTIGATOR ESTABLISHED

Australian Transport minister Anthony Albanese introduced legislation to Parliament to establish the Australian Transport Safety Bureau (ATSB) as the nation's first National Rail Safety Investigator. The Transport Safety Investigation Amendment Bill 2012 establishes Australia's first national rail safety investigator by tasking the Australian Transport Safety Bureau (ATSB) with responsibility for investigating safety events on all metropolitan passenger and freight rail networks across Australia. The national approach will replace Australia's current "patchwork" of regulators and laws and will see more investigations conducted across a greater range of safety matters.

The Federal Government has provided \$11.2m to the ATSB to enable it to prepare for its role as Australia's no-blame rail and maritime safety investigator.

The ATSB's rail safety investigation role will complement the work of the new National Rail Safety Regulator (NRSR). The Transport Safety Investigation Amendment Bill 2012 continues the government's historic rail reform.

As of January 1, 2013, the existing 23 separate state and federal rail safety regulators, along with their costly and confusing array of regulations will be replaced by just a single NRSR which will administer one set of modern, nationwide laws.

The NRSR means interstate rail operators will no longer have to deal with:

- 7 separate regulatory authorities
- 46 pieces of State/Territory and Commonwealth legislation including 7 rail safety Acts, 9 occupational health and safety Acts, and 7 dangerous goods Acts

## DOWNER SCORES FMG CONTRACT

Downer Rail has won a \$73m contract to build 19 new locomotives for Fortescue Metals Group (FMG).

The contract will see Downer, in partnership with EMD, design, build and deliver 19 new SD70ACe/LCi locomotives to FMG in Western Australia's Pilbara region.

The \$73m contract includes the provision of service and support activities for the 19 locomotives for a minimum of five years, with an option to extend.

The first new locomotives are expected to be delivered in August 2012.

According to Downer EDI chief executive Grant Fenn, the fleet of SD70ACe locomotives will bring "significant performance benefits" to FMG including additional haulage capability, fuel consumption improvements, exhaust emission benefits and reliability improvements.

The SD70ACe locomotive and its key components and systems are designed by EMD (a subsidiary of Progress Rail and Caterpillar Inc.). Downer and EMD have worked together for more than 60 years supplying and supporting locomotives in Australia.

"By combining the technical strength and expertise of EMD with Downer's local Australian knowledge and support, we will deliver a fully integrated locomotive that complies with Australian customers' requirements," Fenn said.

Downer said the SD70ACe locomotive is a proven product, having successfully operated in the arduous and demanding Pilbara environment for the past five years.

## ANOTHER CLOSURE

The EPMU warned the Government that more good jobs will disappear unless a new jobs strategy is put into place. The recent closure of the high-end manufacturing firm Flotech, which will result in more than 70 redundancies at Flotech's Manukau plant, follows similar mass redundancies at Summit Wool Spinners in Oamaru and Norman Ellison Carpets in Orehunga. "This is the third major factory closure in as many weeks. It's time the government realised that its hands-off approach isn't working," said EPMU assistant director of organising Strachan Crang.

He said the government needs to support manufacturing if it's serious about protecting well paid, highly skilled jobs. "Unless the government is willing to step up with a plan to help manufacturing firms through the downturn, we're just going to see more good jobs like these disappear," he warned. EPMU said that all members affected by the job losses will receive a redundancy package as part of their collective agreement.

## AUSTRALIA RAISES MINIMUM WAGE

Australia's lowest paid workers will earn \$15.96 an hour, effective July 1, an increase of \$17.10 in their weekly pay check. About 1.4 million workers were granted an extra 2.9 per cent in their wages, following the annual wage review by Fair Work Australia.

Australian Council of Trade Unions Secretary Dave Oliver said the award-dependent workers, who will receive the annual wage increase as the new financial year starts, includes about 100,000 on the minimum wage. "For these workers, the Fair Work Australia Annual Wage Review is their only chance of a pay rise," he said. "Every year, unions launch an annual wage case to ensure that all workers have a decent safety net. Over the past decade, the gap between workers who are dependent on award wages and the rest of the workforce has widened dramatically, and unions will continue to advocate on their behalf so they do not fall further behind."

## HISTORY MADE IN UNION MERGER – CANADA

The Canadian Auto Workers (CAW) and the Communications, Energy and Paperworkers (CEP) announced June 29 they have reached agreement on structure, principles and financing, and are unanimously recommending the formation of a new union to their respective boards. If completed, the merger will be the biggest in Canadian labour history. The CAW represents 195,000 members while the CEP has more than 110,000.

CAW and CEP leaders started discussing the formation of a new union late last year in an effort to become stronger and more relevant

to workers as the labour movement struggles in difficult economic times. "The whole process is something like climbing Mount Everest," said committee co-chairman Peter Kennedy. "We've reached the first base camp. It's a critical point." The executive boards of the two unions will consider the recommendations in early July. If approved, delegates of the two unions will vote on it at separate conventions in August and October. Acceptance would lead to a founding convention next year.

## TURKISH TRADE UNION ATTACKS CONDEMNED

The International Trade Union Confederation (ITUC) strongly condemned raids on union offices and arrests June 25 of seventy-one trade union leaders and members who were detained by the Turkish government. According to the ITUC, the pretext of the attacks was an operation against an illegal terrorist organisation, although no links between Turkey's trade unions and "any real or perceived" terrorist group has been found.

"We cannot accept that trade unionists are detained, jailed and, most of all, baselessly accused. The Turkish government must immediately stop labelling trade unions as terrorist organisations. Trade unionists should have the right to play their legitimate role without fear of being arrested," said Sharan Burrow, ITUC General Secretary. Last year, 25 members of teachers' union Egitim Sen were sentenced to six years' and five months' imprisonment by the Izmir Criminal Court as "terrorists." The only "evidence" against them included possession of books that can be found in any bookstore in Turkey, and the holding of union meetings.

## MINE SAFETY

Workers at Solid Energy's Huntly East underground coal mine demanded the company agree to Australian mine safety regulations, including worker-elected check inspectors. Represented by the NZ Engineering, Printing and Manufacturing Union, the 120 workers called for a system of worker-elected check inspectors,



which is a key part of Queensland's mining regulations.

The Queensland regulations are considered the international best practice in mine safety, the union says. "Solid Energy can't credibly claim it supports lifting New Zealand's sorry mine safety regulations to international standards while it refuses to allow check inspectors and lobbies against law changes to make them compulsory," EPMU assistant national secretary Ged O'Connell said.

Solid Energy, a state-owned miner, has taken over the Pike River Coal mine on the West Coast of the South Island where 29 workers died in an explosion. The company opposes a mandatory role for worker-appointed check inspectors.

### **BITS AND BOB'S**

- Successful Delegate training courses have now been completed in Wellington and Canterbury. If you're a delegate and haven't received training then get stuck into your regional Organiser to receive it!!

### **LET'S BE SAFE OUT THERE & REMEMBER.....**

- Maintain situational awareness at all times;
- Ensure all are aware of the work to be performed;
- Make safety your first priority;
- Make sure you will go home safe and sound at the end of your shift;
- Make sure your workmate will go home

safe and sound at the end of their shift;

- Do not allow yourself to be distracted.

Do not make assumptions

**We're Stronger Together!**

