

SEPTEMBER 2011

THE Transport Worker

The journal of the RMTU
NZ's largest specialist transport union



**Hillside
Redundancies
anger Dunedin**





ISSUE 3 • SEPTEMBER 2011

6 **NEW AKs ROLL OUT**

Hillside shows what it's capable of building with new carriages for the TranzAlpine and Coastal Pacific lines.

16 **PROTEST IN DUNEDIN**

Hundreds of Dunedin supporters of Hillside Engineering filled the Octagon to protest KiwiRail redundancies.

32 **CRANE TRAINING**

Port Napier crane trainees spend two weeks in Antwerp learning the skills on a simulator.

COVER PHOTO

Dunedin public in a demonstration of unity with Hillside workers.

Promoted and authorised by the Rail and Maritime Transport Union.

Level 1, Transport House,
1 Thorndon Quay, Wellington

The Transport Worker is published by the Rail & Maritime Transport Union,
P O Box 1103, Wellington,
Aotearoa-New Zealand.

Design and production by Mike Regan.

Printed by Thames Publications Ltd,
P O Box 11-025, Wellington.

WWW.RMTUNION.ORG.NZ

ISBN 1173-6488



Wayne Butson
General secretary
RMTU

WHEN I was a young lad I oft heard my elders talking about how New Zealand was an egalitarian society founded upon the beliefs of the early settlers who came to the new lands with a strong bias toward not recreating, here in New Zealand, the class-based society and the income/living gap between rich and poor prevalent in the countries they came from. It is with this grounding in values that I find myself presently wondering where this country is headed under current NZ Government policy settings. It is very clear to me that its policy settings, on a wide range of fronts, are fundamentally wrong. I can't believe I am living in a New Zealand where:

- 275,000 workers are paid the minimum wage of currently \$13/hour;
- 270,000 children live in families with the total family income falling below the poverty line (currently measured at \$14,000 per annum);
- Where the top 150 families increased their wealth to \$7 billion in the last 12 months;
- A recent book ranked New Zealand as the sixth most unequal society of 23 rich countries when comparing the incomes of the richest and poorest 20%; and
- The unemployment rate for young people (aged 15-25) is more than double the unemployment rate of the general population. High youth unemployment is not good for business, the economy, or the community.

Doggedly obstinate government

The dogged adherence of this Government to preserving the tax cuts for the obscenely well paid in the face of overwhelming logic to the contrary, is bemusing to say the least. There are only two ways of paying off debt in your and my world. You either spend less or you earn more. Government spending, in the main, is on core social services like health, education, welfare and security (which include policing and justice). Earning more, through various taxes (GST, PAYE, etc) is your revenue. In New Zealand the top 10% of households contribute over 70 percent of taxation income to the crown accounts. Any move in taxes affects real income with gains or losses for individual New Zealanders. The Government moved on one element with a GST increase to 15% but has failed to undo the PAYE reduction to the top tax rate it implemented in October 2010. At the same time it has stepped up its attack on public services and the public sector. Slash and burn is not the way to get our economy boiling again.

This is the least of my dissatisfaction with the National Party led Government. This Government has consistently attacked working class men and women since it took the Treasury benches in 2009. They have:

- Introduced 90 day trial periods to workplaces with less than 20 workers and then extended it to all workplaces. The horror stories abound where workers are sacked with no explanation and no rights to fair treatment;
- Placed restrictions upon union access to workplaces;
- Cut employer subsidies to KiwiSaver from 4% to 2%;
- Cut the taxation credit for joining KiwiSaver;
- Breached their pre-election promise to not increase GST by raising it to 15%; and
- Increased the numbers of New Zealander's leaving permanently during their term in office (May 2011 = 3,400 and June 2011 = 3,100).

To make matters worse they have stated that if they are re-elected they will:

- Smash the union monopoly on collective bargaining. Currently any 15 people can form a union and seek registration. There is an 'at arm's length test from the employer' – which is a joke and we constantly come up against company or yellow unions. The result will be a significant drop in bona fide union bargaining and will worsen organised workers' ability to seek and deliver a fair share of company profit and productivity gain;
- Further weaken unfair dismissal laws and workers' ability to challenge those dismissals;
- Further curtail union access to work sites;
- Attack beneficiaries with a special focus on the youth; and
- Privatised state assets. Nobody knows better the folly of privatisation than rail members of this Union. The simple fact is that there is no way that overseas purchasers can be excluded from owning private shares. State assets currently return hundreds of millions of dollars to crown accounts in dividends. At a time when the crown needs sustainable income it beggars belief that anyone sees logic in selling assets which at best deliver a one-off income boost and in successive years, no return whatsoever.

Other electoral choices

Alternative political parties on the left have variously stated that if elected they will;

- Lift the minimum wage to \$15 immediately and tag it to a new concept of an 'average living wage'. This delivers real wage increases to 275,000 Kiwis immediately;
- Make the first \$5,000 of income tax free;
- Review the tax structure to have higher paid workers pay their fair share of taxation;
- Sell NO state assets;
- Grow employment rather than slash it;
- Review Government procurement rules and support New Zealand workers (Hillside and Hutt have been specifically mentioned by political parties); and
- Introduce a capital gains tax. The family home will be exempted and it target soaring house prices and market speculation, thus helping to raise home ownership back to historic levels.

For working class men and women, the choice of who to vote for on 26 November 2011 is as clear as night versus day. If we look at who has the best policies to support employment, growth in real wages, etc. then the parties of the left stand out. As I visit worksites I am somewhat dismayed at the apparent acceptance by some members of the media's Americanisation of politics and the 'personality politics' rhetoric.

We must make our judgement based upon who will deliver the society, values and policies we ascribe to and not because their leader is likeable or otherwise. Rest assured, I will be casting my two ticks for the electorate candidate and the party who will deliver balanced and sustainable policies and good outcomes for working class men and women. Will you?

This year's voting day also sees a very important referendum being conducted on whether we stick with the current MMP voting methodology or favour change. There is no doubt that MMP is fairer. It is proportional and this has seen parliament change to better reflect the gender, race, age and other factors of New Zealand society. In my view, parliament is more representative of New Zealanders today than at any time in the past.

I ask that you vote to keep MMP and thereby assist in keep New Zealand a fully representational democracy. 

Praise for past president

Dear Editor,

I read in your fine journal that Jim Kelly has not sought re-election as president after 22 years in that role in the RMTU and its predecessor CURE. As RMTU general secretary for five of those years I would like to record my respect and admiration for the excellent service Jim has provided to the union movement.

As a president, Jim demonstrated the value of a rank and file leader. He reflected the concerns of union members and advocated passionately on their behalf, but he was also very supportive of the paid officials and staff. He played an active role in the wider union movement, particularly with Union's Otago branch and was always there when there was work to be done.

Jim played an important role in building the RMTU into the strong and effective union it is today and he can be very proud of that as he hands over to Aubrey Wilkinson who I am confident will serve as president with distinction, as he has in other union roles over many years.

Yours in solidarity

Ross Wilson.

A plea for proper training

Dear Editor,

I read with interest in a recent Transport Worker about the issue of locomotive engineer recruitment. It would appear that the company is refusing to appoint LE recruits from within KiwiRail, instead of taking people off the street and training them.

I saw exactly the same thing in my own field of work over a decade ago and the objective (which I suspect is the objective here) was to get everyone on to individual employment contracts. A manager of the time clearly stated that he wanted everyone on individual contracts and that he would not deal with a union.

If anyone moved to a new position an individual contract was presented to him, along with the hint that it would be best for him to sign it otherwise the position would be offered to someone who would. When a critical mass was reached, others still on the collective were subjected to mind games and sometimes more enthusiastic tactics to get them to come over.

The situation that now exists is one where a manager can pick off an individual and no one else wants to know – it is the victim's problem and everyone else considers himself as 'I'm alright Jack – why should I worry'.

The camaraderie within the industry has also broken down. People come to work but there really are no friends there. Everyone is out for himself. Information is not shared the way it use to be.

Now the next move is being taken – performance based pay. Some years ago this was mooted with a scheme known as the Hay System. But at the time Helen Clark's Labour Government took over the treasury benches the Hay System was kicked into touch.

Now it has been resurrected as 'Power Up' – spun as 'An integrated framework that links performance to pay, provides clearer career pathways and creates opportunities for development'. This is going to end up with everyone competing against each other and it has already been recognised as a potential source of tension amongst staff.

I would venture to suggest that individual performance pay will be the next step for locomotive engineers once they are on individual contracts.

The railway is a terribly unforgiving environment in which to work and you need to be able to trust each other. Having everyone on the same footing – union coverage and a collective contract – engenders fellowship, common ground, safety and mutual trust.

But to take someone off the street with no background railway experience and put him in charge of a train with minimal training is asking for trouble. He just wouldn't have the practical understanding of how a railway operates, let alone a train. The end result will be broken coupling pins, damage to goods wagons, and perhaps a locomotive or two on its side.

An expensive way to get people on to individual contracts. The job of an LE is a highly skilled role and a demanding task. For myself I would hate to be the person on the ground with someone in the cab who I knew was not properly trained and experienced.

Pat Corkery

Huntly Power Station.

Clifford Bay criticised

Dear Editor,

I was deeply disappointed to read your June 2011 article titled "The Case for Clifford Bay" regarding the suggestion to move the South Island Ferry Terminal from Picton to Clifford Bay.

Your report gave no support at all to your Picton & Spring Creek RMTU members. Surely, as a union publication, it is your purpose to back up your members? If you are unable to support the members, then I don't believe you should print anything on the subject at all.

Robyn Barclay

Port Office Staff, Picton.

(Editor: We will be sticking up for our members if and when any employer wishes to deal with the industrial facets of any relocation or displacement of workers/ members. The cost benefit numbers are so compelling for the move to Clifford Bay that, were the Union to adopt an oppositional stance, we would have no credibility in my view. A question remains as to whether the new port would be managed by Marlborough or KiwiRail. Given that it is likely to be built using public money and will be used by multiple operators the argument is well made that it needs to be under independent ownership/ management which would support the Port Marlborough argument. However time will tell. The debate about Clifford Bay has raged for years. We don't know if the debate this time will see progress.)



Taking a break from attending the Labour Party Conference are (l to r) Todd Valster, Howard Phillips, Labour MP Shane Jones and Aubrey Wilkinson.



Gathered outside of the Korean Railway Workers Union offices in Seoul Korea are the members of the International Centre for Labour Solidarity (ICLS) steering committee including Wayne Butson 3rd from left.

Earthquake worker recognised

AFTER receiving nominations from staff and members for Canterbury Rail branch secretary, Phil Kearns received Union recognition for his work following the Canterbury earthquakes on behalf of members.

The National Management Committee were determined Phil should receive an appreciation certificate and a dinner-for-two voucher.

(above) Phil is presented



the award by the general secretary Wayne Butson at the recent Canterbury Rail branch AGM.

Des Crowe back at work in the Christchurch CT site

ON 26 January 2011, a collision occurred between a shunt locomotive being operated by Des Crowe (an RCO in Christchurch) and a forklift. The collision occurred at one of the vehicle crossings in the Christchurch CT site. Des Crowe was dismissed summarily (without notice) as a result of that collision. From the very outset, the RMTU, Des, and the RMTU members working on the site felt that this outcome was unfair, and failed to take into account all of the circumstances of the collision. There were several factors involved, including:

- A lack of clarity around whether “stop means stop” for forklifts operating in the CT site. This is important, because there are large white stop signs and double yellow lines painted on the ground on each side of the vehicle crossing in the CT site, and it is the view of the RMTU that stop should mean stop.
- Whether the portable radio that had been issued for use in the forklift should ever have been used for that purpose, and whether it was operating correctly.
- Whether the company had properly and fairly investigated all of the circumstances of the collision, before deciding to dismiss Des.

In order to try and get Des' job back, the RMTU and Des filed claims in the Employment Relations Authority. Those claims covered not only Des' dismissal but serious concerns of the RMTU and its members in Christchurch about health and safety issues in the CT site.

Through the efforts of Des, the many Union members who volunteered to be witnesses for Des and the RMTU, Des is now back at work. He started back on August



Des Crowe (c) poses with two of his supporters Allan Robertson (l) and Ian Stewart (r) on his first day back at work after his reinstatement. (below) The collision last January.



8 this year. Des, his work mates, and the RMTU are delighted.

Focus on H&S

Des' return to work was critically important to Des and the RMTU. So too is health and safety. Des' case brought into focus a number of very important health and safety

issues in the Christchurch CT site. KiwiRail and the RMTU will be writing to all managers and workers within KiwiRail Freight, to emphasise how important health and safety is. Each and every one of our members deserves to go home to their families and their lives at the end of a work shift. Health and safety requires the commitment of everyone, including the company and its managers, the RMTU, and its members, to achieving a healthy and safe workplace.

Our commitment to improving health and safety within KiwiRail will continue unabated. Issues over unclear rules, poor radio reception, poor communication, and the identifying and minimising hazards in the workplace, remain critical challenges for us all.

The RMTU will continue to do all it can to bring about meaningful changes so that your health and safety continues to be an absolute priority. 🌐

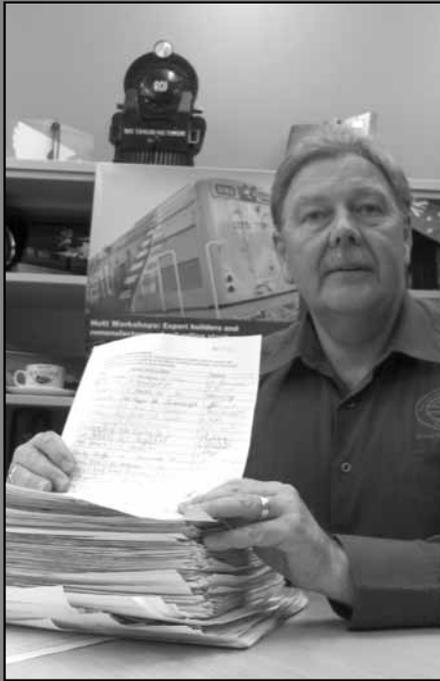
Where the %##*# are you?

Did you get that important notice from the Union last month? Last year? Any time? If you haven't had any mail from RMTU head office then you had better tell us where you've moved to. Check your address by:

- talking to your branch chair who has a list of local members and their details;
- going to the Union website and updating your details – <http://bit.ly/exmEyl>
- phoning 04-499-2066;
- faxing 04-471-0896 ;
- giving us your e-mail to save on postage.

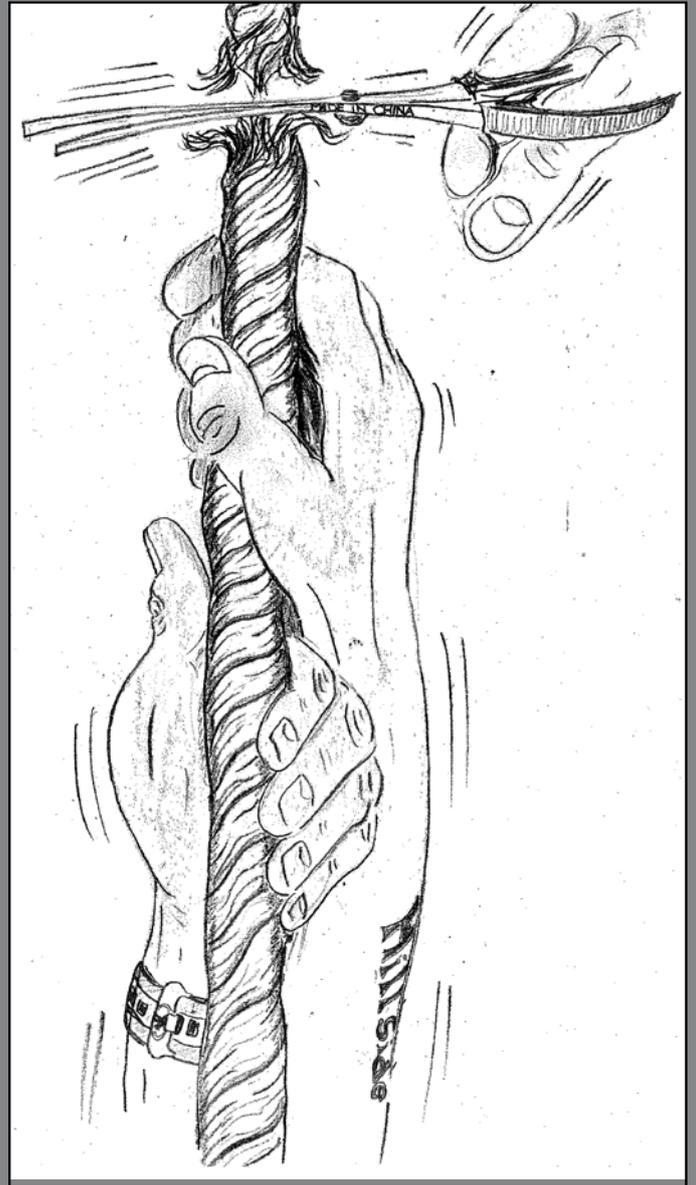
*Greetings
brothers and
sisters,*

*The petition
I am hold-
ing has been
signed by one
in four
Dunedin
householders
and shows the
importance
Hillside
redundancies*



*are to that city. The cartoon right graphic-
ally shows how overseas contracts are killing
New Zealand workers. Gordon Campbell's
article thoroughly explains the background
and explores the government's motives. It is
well researched and well worth reading.
I ask you to give it your valuable time.*

*Thank you
Wayne Butson*



Meanwhile, Hillside demonstrates its expertise

THE first of KiwiRail's Hillside Manufacturing's new carriages for the TranzAlpine and Coastal Pacific services New KiwiRail carriage outside the Hillside Workshops.

Note the windows in the roof. KiwiRail are due to start on-board crew training in September once the buffet car and luggage vans are ready.

The first trainset will go into service on the Coastal Pacific to Picton once the crew are trained. TranzAlpine will get new carriages early next year. The new colour scheme will make them go faster!



New AKs roll out

Gordon Campbell asked to add this comment:

“This was one of those stories where I realised afterwards what I should have spelled out more clearly that where you have a CEO driven by a need for short term cost savings, this will generate decisions that often aren't for the good of the company, the employees, the local community or the country as a whole. That theme is there implicitly – and David Parker refers to it – but I wish I'd used the conclusion to spell it out.”



The Gamble family (l to r) Tony, Kevin and John. Kevin volunteered for redundancy and would have achieved 50 years early next year.

Train wreck at KiwiRail

Behind the job losses at Hillside and Woburn by Gordon Campbell

THERE is a plaque by one of the entrances to the Hillside railway workshops in Dunedin, and it bears the names of the 23 Hillside workers who died in the Great War, and the 25 Hillside workers who died on active service during World War II. It is a small, poignant reminder of how much the railways have been part of their local communities, and contributed to the nation. So, with that history in mind, no one should really have been surprised at how the community in Dunedin – from trade unions to mayor Dave Cull and his city council to the local chambers of commerce – have rallied to Hillside's defence.

In recent months, another battle has been taking place at Hillside, against a different kind of foreign threat. Some 44 jobs were lost there in July, leaving only some 130 workers on the huge site. Over the next weeks, 25-26 further jobs are also expected to go – by redundancy and/or by sinking lid attrition – at the Woburn workshop in the Hutt Valley. The immediate cause of this round of job losses? Primarily, they have been driven by KiwiRail's controversial decision to outsource two very large manufacturing contracts to foreign suppliers. Namely: (a) the 3,000 new rail wagons for the rail network and (b) the circa \$500 million contract to build and maintain 38 electric three-car units (EMUs) for the Auckland rail system.

Arguably, more could have been done to enable New Zealanders to bid successfully for the bulk of this work – which, in

turn, depends on whether the local workforce could have fulfilled the contracts on time, at a reasonable price, and to a good or better standard. Ultimately, KiwiRail management and its political masters bet against the ability of the Hillside workforce to rise to those challenges.

The decision to go offshore says a lot – most of it bad – about the likely future of manufacturing and skilled trades in this country. All over the developed world, other countries are re-investing in their railways. By rejecting the option of investing in the necessary new plant at Hillside and upskilling its workforce, KiwiRail is effectively closing the door and turning off the lights on Hillside's ability to design and manufacture large scale equipment runs (locos and rolling stock) in New Zealand. The direction is clear. In tandem with the cutbacks at Woburn and Hillside, KiwiRail is also cutting at least 10 jobs from its professional services division in Wellington, which is the unit that drives the company's capacity for design, and management of the SOE's intellectual property.

KiwiRail has its own firmly held arguments for going down the outsourcing road, as KiwiRail CEO Jim Quinn explains later in this article. Only a limited pool of money is available to KiwiRail for it to undo the neglect and under-investment that

occurred during New Zealand rail's lost years under private ownership. As a result, Hillside and Woburn now face uncertain futures – essentially, they seem destined to be merely the repair, maintenance and refurbishment shops for equipment built offshore, while doing a few niche local manufacturing jobs on the side. Since both workshops have been cut back perilously close to the critical mass required to keep them viable, they are at risk in the medium term of being shut down altogether. Currently, Hillside has a reasonably healthy order book until around May next year. Beyond that, lies the great unknown.

ALL up, some 500-600 skilled workers are employed at the Woburn and Hillside workshops. In mid-August, Quinn of KiwiRail confirmed to me, Woburn will learn how many jobs it will lose. In late September, he added, the winning contractor for the EMUs in Auckland will be announced between the last two contenders, the Spanish firm CAF (Construcciones y Auxiliar de Ferrocarriles) and South Korea's Hyundai Rotem, which built the new Matangi locomotives in Wellington.

It is a finely poised decision in that Hyundai Rotem are the known quantity from their work in Wellington, and could presumably offer some economies of scale. Yet given CAF's relative enthusiasm for local content, wouldn't KiwiRail – by choosing them – serve to take some of the political heat out of the outsourcing issue? “Most certainly it would,” says Wayne Butson, general secretary of the Rail and Maritime Transport Union (RMTU) which has made no secret of its preference for the CAF bid. “CAF's track record worldwide, is local involvement. At their new plants in Mexico and Brazil . . . there are three or four local executives in there but by far the

majority of workers are local labour. CAF is a workers' co-operative. That's their modus operandi."

Rotem do not seem to appear quite so keen on local content. Queensland, Butson points out, recently put out a contract for 600 passenger cars and Rotem and CAF were both tenderers on that job. "[But] when Queensland announced there was an absolute cast iron local content requirement of 50% of the passenger cars. Rotem withdrew from the bid process." This question of local content (and local jobs) has been a fraught one from the outset with the EMU contract, a job that KiwiRail prevented Hillside from even putting a bid on the table.

By early last year, the decision to exclude Hillside from the EMU tendering process culminated in a critical report by the economic forecasting group BERL, commissioned by the RMTU and Dunedin City Council. In its report [<http://bit.ly/nemnU3>] BERL found that doing the EMU work in New Zealand would cost some \$375 million (this figure includes the cost of getting the plant and machinery up to speed) of which 31%, or \$115 million, would still have to be accessed from foreign suppliers.

The key question is whether or not it makes sense, from a business case point of view, for New Zealand to do as much as it can of the production here i.e. the other \$260 million."

Maximising the local content on this circa \$260 million residue of the EMU project, BERL found, would develop and maintain skills in New Zealand, create access for this country to the expanding global market in rail renewal, deliver technology spillovers to other industries, and create an ongoing supply of skilled maintenance jobs. By making the EMUs here, BERL estimated, there would be an average of 1,270 full-time equivalent (FTEs) high skill jobs created in New Zealand over a period of 45 months under one timetable scenario, or 770 FTEs over an (arguably more realistic) build



timeframe of 69 months.

In the process, doing the EMU build would add as much as \$250 million to our total GDP. For that reason, BERL's research indicated that overseas manufacturers would need to produce the rolling stock at between 29% and 62% less than the price of manufacture in New Zealand, if they were to offset the likely benefits to New Zealand's GDP of building the trains here.

Finally, BERL warned against sacrificing quality for the allure of an initial low price tender price. While conceding that New Zealand could conceivably get the trains built cheaper elsewhere, the report points out that almost all rolling stock purchases being made by other developed countries were sticking with companies that have established quality and safety records. Translation: not from China.

"It may be possible for Asian sources to supply at prices close to these. However, the quality and expected life could be less than those from Europe and North America, and we suspect from New Zealand. It is possible also that total operating costs could thus be higher. It therefore makes business sense to produce the trains here, not only from a national perspective, but also from a commercial (ie, KiwiRail) perspective.

"The idea that we could get the trains built cheaper elsewhere may be true, but almost all rolling stock purchases being made elsewhere are sticking with companies that have established quality and safety records."

The main thrust of the BERL report

findings still stand. (The criticisms to date by the government and KiwiRail have quibbled over the accuracy of two or three car unit costs and the lack of a risk cost assessment.) By early May, Transport Minister Steven Joyce was seeking to brush the looming prospect of job losses at Hillside aside with this assurance on TVNZ's Close-Up programme, May 2, 2010:

"There will be lots of work for these guys, there's no doubt about that, because they do a lot of things well and there's a big rolling stock replenishment and replacement exercise that's coming down the pipeline."

Unfortunately, six months later, this job too, went overseas. In December 2010, KiwiRail awarded Joyce's "big rolling stock replenish and replacement exercise" (ie, the 3,000 wagon contract) to the Chinese company, CNR.

KIWIRAIL'S penchant for doing business with China – perhaps a byproduct of the NZ/China Free Trade Agreement – appears to run deep. For a company that claims to be risk averse when it comes to backing the abilities of its own skilled staff, KiwiRail was willing to be the very first developed country to buy locomotives built in China, when it ordered an initial 20 DL locomotives from a division of China's CNR Corporation. It has recently placed an order for more DLs. As mentioned, China will also be supplying the 3,000 flat top wagons. Even when it came to the EMU contract, giving China an opportunity to get into the frame appears to have been a factor in the decidedly unusual way that the tender process was conducted.

A brief review of the timetable for the EMU tender is instructive in this respect. Just over a year ago – on 17 July 2010 – KiwiRail announced four companies were on the shortlist for the EMU contract, none

of them Chinese. The same month, both Prime Minister John Key and Transport Minister Steven Joyce visited China. On 3rd September KiwiRail re-opened the tendering process, and announced a new shortlist of ten companies, several of which were Chinese. By December 2010, Australia's Bombardier transportation had withdrawn from the EMU tendering process, with its managing director reportedly saying: "Your decision to extend the shortlist raises questions on the level of confidence that Bombardier can have in the process."

AS it transpires, China is no longer in the running to build the EMUs for Auckland. Yet Butson remains sceptical about the illusory cost savings being sought: both on the wagons, and with respect to the DL locomotives, whose alleged failings have been detailed here [<http://bit.ly/ofuB3X>, and here [<http://bit.ly/mWQnEx>]. Clearly, Butson has a vested stake in local content and local jobs for his members. Even so, some aspects of KiwiRail policy entail a gamble that the low prices being offered by China will not culminate in a low quality product. For now, New Zealand seems alone in that estimation. "We were the first 1st world country to buy locomotives off China," Butson says, "no-one else will." Moreover, repairs carried out recently on two wagons supplied by CNR during the Toll era, indicated a need for remedial action that went beyond the damage they had sustained during a derailment. Butson again:

"Both of them are down in Hillside, being repaired. Every weld on those wagons is having to be ground out and re-welded. Because when they put the crack testing over them, the welds were crap.... There are major issues around the DL Chinese locos – they can't operate at proper speed

on the main line otherwise they start bouncing, there are speed restrictions galore. And the Chinese wagons ... all the brake gear is good for only about two years. Then it will all have to be replaced. Our current rolling stock has been out there for 50 years. The long term cost could be horrendous for the country."

JIM QUINN was something of a surprise appointment [<http://bit.ly/oLONeX>] as the new CEO of KiwiRail in 2009. He came to the job as the former head of Express Couriers Limited, a joint venture between New Zealand Post and DHL. So, what does he think is going to happen at Hillside next year, if some major new orders aren't clinched?

"We are working on several things," Quinn replies. "We've announced that we're looking at a process of looking at a partner option for our passenger business. Part of the reason for that is to get a partner in there who can afford to invest, because one of the things that would help them the business – but also help Hillside – is to build more of the AK cars that we've got going on to the Transcoastal and Transalpine route in the North Island, as well."

So will that be a continuation of the Transcenic carriages being worked on at Hillside now? "Yes. The carriages we're building at the moment are for the two South Island journeys. They'll be released late this year, early next year." And the AK work may follow on from that? "That's right. One of the things that's come out of this is that our capability is more suited to those smaller runs, boutique runs. So the business at the moment is finishing the AK cars, they're [also] starting some work on some specialist work on wagons we need for the network team to use for sleepers, and all of those things. Those sort of jobs

are what the workshops have survived on for years. So its not unknown for business to have only committed orders out that far (ahead). Clearly if there is no work, we have a different issue."

Is there a commitment to keeping Hillside open as a manufacturing hub? "Its been a small manufacturing hub. Largely small run boutique work for a long, long time." Does he envisage Hillside functioning in future mainly as just a repair and maintenance workshop? Not exactly. "Firstly, the daily and weekly maintenance of the rolling stock is not done at either (Woburn or Hillside) It's done in smaller shops all around the land. The big workshops have traditionally done the bigger jobs. Refurbishments, those sorts of things. So there will be more of that, regardless of where we source our rolling stock from."

As for Hillside ever again being a build centre for New Zealand designed and built locos and rolling stock: "Well, I think we've made it clear that at the moment, we are just not competitive for locomotives. We haven't built locomotives here for a very long time." But when taken together with the downsizing of the professional services team, can people reasonably conclude that Hillside in particular is no longer to be retained as a build centre for major contracts?

Quinn chooses to step back, and answer that question in more general terms. "We've looked at the EMUs. Firstly, before I came to KiwiRail there were the Matangi locomotives (for use in Wellington and built by Hyundai Rotem of South Korea), and the decision was made, correctly, to build those offshore." As for the EMUs: "We had never built electric trains here. We have no knowledge of how to build those, the detail of those. They're quite sophisticated. That's not to say we couldn't – don't get me wrong. Are we able to learn? Are we able



The noisy and solid picket line, which included general secretary Wayne Butson, across the entrance to Carisbrooke providing a welcome for KiwiRail CEO Jim Quinn's staff briefing.

to construct those things? Yes. Our technical ability? There's no doubt we have some. But we have never built them before. And we're not set up to build them. So there would have been a major investment required."

Hasn't Quinn cited that investment as being of the order of \$8 million? "Oh, that was to invest in some of the parts. We think we would have been around 100% more expensive for those [EMUs]. And since we'd never built them before, there was a downside risk if we in some way, got them wrong. It's hard to price a job you've never built. We are as confident as we can possibly be that [Hillside] was never going to be competitive, price wise. But more than that, Auckland needs these trains. Like, quickly. It needs trains on the track in 2013. The sort of [foreign] manufacturers we are looking at, they build these things all the time. They have plant solely focussed on that. They've got plant gear, major automation around the process. They do it day in, day out. And they spit hundreds of these things out a year. And given that there won't be another order for a very long time, investing in that specific plant would have been somewhat illogical."

But there's a huge investment going on in Australia in their rail system. If KiwiRail invested in machinery and skills upgrading – and with CER as a helping hand – how come Quinn wasn't already clinching more of that work for Hillside and Woburn? "Because we're simply not credible. We don't have the scale. We don't have the investment in plant and machinery... We simply don't have the capability to be competitive in that field."

In the medium term, it sounds like Catch 22. We can't invest because we're not competitive, and we're not competitive because we haven't invested. Was Quinn surprised at the breadth of local opposition in Dunedin to the job losses at Hillside? "I was surprised in the sense that I think people have forgotten that Hillside factory has had a bubble of work in the last four or five years where it built the SASD cars for Auckland, and the AK cars. To do those, we'd lifted the staff levels... All this recent change has done is bring the staff levels back to the levels before those orders came in, because we don't have another order like those. Up and down [in staff numbers] has been a perpetual part of what we do."

What does surprise Quinn is that people in Dunedin would be looking at local volume manufacture of very technical things, such as EMUs. But what about the 3,000 wagons being sourced from China? "Okay, and less technical things in the wagon case. But the place where we're getting the wagons made turns out 12,000 wagons a year. [CNR] are able to do things because of the investment in plant that they have made, that we are simply unable to do. That's not a criticism of our work force. It's a fact of life."

Mindful of all this, and of the ongoing gap in public perception – would Quinn be willing to sit down now and put a spreadsheet in front of Dunedin mayor Dave Cull and the RMTU, and provide a line item demonstration of the 25% cost difference that he claims to exist between the Hillside and CNR bids for the wagons? Mayor Cull after all, told the recent Hillside protest rally:

"We know that these wagons can probably be built overseas for somewhat lower cost than they can be built here. What we don't know is how much less or at what quality."

And what hasn't been done is to hold up whatever the extra cost of building them here is, and weighing that against the benefits of doing the work here in Hillside, the benefit to Dunedin and the benefit to NZ.

WHAT hasn't been appreciated is the future value of keeping resources, skills and jobs in our city and in our country

It is easy to know the cost of things without appreciating their value.

So the government is apparently expecting KiwiRail to consider ONLY the cost only the price. That is essentially ignoring and even denigrating all those other economic and community benefits that would flow from the work staying here. Just the tax on the wages earned here at Hillside would probably exceed the difference between the cost overseas, and that here.

No, Quinn isn't willing to do that. "The RMTU have our information. I've already talked to Dave. Look, at the end of the day, I know where the gap is. People are struggling to understand it. I understand that." Even if everyone agreed that 25% was what the gap on the wagons would be – and personally, Quinn thinks the real gap was even higher – the other factor is this: "We

don't have any extra cash. Let's assume that someone gave me that cash, but [the gap] turned out to be even more [than 25%]. I wouldn't have any more money. So I've got the risk. Things like this can go wrong."

Indeed they can. With anybody, either here or overseas. Have for instance, the DL locos made in China been delivered on time and without any significant performance issues? "I agree," Quinn says, "delays can occur with anybody. That's right. But when another manufacturer causes a delay, I don't pay more. If we get a project wrong as a manufacturer, we have to keep funding that until its fixed." Currently, as he sets out on his task to rebuild railways, his appetite for risk is very low. Delay needn't cost him money, but over-runs in cost do. "Let's be clear though – we have no more or less risk of delay that you can certainly prove, whether they are manufactured here or somewhere else." On the delivery time issue then at least, Hillside is on a level playing field with China.

FINE. So were the DLs from China delivered on time? "The first ones were late for a range of reasons – some were the manufacturers [reasons] some ours." KiwiRail's contribution to the delays came down largely to design issues, he says. "We've got the second order under way and with, as I'd expect, no design problems. And they're functioning extremely well." (The RMTU begs to differ. [<http://bit.ly/pxMHD8>]) "And the wagons are being delivered ahead of time."

Finally, and leaving aside the economic nationalism arguments, and by taking the low tender from China, I suggest, the concern is that we may be buying ourselves repair, maintenance and quality problems downstream. "We have mitigated our risk as much as you can," Quinn says. And it won't be the case that Hillside and Woburn get roped in to fix any subsequent quality shortfall? "No, we expect our manufacturers to stand behind the warranty." By the way, Quinn adds, so far the Chinese have been stepping up and fixing their mistakes. A "rubber bush thing" that went wrong on one of the Chinese wagons just after he took up his job at KiwiRail, he says, was put right. "Will we have issues with the locomotives? Yes we will. Commissioning new trains takes time to iron out the bumps. We've had some small problems [with the

DLs] but they've been fixed."

Mindful of KiwiRail being so allegedly risk averse, and also of the need to reassure the public on the quality issue – could Quinn name any other first world country re-investing in rail that is getting its locos built in China? Not off the top of his head, he says. "There is no doubt we were the first to do it, to put an order in with the Chinese for locos. That's true. However, as I've said, we've done that open-eyed. We've mitigated our risks as strongly as we can. And the proof will be in the pudding."

Even at the best of times, Dunedin South doesn't have a lot to come and go on. The Hillside workshop is the suburb's centrepiece, a hulking factory that seems to run forever in an unbroken line down Hillside Road. The day I spoke to two Hillside worker delegates – Dave Kearns and Les Ingram – was the same day the workforce was learning who among them had been picked out for redundancy. Kearns and Ingram had been interviewed for redundancy themselves, and sat in on as many as 20 other interviews as support for their workmates.

The redundancy process has spared the management tier entirely – a decision that can only increase the corporate loading overheads in any future contract bids that Hillside puts on the table. Nor did there seem to be any special weighting given in the interviews to the technical skill of the individuals whose jobs were on the line. Not surprising, perhaps. In both the EMU and wagon contract tendering, KiwiRail management had hardly displayed a strong vote of confidence in the skills of their workforce to do the job. In the redundancy context, did the delegates feel the skills held by the work force were given proper weight?

"No, I don't," Kearns replies. "On paper it looks like the technical part of our skills has been given one tenth of the total weighting. This is not to take away from the other competencies around safety and teamwork etc. But in my view, one tenth is not enough to sum up the technical skills required here. At the interviews, I asked what the weighting would be, and it sounded like this was still undecided, by the KiwiRail [management] team." The general feeling, Kearns adds, was that the whole interview process had been something of a sham, and that the selection process – preceded in some cases by shoulder taps and private reassurances

– had been largely pre-determined.

Kearns, 44, is a pattern maker, and he started work at Hillside in 1985 as an apprentice. He briefly described to me the skills his job calls for. "Pattern making takes it from an engineering drawing to a wooden model of a casting that you want. That wooden model is used to make an impression in sand, and then the wooden model is removed, and the cavity is filled with molten metal [within the Hillside foundry] and that then becomes the casting." Hillside, makes patterns and castings for railways components mainly – but also has other customers like the Tiwai aluminium smelter. It also makes a range of Dunedin City Council street ware.

Okay. So what makes the difference between someone who can do an average job of pattern making, and someone who excels at it? "One of the things you need is accuracy. Dimensional accuracy is a key requirement. There's the initial task of turning a two dimensional drawing on a piece of paper into a three dimensional object. But pattern making gets more complex than that, because it has split lines and has to be moldable. And you have to be able to draw the object out of the sand without an undercut causing a breakage. So you get into hollowness, and cores . . . and balance."

There are limited options in Dunedin for this specialised work. More options exist in the North Island, and even more opportunities exist in Australia, as it renews its rail networks. "What's really galling to me . . . I can understand on some level where redundancies are made because there's no work. The boss physically can't create work. What really gets me here is that we have got 8-10 years of work that we could and should be doing [ie: the wagons contract] and we've put a compelling case forward for it. And we're still getting made redundant. And we're seeing this thing, literally, get exported. That's what I can't, and won't get over."



On the picket line at Port Tauranga in blizzard conditions.

AT the age of 58, Les Ingram (grey hair left) has even fewer options. If and when he happens to lose his job, Ingram has been considering moving into subsistence agriculture (selling free range eggs and vegetables) with maybe a job at Bunnings or Mitre 10 to help support that lifestyle.

Like many before and since, Ingram did his apprenticeship at Hillside in 1971. By 1975, he had taken his engineering skills on to freezing works, hospitals, universities, fertiliser works and wool scouring plants before returning to Hillside again in 2005. Wherever he worked, he says, there was always a New Zealand government trained tradesman on the site. In places, they were the sole skills base. "Now that's my big fear. Where is my grandson's generation going to get their skills from? Look at other businesses. Where are the dairy factories going to get their engineers from in 25 years? That stuff has had a benefit for NZ Inc."

Is Hillside losing its critical mass – given that for instance the foundry staff at Hillside are being almost halved, down to about 26 or less? Back in the 1980s, Ingram says, he understands that Hillside got down to fewer staff than it has now. "So there is some hope. The unfortunate part is there is a group of people who have decided to go – older people with huge knowledge who have said enough's enough. There have also been a group of very good young tradesmen who have left, and who have left in the months leading up to this – who have just seen the writing on the wall, and gone to Australia, That's the future. So to answer

the question – can we still do stuff here? Yes. But we're severely restricted."

Unbidden, Ingram raises his concerns about the quality of the Chinese-made rail gear. "We've got a Chinese wagon in there. We're repairing it now. Its had collision damage. But they're going further than that – they're doing repairs to the welds. They certainly not Hillside-quality welds. Yeah, I think these Chinese wagons will spend a lot of time at Hillside. That's one of the 200 that was bought by the port of Tauranga through Toll, when Toll owned what is now KiwiRail. Same manufacturer as the new ones : CNR."

Clearly, it rankles that after years and decades of keeping the old, clapped out gear on the rails, many in the New Zealand workshops are being laid off now – just as the new gear appears on the horizon. "We've got Jim Quinn's much vaunted DL locomotives now, that are supposedly saving the fleet. There's six of them on trial in the North Island. They're not yet on regular trains. Yet the actual availability graph that KiwiRail is putting out shows that locomotive availability has improved. That's not because of the new locos. It is because of people like me, working on 40 year old locomotives and keeping them on the track. That's actually not a success story, Jim. That's the result of people like me, who are going to lose their jobs. Those [DL] locos are over a year late. So much for Hillside and Hutt not being able to do [the job] on time! And when they do arrive, they have endless problems."

Despite all this, I suggest, the railways have been through this kind of thing before. Eastown workshops in Wanganui closed down, and yet the sun still rises in Wanganui East. Arguably, isn't the Hillside situation being somewhat overblown? "What I'd say to that," Kearns replies, "and no disrespect to you for asking the question, but I'd say that is a cop out. Instead of looking at it that way, look at what we could and should be doing. Which would actually be to expand the staff here, and be standing here working for the next ten years, building all our own wagon replacements. Every time I see a passenger carriage or a container wagon on the tracks I'm saying to my son and to my daughter – we built that. Not me personally, it was my mates who built it. What more can you say?"

LIFE will go on. Management, the RMTU and the 130 workers left onsite work force at Hillside will have to somehow find ways to co-operate. John Kerr is the highly capable RMTU organiser at Hillside, and has been the driving force behind the city-wide campaign to save jobs at the plant. In this skilled trades area, can you really it play like a concertina, and expand and contract the work force on a monthly or quarterly basis?

Some highly skilled people from Hillside and Woburn will either go into retirement, or to Australia. They will be lost to a rail industry that has no place for them any longer. That doesn't seem rational.

"No you can't," Kerr says. "And I think one of the concerns we've got is that the delegates are of the view that this is the vision of [Hillside manager] Andy Bisset. That you can turn labour on and off like that. But this isn't like the Christmas post rush – and people will go and work for someone else, where they have got some security." The union, he adds, does have its members' confidence and support. "We could have brought and delivered change that would have increased efficiency, and reduced lead times and all the rest of it. Whether we could do that now – we don't know, after the debacle of the last week or so."

Does Kerr believe that KiwiRail has recognised and respected the union's offer of cooperation on – for instance – the so called "lean manufacturing" efficiency measures now on the table at Hillside? "No," Kerr replies, and sums up the current state of play in these terms :

"I had an approach from Graeme Boomer, the industrial relations manager to say we should get together in a couple of weeks to start to work through some of that stuff. But the concern I've got is that we feel like we've had a bit of a slapping. It was a big risk for us, when we said 'We will work with you to deliver lean manufacturing' and we knew that would involve change. We wouldn't compromise wages and conditions, but we would work with

[management] around change, to make the place efficient. In doing that we had a level of expectation that the proposal for redundancies would have been diluted somewhat, and we would have saved a few jobs. We were always realistic. We knew we wouldn't save many of the jobs, but we thought we would have saved some. And that would be part of the quid pro quo . . . We feel that we just got slapped in the face, and there was no change. And now, how can we go to the troops, and say we've got to get behind management? Because the relationship between the membership at the grassroots and management is now at rock bottom. If they'd played the political game, and given us a little bit, both sides could have claimed victory. We could have said we saved some jobs. They could have said we've listened, we've been reasonable. And you've then got a platform that you can work from, and build the relationship."

In both major and minor ways however, KiwiRail has displayed an uncanny ability to get things wrong. For instance, Richard Hubbard, 38, one of the mechanical engineers laid off, received a letter advising him of his sacking and addressed to him correctly at the top of the letter, but the letter then began 'Dear Peter . . .'

On the same day Hillside workers found out the bad news about who had been made redundant, Phil Goff held a public meeting in the housie evening rooms just across Hillside Road, and used the occasion to announce Labour's government procurement policy. Goff was in front of a relatively small group, and on friendly turf. Given the day's dire news – and a 5.45pm start time on a cold, rainy night – it was somewhat surprising that several Hillside workers still turned up to hear him, rather than heading home. Even so, a few gremlins managed to creep into proceedings. Labour MP Clare Curran, who has done sterling work for 18 months in rallying support across Dunedin for the Hillside cause – chose to introduce Goff by describing the redundancies as marking a "reasonably sad" day for Hillside. Reasonably sad?

Goff, by that standard, did reasonably well. He made well-received statements about local content and local jobs, and his criticisms of the Key government's 'narrow, cost accounting approach' to economic planning and decision-making also went down well. Rattling off jolly lines though,



The picketers celebrate and cheer their solidarity with Hillside and Hutt.

like “We made some mistakes in the 1980s, but unlike National we’ve learned from our mistakes” sounded jarringly glib. And this crowd – on this night – may not have been the ideal time for Goff to express his excitement about how the new economy is opening up terrific new job prospects for people who design and build video games.

ALL the more reason then, for genuine relief when Goff finally climbed into one of his questioners afterwards with the sharp comment of “Bullshit!” When asked whether the key issue really, was whether Labour would restore the right to strike beyond outside the current narrow context of collective bargaining. Finally, he seemed to be connecting spontaneously with his audience. While not blind to the Labour leader’s flaws, the audience clearly accepted him – with a mixture of enthusiasm and fatalism – as the only political game in town likely to improve their lot. To this crowd, the policy combo of the capital gains tax, removing GST removal from fruit and vegetables and the restoration of the top tax rate was a package that they obviously and honestly took to heart.

As for the Labour procurement policy itself [<http://bit.ly/qD7Nv4>], what the RMTU later pointed out in a press release was that – unlike similar policies in other countries, including the US and South Africa – the policy contained no minimum local content numbers, or percentages. This despite Goff’s assurance to the Dunedin South

gathering that local content provisions with regard to manufacturing contracts would not contravene WTO rules, or be in violation of the China/NZ Free Trade Agreement that Goff had helped to negotiate. [<http://bit.ly/nJoUhb>]

Wouldn’t they? Later, I asked Goff’s office to spell out the China FTA exemption clauses to which Goff had been referring. Given the perception that free trade agreements usually preclude local content provisions, Labour’s response is worth citing in detail, at the risk of boring some readers to tears. (Sorry about that. Come back in three paragraphs).

For starters, Labour’s spokesperson indicated, there are “express and implied exclusions for government procurement” in the China FTA. Arguably, government procurement is expressly excluded from chapter 9 on trade in services, and from chapter 10 on investment, through articles 105 and 137 respectively. That chapter 9, trade in Services exclusion is especially relevant, the Labour spokesperson pointed out, because it is the only chapter that offers “Most-Favoured Nation Treatment” to either country, via article 107. Government procurement is not mentioned at all in the chapter 3, trade in goods section which – arguably – means an express exclusion is not required. (Sceptics might counter-argue that if its not expressly excluded, its presumed to be in, not out.)

At the wider WTO level, government procurement still seems to be a work in

progress. Apparently, China has not yet completed negotiations on its accession to the WTO Agreement on Government Procurement, and MFAT has chosen to wait until after that process is completed before addressing government procurement in the context of an FTA. Moreover, New Zealand currently has only observer status to the WTO Agreement on Government Procurement, but is not itself a party to it. “In our view,” Goff’s spokesperson concluded, “observing the WTO’s principles of non-discrimination and transparency do not prevent New Zealand from selecting tenderers that fulfil our strategic economic interests.”

That sounds reasonably convincing. After all, if the US can get away with imposing 100% local content quotas for some of its government contracts, the New Zealand government could hardly be pinged by some trade panel in Geneva if it chose to seek a far lower local content ingredient, or had national socio-economic justifications for buying local. The real risk will be if MFAT negotiators agree in future – behind closed doors – to sign away our current safeguards, for some imaginary trade and diplomatic advantage.

Meanwhile, back in something closer to the real world, it is still striking that the Labour government procurement policy does not contain any local content numbers. There are no mandatory percentages say, for local suppliers, local labour, or locally designed and made componentry. Labour MP David Parker – who put together the policy – told me that this was partly because reliable data on the status quo doesn’t exist in New Zealand.

So you wouldn’t know whether you were undershooting or overshooting? “Correct.” In all their projections around capital gains tax and around the revenue, Parker says, Labour had been at pains to be prudent. “And we couldn’t pick a prudent number here.” Other means exist though, he believes, to get to the same outcome. “I find it astounding that everyone in NZ could agree it was appropriate to have local content in our big contracts to build [the ANZAC] frigates, but the same logic is denied by the government when it comes to major rail contracts. I can’t imagine countries like China or South Korea or even Australia really saying that their rail engineering expertise would be lost, for

want of a government contract to build trains.”

Instead of local content ratios, Parker favours requiring a government department – or an SOE owned by the government – to formally assess and factor in the wider benefits to the country of local production. Without such a requirement, he indicates, the status quo will continue to encourage the CEOs of the likes of KiwiRail to pursue short term gain and lowest bids in the awarding of contracts. “Price is obviously relevant. And since government departments always have a limited budget, paying more for one thing will always limit their ability to do the second. That’s true in respect of the government department but it might not be true of the government as a whole, given there are benefits from GST being paid, income tax being paid and welfare benefits being avoided.” Thus, the need for government to ensure that the wider assessment is made compulsory. “By this means, I think you get to a similar outcome [as a local content quota.]”

The rationale seems compelling: “It seems to me obvious that there are some things that are currently going to overseas entities that ought to be going to New Zealand entities. Its not always a matter of price. Sometimes, government departments will want to minimize risk to themselves, and minimize the risk of embarrassment to themselves – and I suppose, to the government – by writing specifications that can only be met by the largest multinationals. They might minimize the risk, but it sometimes increases the cost. And sometimes, certainly closes out the New Zealand content.”

Among KiwiRail’s top management, there does appear to be a fixed perception that Hillside is capable only of repair and maintenance work, and/or very small scale manufacturing runs. Parker: “That’s a very narrow and negative vision of the capability of New Zealand manufacturing.” While Quinn of KiwiRail is fond of citing the example of cars no longer being built here, there are even counter-indications on that score. Fonterra’s milk tankers, Parker points out, are made in New Zealand, from the chassis on up. “Because the content is reliable, and the price is competitive.”

Fraser’s in the Hutt Valley assemble fire engines, and manufacture componentry for those fire engines. The company got

its first break from the South Australian government, not from any New Zealand government assistance. “It shows that there are niches in [manufacturing] where we can compete,” Parker concludes. “I’ve no doubt that – properly managed – the New Zealand rail company can manufacture some of its own rolling stock. Not all of it, but some of it. But at the moment, we’re at risk of losing the capability of building any of it.”

“You know what the trouble is, Brucie? We used to make shit in this country, build shit. Now we just put our hand in the next guy’s pocket” – Frank Sobotka, union official, The Wire.

ULTIMATELY, it is politicians, and not the heads of SOEs like Jim Quinn, that get to decide how much any arm of the state gets to spend, and on what. Only a few weeks ago on TVNZ’s Q&A programme, Prime Minister John Key drew a line in the sand about his priorities for the New Zealand economy. [<http://bit.ly/qXeCsU>]: “Intellectual property is an issue of concern, and that’s because this is a knowledge-based economy, not a manufacturing-based economy. It creates knowledge.”

Which is fine, as it goes, as a defence of Pharmac. Surprising though for the PM to so thoroughly dismiss a manufacturing sector that – according to the first quarter 2011 Household Labour Force survey – still employs 252,000 people, and comprises 11.4% of the total work force. In the process, Key was making a hard and fast distinction between New Zealand’s knowledge industries on one hand, and manufacturing industries on the other. At almost the exactly same time, the Economist magazine was arguing almost the precise opposite [<http://econ.st/lnxpf1>].

Because in the wake of a lengthy debate conducted in its pages, the Economist reached the conclusion that you cannot have a robust modern services economy without having a strong manufacturing base. Reason being, services and manufacturing are not separate options in today’s economy but entwined – or should be. According to the Economist, healthy economies leverage their advantage from one to the other. Even Singapore, which may seem to be a contradiction, is arguably the services wing of the Chinese manufacturing hinterland. Is Hillside the hub of an old



KiwiRail mechanical worker Kevin Webber holding the line.

manufacturing industry with little or no future – or could and should its plant and machinery be seen as an essential link in the service chain for our modern tourism and urban transport needs?

The Economist frames the initial argument in this fashion:

“People may [well] wonder where manufacturing ends and services begin . . . Makers of many things, from aircraft engines to cars to telephone networks, will tell you that they do not simply make and sell fancy combinations of metal and plastic: customers want advice, design and maintenance too, as part of the deal. Manufacturing and services are complements, not substitutes.”

Ha-Joon Chang, of Cambridge University notes that even apparently service-based economies in fact have strong manufacturing foundations. Much of the shift away from manufacturing, he argues, reflects inherently faster productivity growth in that sector; some of the measured productivity growth in services, notably retailing, reflects lower quality and is thus more apparent than real. De-industrialisation and slow manufacturing productivity growth hurt a country’s ability to export, and eventually lead it into balance-of-payments difficulties. As for tradable services, they too, depend in the long run on a strong manufacturing base.

The implications for New Zealand of this argument can hardly be overstressed. Since the 1980s, successive governments

– with varying degrees of emphasis – have assumed that aspects of manufacturing are ‘sunset’ industries that can be left to wither and die, while we buy the equivalent goods and components from offshore, while blithely relying on borrowing to make up any shortfall. Knowledge industries however do not occur in a vacuum – historically in New Zealand, many of the successful ones have grown out of the cross-fertilisation from the state’s investment in manufacturing and r&d, and from the training in skilled trades that this investment has created.

The final sparks from that period of substantial investment are now flickering out, around the country. In that respect, the dumbing down of Hillside may be only a significant footnote in a long decline. Certainly, the current government has never shown much enthusiasm for the railways system that it inherited – and if were not for the dependence of Fonterra and Solid Energy on shifting their essential goods by rail, KiwiRail would probably be already back on the auction block.

MILLIONS and millions of dollars are now going into the refurbishment of rail, to make up the previous 20 years of private sector neglect. Leave aside the national good and what’s the best planning mode for the economy for a moment. . . at a purely individual level, here’s what seems most unjust about the redundancies at Hillside and Woburn.

Belatedly – and perhaps misguidedly in terms of its point of origin – the new gear is finally arriving. Yet the people who have kept the system running during the years of the robber barons and asset strippers – the people who repaired the 60 year old bits of equipment and kept them on the rails – seem to have little or no part in the next stage in the history of rail. They maintained the system through the hard years, and might have expected to share in the rewards and benefits of re-investment. And use new gear, for once. Instead, they’re being chain-sawed off at the knees.

In the process, some highly skilled people from Hillside and Woburn will either go into retirement, or to Australia. They will be lost to a rail industry that has no place for them any longer. That doesn’t seem rational – and it doesn’t seem right, either. Maybe there should be a plaque on the wall for them, too. 🌐

Campaign action

THE campaign (‘Keep Kiwis Working’) to support workers at Hillside Engineering destined to be made redundant by KiwiRail had its origins over a year ago when the RMTU Hillside branch started working with local political activists and community groups to secure the future of the rail workshop in Dunedin.

By June this year the group had:

- recruited and committed a small, active cadre of community activists;
- engaged local Labour and Green MPs (in particular Clare Curran and Peter Hodgson) and their party machines; and
- established a working group chaired by the Dunedin City Council and composed of union delegates, Council officials, local engineering firms and the Chamber of Commerce.

In early June KiwiRail’s formal proposal planned to cut 41 jobs at Hillside and indicated it ‘intended’ to slash a further 30 jobs at the Woburn workshops in Lower Hutt.

Within 24 hours the Hillside branch had formed a consultation committee made up for four key delegates (the Gang of Four): Grant Donaldson, Les Ingram, David Kearns and Stu Johnstone – all veteran political and union activists. This experience meant we quickly formulated our aims and objectives and put in place a four pronged plan of attack – industrial, political, legal and media.

Within 24 hours a mass meeting of the membership unanimously endorsed our proposals to fight for every job and for the future of Hillside and Woburn.

The campaign’s objectives were to:

- try and save as many jobs as possible under immediate threat at Hillside and Woburn;
- build organisation on the job and in the wider community; and
- cement political and community alliances to get the future of rail engineering on the national political agenda.

The overarching aim was to make jobs and skills an election issue. What followed was described by Grant Donaldson as a ‘controlled whirlwind’.

We soon gained the initiative over the Company through a sympathetic local press and the ability to publish media releases very quickly which set the terms of the pub-

lic debate early on. A mass public meeting attracted 400 people from across Dunedin with the Labour and Green Parties, the Mayor of Dunedin, the chair of the Chamber of Commerce, Greenpeace and the local Council of Trade Unions all speaking in support of the campaign. Positive media



Wayne Butson helps present the petition to Parliament.

coverage meant that members were buoyed and our supporters enthused.

We successfully got the consultation period extended to allow us to prepare a professional submission and to give us time to build our organisation and generate publicity. This was the lead story in Dunedin for a month.

The local community responded enthusiastically. Our members, many of whom had not been active, rose to the challenge and, following the leadership of their delegates, gave out leaflets and collected signatures on a petition initiated by Dunedin South MP Clare Curran.

A Facebook group was set up which drew in more supporters and allowed us to stage actions at very short notice.

A month after the announcement a public rally was held in the Octagon where 2000 people turned out to hear local and national politicians, environmental groups and unions speak out against KiwiRail and its Government shareholder. The media coverage, local and national, was very positive.

On 14 July KiwiRail got three things spectacularly wrong:

- CEO Jim Quinn scheduled a ‘State of the Company’ address for KiwiRail to

employees at Carisbrooke – the day Hillside workers were to learn their fate.

- the ship delivering the first batch of overseas-built wagons was due to unload in Tauranga; and
- KiwiRail confirmed that all the jobs at Hillside under threat would be slashed (in fact the number was increased by three).

These moves, and our swift response, thrust the issue to the top of the national political agenda with pickets mounted at the Port of Tauranga and at Quinn's Carisbrooke event, generating more widespread and sympathetic media coverage. KiwiRail Otago membership boycotted the Carisbrooke event leading to a front page photo on the Otago Daily Times of Quinn talking to an empty room.

Ramming it home

We had managed to ram home the message to the New Zealand public that the Minister of Transport bore responsibility for what was happening.

From then on the focus of the campaign was not just about Hillside and Woburn but about jobs and skills in New Zealand generally. In the month of the Hillside job cuts 900 other New Zealand workers lost their jobs with Hillside held high as a symbol of what was happening.

Clare Curran's petition condemning KiwiRail and calling on the Government to step in gathered almost 14,000 signatures – one for every four households in Dunedin. In early August 200 people joined a demonstration at Parliament as the petition was presented with 44 faceless silhouettes, representing redundant Hillside workers, held up by the crowd – a powerful image picked up by the media.

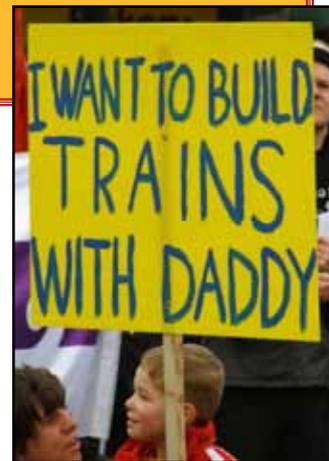
Campaign leaders have maintained the pressure speaking to groups opposed to the Government, supporting students resisting the abolition of secure funding for their associations, and sharing their experiences.

Although we didn't save any jobs at Hillside we have shown that a relatively small, highly organised union can be very hard hitting. 🇳🇿

Hillside demo in Dunedin's Octagon



Retired Hillside worker Len Smith (l) has a word with the protestors.





(above) Dunedin mayor Dave Cull and (below) Labour MPs Clare Curran and Peter Hodgson.



Labour MP for Dunedin South Claire Curran supports Hillside workers.

Nice vases – but a lot of junk

By JOHN DE BUEGER

LAST month saw a picket line at Port Tauranga – a demonstration of trade union muscle that for those of us who can recall the pitched battles and brouhahas of yesteryear is now thankfully rare. Furthermore, the calm diplomatic demeanour of the union rep when interviewed on the radio exuded such sweet reasonableness that I fleetingly thought the news-clip must be a spoof.

The lads were showing solidarity with some of their less fortunate brothers at the Hillside railway workshop in Dunedin who had – in a masterstroke of crass KiwiRail managerial ineptness – been declared redundant on the very same day that the first consignment of Chinese-made wagons arrived in this country.

On radio, the head honcho of KiwiRail declared the Corporation was saving 25 per cent by buying Chinese rolling-stock. One wonders how this guy got to be chief executive of KiwiRail. Hasn't he actually bought anything Chinese recently, and learned the simple truth that in this world you get what you pay for? If these wagons are of a similar quality to other Chinese items one is forced to buy these days, it won't be long before the naive bean-counters at KiwiRail end up paying a great deal more than 25 per cent extra fixing up the mess – and belatedly realise that locally made items were a snip.

Let me recount some recent experiences with Chinese junk.

A power-drill bought from a reputable national hardware chain lasted precisely six months before the battery packed a sad and wouldn't hold its charge longer than 10 minutes – a great bargain if you don't mind spending one hour recharging after every hole. In fairness, this item was on special during an annual sale, and I didn't really expect it to see out the year. I got what I paid for.

I am a bit deaf, and the inability to hear the phone ringing infuriated one of my friends to such an extent that he bought an extension phone and installed it in my kitchen. The first phone lasted a month and was replaced under warranty. The replace-

ment worked OK for a year before developing an irritating fuzzy noise, to finally collapse into total silence a year later. It came from that well-known emporium whose key advertising slogan stresses that everything in store is a bargain. It was a bargain all right. Anyway, help is at hand. A member of the bridge club has most kindly given me a 20-year-old New Zealand-made Telecom model that I expect to be still working when I depart this mortal coil.

Then there are laptops. I am utterly dependent on one at work, and over the last 20 years the company has replaced my machine, on average, about every five or six years. The only reason these old

If (KiwiRail) have stupidly bought on bottom-line price alone, it won't be long before these wagons are sent to Hillside for a rebuild.

machines were replaced was because Bill Gates kept on issuing bloated software upgrades that exceeded machine memory. Not one failed mechanically. In fact, my old 286 got handed down to my daughter, and was still working happily after a further six years of school and university – never having required service once. I have had similar experiences with a succession of US-made Compaq machines, and would happily have stuck with this manufacturer for life. But no; HP bought them out and guess where they switched manufacture to? I don't know if you have experienced hard-drive failure, but it is akin to a cat being strangled. Shortly before the crash, a "blue screen" arrives and curtly tells you that it's all over rover – before blacking out.

Hard-drives can't be fixed, and files

can't be recovered, except at great expense by outside specialists. How does \$3000 to \$5000 grab you? I have now experienced the dreaded blue screen twice – and surprise, surprise, this has been in the past six months on Chinese-made junk.

You may say what have railway wagons and computer hardware got in common, so let's talk about Chinese-made steel pressure vessels. Like railway wagons, these are welded steel fabrications.

I doubt there are any oil companies in New Plymouth unfamiliar with the pitfalls associated with Chinese pressure vessels. Unless you flood their factory with expat inspectors, and bird-dog them all the way, you can expect crap welding and highly questionable radiographic documentation.

A client recently asked me to estimate the true comparative cost between east Asian and New Zealand-made pressure vessels.

I found after running through the numbers, that if you allow for enough inspection to ensure that you don't have to cut out and reweld the junk when it gets here, and fully allow the transport cost of essentially shipping empty boxes, New Zealand-made pressure vessels compare very favourably indeed.

Following the San Lu milk adulteration scandal, it is not surprising that Chinese tour groups take baby formula home as hand baggage. Only last week, international athletes were warned off Chinese pork anywhere if they wish to avoid positive drug tests.

The attention to detail that produced those exquisite Ming vases still exists in China, and you can get quality if you pay for it, but such is the endemic commercial immorality, they'll palm you off with junk unless you really understand expediting and inspection.

Let us hope KiwiRail do, because if they have stupidly bought on bottom-line price alone, it won't be long before these wagons are sent to Hillside for a re-build. When KiwiRail has paid for that, the initial 25 per cent premium will seem cheap indeed.

■ Reprinted with permission of the Taranaki Daily News.

NEW ZEALAND LOCOMOTIVE ENGINEERS' SAD FUND

INVESTMENT PERFORMANCE YEAR ENDED 30 JUNE 2011

The year's performance resulted in a surplus of \$465,267 representing a gross return of 9.6% for the year.

RESULTS TO DATE CAN BE SUMMARISED AS FOLLOWS:

FUNDS INVESTED

Total Funds (including cash) as at 1 July 2010 \$4,842,140
 Total Funds (including cash) as at 30 June 2011 \$5,304,680

RETURN ON INVESTMENT

Return over the year to 30 June 2011

September 10 Quarter	\$265,350
increase in value	5.48%
December 10 Quarter	\$168,686
increase in value	3.28%
March 11 Quarter	\$171,934
increase in value	3.29%
June 11 Quarter	(\$140,703)
decrease in value	(2.6%)

ALLOCATION OF INVESTMENTS

	30/06/10	30/09/10	31/12/10	31/03/11	30/06/11
	%	%	%	%	%
Cash & Fixed Interest	52.83	50.60	48.86	47.71	50.00
NZ Equities	10.13	9.08	10.52	10.87	13.22
Overseas Equities	37.04	40.32	40.62	41.42	36.78
	100.0	100.0	100.0	100.0	100.0

SECTOR RETURNS FOR THE PERIODS TO 30 JUNE 2011

	12 mths to 30/06/10	3 mths to 30/09/10	3 mths to 31/12/10	3 mths to 31/03/11	3 mths to 30/06/11	2 mths to 30/06/11
Cash & Fixed Interest	13.5%	2.1%	1.3%	2.6%	2.4%	8.4%
NZ Equities	8.4%	3.7%	4.1%	0.8%	0.0%	8.5%
Overseas Equities	2.4%	10.7%	5.6%	4.8%	(7.1%)	10.9%

THE SIGNIFICANT FEATURES TO 30 JUNE 2011

The positive Fixed Interest returns for the 3 months to 30 June were: **\$61,227.**

New Zealand Equities surplus for the June quarter were: **\$179.**

Global Equities deficit for the June quarter were: **(\$201,670).**

■ For the quarter to 30 June there was an overall deficit of (\$140,703). The quarterly returns from Global Equities were down across the board, consistent with the indexes in Australia and Overseas returns.



Equal pay petition

Last month the CTU launched the Equal Pay Petition requesting a Labour inspector to investigate whether particular workplaces are meeting the requirements of the Equal Pay Act. The PSA have already identified 15 workplaces they intend to target. The petition is a Green/CTU initiative and has a cut off date of September 31. More information on the CTU website.

Two reasons to join

YOUR Welfare Trust

Holidays



A fantastic range of reasonably-priced holiday homes throughout New Zealand – many at the country's top holiday spots – for members of the Welfare Trust.



We have a fantastic range of holiday homes exclusively for Trust members.

Join **YOUR** Welfare Trust and take advantage of them now.
 Phone 0800-806-444 or visit www.nzrwelfare.co.nz

Health

Taking the worry out of your family's basic medical costs.



For a modest weekly fee you can rest easy that 70% of the costs of your family's basic medical expenses are covered.

Benefits include:
 GPs, some medical specialists, physiotherapists, chiropractics, prescriptions, bereavement benefit, home aid, optical, welfare sick pay, adoption, birth, ambulance, hearing aids, and more. Additionally, members may apply to join an extended health insurance programme covering most medical conditions at advantageous prices.

Upper limits apply to all refunds.





Christchurch locomotive engineer Paul Swainson.



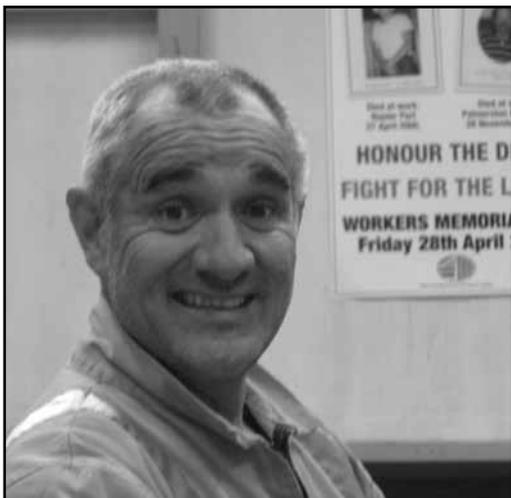
Happy in his work is another Toll member Poe Saimoa.



Toll Tranz Link delegate Linda Eggers.



Caught in Otira are LE (l) "DB" Wilson and rail operator Gordon (Sack) Cunningham.



Westport trackworker and branch secretary Kevin Gubb happy in his work!

Greymouth leading signals technician John Fowler caught working.



Toll Tranz Link Christchurch members (l to r) Bruce McDonald, Lionel Tattersall and Tyson Walker.

Greymouth signals maintainer Gary Cumming.



Christchurch train manager Paul Wright.



Christchurch train manager Krystyna Thomson.

TWU NSW Conference 2011



RMTU South Island organiser John Kerr (r) spoke at the TWU NSW Conference last month as did TWU NSW State secretary Wayne Forno (l).

Fort William RMT conference

IMMEDIATE past president Jim Kelly and Wayne Butson attended the RMT UK Annual General Meeting in Fort William, Scotland. Wayne addressed the conference and talked about the experiences of our members in the rail and port industries, the Canterbury earthquake, the Pike River mine disaster, the NZ Work for NZ Workers campaign and other topics of interest. Joe Fleetwood from MUNZ also attended together with other international delegates.



Joe Fleetwood (l) and Jim Kelly pose during a visit to the deep dive school in Fort William.



(l to r) Jim Kelly, Shannon Poland TWU USA local 100, John Samuelsen president TWU local 100 and Wayne Butson.

Retirement savings made easy

A Kiwisaver scheme for ALL RMTU members

RAIL workers can now piggy-back aboard the benefits port workers have enjoyed with the **NZ Harbours Superannuation Plan** by opening a KiwiSaver account with them or transferring to it from the one they have.

The Plan is sponsored by the Rail & Maritime Transport Union and administered by Melville Jessup Weaver.

Contributions are invested between three fund managers:-

- AMP Capital Investors (NZ) Ltd;
- TOWER Asset Management; and
- Tyndall Investment Management New Zealand Limited.

All top-rated schemes.

The NZ Harbours KiwiSaver Scheme operates in similar fashion to all others; you get the most out of it if you and your employer make regular contributions at a minimum rate of 2% of your taxable earnings.

Download a copy of the investment statement and application form at:

www.harbourssuper.org.nz



Fighting fatigue

FATIGUE is a huge workplace issue that is poorly recognised and often badly managed, physiologist and neuroscientist Lee Polychronopoulos told the Safeguard conference recently.

The managing director of Workplace Wellness provider BBS New Zealand said fatigue was unavoidable because so many factors could contribute to it, including family life and work itself.

“How can we perform at our best level every day?” she said. “The answer is we can’t, so it’s really important to understand how impactful fatigue can be.”

Sleep-related problems frequently remain beneath the radar, she said, however, because many employers and employees are reluctant to acknowledge them.

Polychronopoulos told of one company where two-thirds of employees said they would not inform their supervisor if they felt unable to work, while a spot survey in



Lee Polychronopoulos.

the crowded conference session identified only two organisations that had napping policies. Even obvious signs of workplace fatigue tend to be ignored, Polychronopoulos said, citing the example of a worker who fell asleep within seconds every time he sat down.

“People knew it was happening and normalised it, but how did they know he wasn’t doing that when he was out driving his truck?”

Seven cans of V

Others attempt to manage fatigue with caffeine or energy drinks.

“I came across a guy who drinks seven cans of V a day, and another who starts the day with two coffees and puts five sachets into each cup.”

The link between sleep deprivation and impairment is well known, yet napping on the job remains a dismissible offence in many workplaces and few have effective hazard management processes for dealing with fatigue.

“Who in their tool box session, would ask if anyone is feeling tired today? The key to managing the problem is good communication – talk about the issues and normalise the good stuff.”



Celebrating a UNION made in heaven is Lyttelton branch secretary Libi Carr and EPMU organiser Ron Angel on the Queenstown waterfront. We wish the couple a long and joyous marriage and enduring unity and solidarity!



Claverley derailment

A slip between Claverley and Oaro near Kaikoura stopped rail services between Picton and Christchurch last month and derailed two locos and six of 30 wagons. The slip partially derailed a northbound freight train at about 11pm after the train struck the slip. Canterbury about 11pm. The driver was not badly hurt and was treated at a local medical centre.

KiwiRail spokesman Kevin Ramshaw said it was a relatively inaccessible “sort of spot” but the line was opened later the same day.

ITF-FES meeting in Bangkok



(l to r) Oystein Aslaksen chair ITF rail section, Shigi Wada ILO Bangkok, Mahendra Sharma ITF Asia Pacific regional secretary, Mac Urata ITF inland transport section secretary and Wayne Butson Asia Pacific chair rail section.

THIRTY railway workers from Bangladesh, India, Indonesia, Mongolia, New Zealand, Pakistan, Philippines, Taiwan and Thailand participated in the two day ITF-FES seminar on 27-28 July 2011 in Bangkok on 'Fighting railway restructuring and organising to regain and strengthen union power in the Asia-Pacific'.

While the railways in most of the countries are still with the state/governments, services like the cleaning, ticketing, maintenance, catering etc had been contracted out or outsourced. Efforts are being made by governments to gradually outsource other ancillary services.

The volume of business of the railways has gone up but the number of workers has gone down and more and more jobs are being contracted out or outsourced. Wage gaps were reported to have grown and working conditions deteriorating. Clearly there is an increase in precarious workers.

Safety conditions and maintenance seems to have been compromised. Almost all countries reported lack of funds for overall railway spending, low quality rolling stocks, infrequent replenishment of spares and lack of safety conditions slowly creating unsafe railways. Drivers often report being fatigued due to long working hours without breaks.

Union memberships in almost all the countries has gone down due to vacancies not being filled, reduction in the workforce and laws not permitting unionisation of contract, casual and/or part time workers. Unwritten anti-union government policies and subtle moves to undermine the union bargaining capacities are gradually lowering the union power.

Organising initiatives were identified and the following identified as priorities:

- Mapping of workplaces.

- Policy changes in union bylaws/agenda to accommodate the new workers.

- Emphasis on education and training to be extended to the new categories of workers identified.

- Formation of new unions where union by-laws of current unions do not permit

inclusion of non-permanent workers.

- Launch recruitment drives.
- Launch organising campaigns. 

The SRUT seven



A t-shirt signed in solidarity for the seven

IN October 2009 seven leaders of the State Railway Union of Thailand (SRUT) were dismissed for organising industrial action to publicise safety failings on the rail network. One accident killed seven people where the driver had only one rest day during the previous 30. His vigilance device was not working. Only 20% of locos are fitted with them. On July 28 the Thai Labour Court decided the dismissal of the seven was justified, as was the imposition of a THB15 million (USD\$500,000) fine. In addition the Court considered dead man's handles to be nothing more than "supplementary devices". These decisions were made in the context of a successful civil lawsuit against the railway company by a mother whose daughter died in the crash. The RMTU condemns the persecution of the SRUT 7 and the actions of the Thai Government who are clearly exerting pressure on the judiciary. The SRUT 7 have not received justice and have sworn to fight on!

CTU Vote Fairness election website

<http://union.org.nz/vote-fairness>

THE CTU has a new website up and running for the election campaign. The site has two main sections:

- **The Issues:** will take you to the issues the CTU has identified as being important for the November election. Each has some broad bullet points and further information for in depth analysis. Most of the pages have a downloadable graphic, and/or a PDF that can be printed off, or put into union publications and used as required.

- **The resources:** which compiles all of the resources found under each of the issues in easily downloadable format.

There are also cartoons, important dates, updates, and some YouTube clips from their Fairness at Work campaign. A few more will be added during the campaign.

The CTU will be updating the website frequently throughout the campaign. Please let them know if you have suggestions for content.

All of the information and resources on the website are available for reproduction but please note that all promoters are subject to the requirement in the Electoral Act 1993 to include their name and address on any election advertisement. [www.elections.org.nz] 

Have you enrolled?
You need to enroll to vote?
Do it today!

Supreme Court reins in ACC

By Andrea Vasili



ACC was recently given a “rap over the knuckles” regarding the way in which it assessed when someone was ready for work (vocational-ly independent).

Instead of waiting for a doctor or specialist to say the person was medically ready for work, ACC was using its own readiness for work process (‘vocational independence assessments’) to investigate the person’s ability to work.

The law says that in order to be ready for work, a claimant must be suited to a particular job and be able to do it for 30 hours or more.

Karen McGrath (in *McGrath v ACC*) severely broke her ankle in 2002. After surgery, she was left with mobility problems and chronic pain. In 2008, she was still receiving medical treatment and was only working 15 hours a week, as that was as much as she could cope with. Both her GP and a specialist in pain management agreed this was the maximum she could work. However, ACC told Karen she must go through the readiness for work process, even though it had no current medical evidence to suggest she could work more

than 15 hours a week. Karen therefore challenged ACC’s decision, which ended up in the Supreme Court.

The Supreme Court made it clear that ACC cannot require claimants to participate in vocational independence assessments unless they are likely to be ready for work and until they have completed the rehabilitation in their rehabilitation plan (‘the “likely” rule’). So, ACC must be sure it is likely that the person will be work ready, before it can start the process. Chief Justice Elias stressed that ACC’s vocational independence process was the end of the process and not part of the rehabilitation programme.

The Chief Justice noted that the purpose of the “likely” rule is “to protect claimants from unnecessary assessments where there is no real prospect of vocational independence” and that the assessments in themselves are “intrusive and upsetting”.

The Court also warned case managers against making up their minds using information from other similar cases; the case manager’s assessment must be objective, rather than subjective.

Hazel Armstrong Law is finding that the earlier it is involved in the readiness for work process, the fairer it is for the claimant, and the less likely it is that

ACC will assess a claimant as vocationally independent. For example, getting involved with writing individual rehabilitation plans, and the initial occupational and medical assessments, helps ensure that claimants get adequate and appropriate rehabilitation, rather than being rushed through the process and taken off weekly compensation. 

■ For further information, please contact one of our team.

Had a claim declined, or having problems at work?

ACC, Employment & Insurance Lawyers

We specialise in representing individual clients throughout New Zealand in ACC, employment, and insurance matters.

Representation for claimants with insurance issues is becoming increasingly important. We handle all classes of insurance including professional indemnity, health insurance, and property damage. We can advise you on what your policy covers, when and how to lodge a claim, and can represent you if claims are disputed.

We also provide policy advice and educational seminars on ACC, health and safety, employment, and insurance.

We are legal aid providers.

Call 04 473 6767 and check our website
www.hazelarmlaw.co.nz

Hazel Armstrong Law
BARRISTERS & SOLICITORS

ACC • INSURANCE LAW • EMPLOYMENT LAW



Like bees around a honey pot the media swarm around Hone Harawira when he spoke at a rally launching a petition calling for GST to be removed from food. Critics of the petition say that to exempt food from GST will be too hard to manage. Rubbish, we say as currently all financial transacts are exempt from GST and that isn't hard to manage.

Youth conference

I really enjoyed my time at the Stand Up conference. I took part in a lot of fun and interesting activities. There were a lot of different unions taking part from all over the country giving a fresh outlook on some very historic problems we face.

There were also many inspirational speakers. The two I enjoyed most were Gareth Hughes and Charlie McDermott.

I am looking forward to next conference in two years.

I would like to thank the RMTU for giving me the opportunity to participate.



– Hayden Taylor,
RMTU Dunedin.

THE branch has increased its membership in mechanical over the last four weeks and the new members will be able to play an active part in the branch.

The branch is battling away with management over the roster, appropriate transport from National Park, especially when the weather turns nasty, and two men on the work trains.

AGM

The AGM was held on Sunday Aug 14 at

WAIKATO RAIL BRANCH

the Franklin Railway Club and a welcome visitor was our new president Aubrey Wilkinson.

We have had some difficulties with the new CT site manager who has some strange ideas like changing time sheets without authorisation and drug testing members where there is no need to test at all. We will be having a few disputes in the CT site.

A big thank you to Albert Barr, Gary Caldwell, Jeff Littlejohn, John Marsh and

Ray Brown and others for attending the Kiwi Work for Kiwi Workers Mt Maunganui picket.

Apathy

As a branch we still need to work through the apathy of some of our members as the turnout to the Mt Maunganui picket demonstrated.

The Toll Networks members are happy with their new agreement.

TOLL NETWORKS' members are settling into their new collective agreement.

Thanks

A big thank you to the members who turned up for the NZ Work for NZ Workers picket. But once again the apathy of some of our members does not help.

In the mechanical area we have been in successful consultation with management

BAY OF PLENTY RAIL BRANCH

to reduce the use of contractors, with the next issue being who will put the new log cradles on the wagons.

D&A issues

We have had a number of Drug and Alcohol issues to deal with in Networks and a reminder to our members that the rehab policy is a second chance to tidy up habits

in a proactive way.

Battling away

We are still battling against the use of contractors in the Networks area, especially now that we have discovered that the contractors have an easier training programme than our members – which obviously disadvantages our members.

THE negotiating teams for C3 and Champion have been busy with their respective collective agreement negotiations. Champion have put 2.6% on the table, however the C3 offer is such a small amount that it is not worth putting it back to the members.

BAY OF PLENTY PORT BRANCH

Thanks

Thanks to all the port branch members who attended the NZ Work for NZ Workers picket in support of our members at Hillside and Hutt workshops.

C3, MUNZ and the RMTU are still in discussions regarding C3's intention to introduce random testing with further meetings in the pipeline.

Our on-going annual leave entitlement dispute with Orica is still progressing.



unionplus

STRENGTH – SUPPORT – SOLIDARITY

An excellent deal for RMTU members

Union Plus is pleased to be bringing you more benefits in 2010 including discounts on tyres, health clubs and telecommunications!

More value for money with insurances.

Only for current RMTU members.

Take out Life Cover with Sovereign and you will receive:

- 20% extra life cover free for two years
- Free TPD cover (10% of Life Cover value) for two years
- 10% discount on Sovereign premiums (includes income protection, trauma and other products)
- First premium refunded (up to \$100)

If you wish to take out cover, find out more, or review your current setup, please contact Union Plus on

■ 0800 320 400

■ insurance@unionplus.co.nz

■ www.unionplus.co.nz



PORT NAPIER BRANCH

NAPIER is currently undergoing another management review. It is one of those situations where some (including our members) had to reapply or apply for their positions, candy wrapped with new terminology and accountability. As a consequence, it seems many of us now believe some staff were treated better than others. I guess this is par for the course when there were discrepancies in terms of the results. It is evident from the outcomes that 1 or 2 may have been disadvantaged or let down by those orchestrating the review. Some members are still seeking answers while some move on accepting them and the responsibilities – and importantly, it is fair to note – not of their own making.

In scribing this, to those who missed out, or were overlooked and for one of our members whose job was 'disestablished', I believe they are entitled to be given a debrief as to why they were unsuccessful in the selection process, this in turn provides an insight for them going into the future, giving the company the opportunity to encourage and provide training. However

this has not come about even after engaging with management to do so. A case of watch this space as we move on.

Crane trainees

On the up however, we had the first two crane trainees return from the Gottwald crane simulator in Antwerp – Brent Russell and Peter O'Neill. It was apparent the course was worthwhile. The port company has taken a strong approach to moving crane training forward due to three crane operators leaving at the beginning of the year. On this, a thank you to Scott from Port Taranaki for the seasonal months he spent with us to get through another busy period, and to Noel and Bob for helping your brothers-in-arms at a time of crisis.

Currently we are heading into a dispute with the company in the handling of a particular timber product. In essence we believe it is the port company/RMTU members' work.

Without going into detail at this point we have received some support, in part from our MUNZ counterparts – which is

appreciated. The results are yet to be found as there is very little give on either side. No doubt by the time this gets to press I would hope we have some resolve and the customer too also sees the light. Watch this space!

The Kiln-dried timber dispute is continuing and the membership are still unhappy with the results and the employer's manipulation of the recent review, which will be acted on. The Union's negotiating team is organising the claims for this year's collective agreement negotiations, which will kick off in September.

Lastly, on behalf of all or members, we spare our thoughts to our brothers and sisters at Hillside and Hutt in their plight with KiwiRail and the National government and their lack of support and understanding and for not keeping it Kiwi in a time when the economy needs it. And in support of our Christchurch members. Sometimes words will not suffice. But to those who have lost or may lose their jobs as a consequence of poor decision making, our hearts go out to you.

Kia Kaha, Kokiri hoake.

\$1,500 AD&D

All members are now covered by a \$1,500 Accidental Death & Dismemberment Benefit, including \$500 spouse coverage and a further \$500 coverage on dependent children. This is an automatic membership benefit of belonging to the RMTU.

Members also have the option to increase their coverage an additional \$10,000 which costs just \$2 for the first year. Please complete and return the enclosed reply card to have an AIL representative deliver your AD&D Benefit and explain the additional \$10,000 option. This is very important to you and your family.



www.aillife.com
Protecting Working Families

freephone 0800 894 121
mario@aillnz.co.nz

AMERICAN INCOME LIFE
insurance company

in New Zealand

WE still have not resolved the dispute over the manager as we are still waiting for a follow-up report

THE period since our last Branch Notes began unsettlingly with the fateful announcement at 1100 hrs on Thursday June 9 when mechanical engineering staff at Hillside Workshops, Professional Services Group (Wellington) and Hutt Workshops (Lower Hutt) were informed of a 'right sizing' plan to lop around 70 staff from the headcount beginning with around 40+ at Hillside, then working northwards. Campaigns were mounted to raise public awareness of what happens to us economically when entire construction projects are sent offshore. We are led to believe that PSG has had a proposal which they've been able to counter with relative ease as the Stanley Street Shysters appear to have overlooked key aspects of their wish list to restructure a much needed (but admittedly mismanaged) engineering resource from the KiwiRail team. Meanwhile, we wait in the queue hoping that the veil of idiocy will be lifted and common sense will prevail.

The usual timeframes, set by third parties outside our immediate sphere of operations, have slipped for many reasons. The proposed Ganz Mavag (EMU) Refurbishment Programme is still not yet signed-off. All the right people are apparently making the right noises but the wheels of administrative bureaucracy grind very slowly. We had a visit from representatives of the regional council recently and enjoyed open and productive discussions. Our site manager has another meeting in August when he hopes to have something more concrete in regards to this programme. Another project behind schedule is the DFT programme that was supposed to occur as the new non-New Zealand-built (or should that be assembled) DL locomotives entered service – yeah right! This project has slipped back so far it is now going to run smack into KiwiRail's busy freight period.

We still have a trainload (no pun intended) of out-of-course work with a number of locomotives in for various tasks including repairs, upgrades and overhauls (DSG3020, DFT7117, DFT7132, DH2816, DFT7186 etc). The EF reliability programme is continuing although there was a delay in

NAPIER RAIL BRANCH

from KiwiRail on the issue. Meanwhile, the Toll Network members are happy with their

collective agreement settlement. Otherwise all quiet on the Hawkes Bay front.

HUTT SHOPS BRANCH

the operational release of the fifth locomotive (30013) into our hands for modification and titivation as circumstances so require. By the time you read this we hope it too has been completed and returned to Palmerston North for re-commissioning back into revenue-earning service.

Natural attrition continues with two staff transferring to the unit and loco depots in Wellington and two going overseas. If this keeps up, we'll meet the proposed 'right sizing' target by default! Our apprentices have commenced another rotation to ensure they get the required skills-exposure/work experience to tick the boxes in their training plans.

Corporate feedback

Early July saw the corporate roadshow visit the company. We welcomed Deb Hume (passenger) and David Walsh (finance) who went away with a few points to research and report back on. The report back was received within a fortnight with the requested answers although they were somewhat altered to avoid any embarrassing responses. The SAP and the GR8 programmes were confirmed as being poor performers.

I must acknowledge local management's efforts in ensuring that staff are given the appropriate notifications of visitations by persons of influence. There have been times when people have been brought around and we have had no idea who they were or what they were about. Usually this isn't a problem however there are the odd occasions when we are questioned by these visitors and it's appropriate for us to know the likely context in which the questions are being asked!

The annual installment of the JRA staff engagement was scheduled for the second week of August. The last two have had a poor return rate (56-58%) so it is with great anticipation that we see just how effective senior management have been behind the scenes to improve staff engagement. The KiwiRail Way (pilot) seminars kicked off in July but were another example piss poor

planning preventing proper progress. The first one at the shops deteriorated somewhat as the afternoon went on but fortunately the production manager stepped in before the HR presenter was lynched and brought order back to the meeting with a subsequent acceptable result published a few days later. Needless the say, the HR person doesn't work here any more.

On May 25 we received the KR employee HS&E Induction Handbook, and quite a bit late it seems as its publish date is November 2010. Last year we received the Mechanical Code {M2000} in May, noting it had an 'effective date' of December 2009.

On the subject of health, some of us have been through the new system of check-ups according to our designated category. No complaints have been received thus far. However, on Drug and Alcohol testing, whilst we accept that the Working Party still has some work to do in this area, we are still experiencing inconsistencies in the manner that testing is applied. We fully support the testing, however the process must be transparent and applied fairly and equally.

The renewal of our north wall of Plant 1 is progressing well although a few days of cool weather made things interesting when parts of it were nothing more than contractors' scaffolding and safety netting.

Speaking of contractors, I take the opportunity to remind readers in authority that the outsourcing provisions of the MECA must be adhered to no matter where YOU are located.

Work that is traditionally carried out in-house should still be done so unless the proper protocols and associated processes are adhered to in order to ensure the signed undertakings are honoured.

And speaking of undertakings, the government honoured theirs by giving us another \$250M to continue with the TAP which I hope will continue to be properly invested to secure a future for rail in New Zealand.

Until next time, remember – work safely and effectively – your mates depend on you.

TARANAKI RAIL BRANCH

SOME sad news to start off the report. One of our trainee locomotive engineers, Michael Thompson, passed away on June 24. Mike was a gentle giant and well regarded by work mates as a good, reliable operator. Mike's big dream was to be an LE, something he had chased pretty hard, unsuccessfully, for the past few years. After some pretty hard yards he successfully made it into LE training and quickly realised that getting in was the easy part. One thing I will give Mike was that he was a determined bastard, a guy who chased his dreams and was just shy of achieving it. Thanks Mike you were a great guy and a staunch union member. I'm sure he would have been a fine locomotive engineer.

Recently, Stratford had a trespasser in the yard and after repeated warnings things got a

bit heated. So, after a long running battle and more threats, a fleet car and rental car got their windscreens smashed - coincidence or not you decide. A few years ago a similar incident happened but it was private motor vehicles that were targeted and not railway vehicles. A request was made at that time for a secure compound to be built to which management declined. Happy to say this time round local management were happy comply and a new compound was



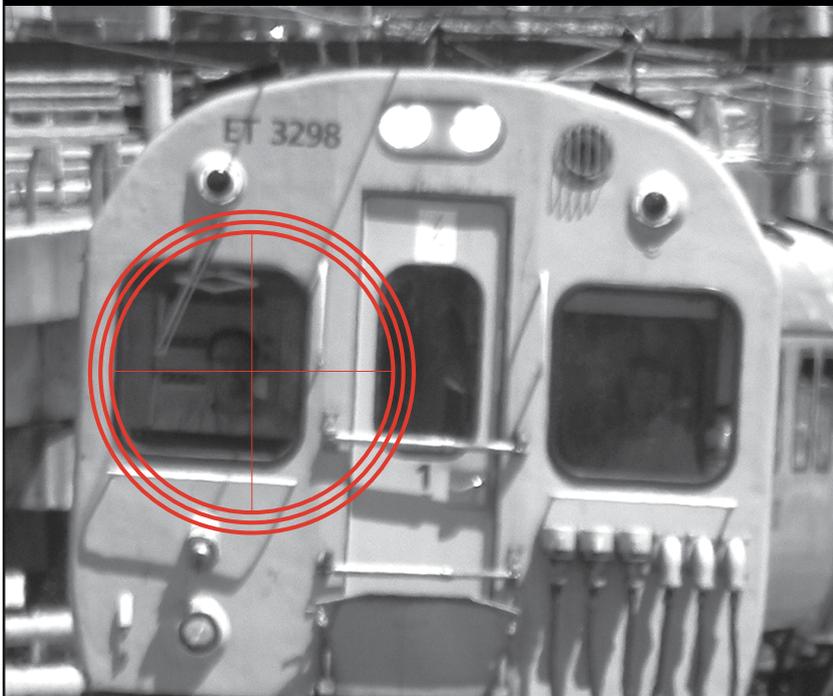
erected complete with security cameras. Many thanks to Dave Creagh for pursuing the compound on behalf of the guys and to Murray Cotter and the company for agreeing to it.

The Stratford/Okahakura line (SOL) has been out of use since October 2009. Recently I was lucky to head over on an inspection run with Les Reid to Tangarakau and back to Stratford. Les is absolutely passionate about the SOL. I was told at the start of the run that apart from the odd slip, which had been cleared by shovel, that the old girl is in remarkably good shape. Les was right. The SOL is holding up well – all down to the gangers who maintained it until October 2009, with passion for the job and their own high standards. They are to be commended. The reason the

Continued on the next page

The new secure yard.

Sickness, accident & death



The New Zealand Locomotive Engineers' Sickness, Accident and Death Benefit Fund

In the last 10 years 230 locomotive engineers had to retire due to medical reasons. They received a total payout of \$4,737,097 from the above Fund. LEs who didn't belong to the Fund and who were forced to retire did not receive anything.

You could be next to miss out!

For as little as \$403 a year your future – or those of your next of kin – could be better assured.

Contact:

Julia Harrison, PO Box 813, Wellington
 Telephone: (04) 499-2066
 Fax: (04) 471-0896
 Email: julia@rmtunion.org.nz

**Attention LEs
 Join this Fund now for
 your own peace of mind**

SOL was mothballed was because of a derailment on it in October 2009. The company then stated with the amount of tonnage going from Whareroa to Napier the line was not financially viable. The game plan has changed a bit with more and more tonnage now going through to Tauranga and Auckland. We are hoping that once

TARANAKI RAIL BRANCH [cont]

again the SOL may come back to being an operational line.

We have had two big dumps of snow in the Taranaki in the last three weeks. While there was minimal operational delays the question has been asked lately about the

possibility of lace-up gumboots being re-issued. With the wild weather the country has been experiencing lately the polypropylene under garments that aren't being issued would also come in handy. Both of these issues have been raised at KIC level.

THE past few months have been rather hectic for the branch with the election on August 9 of the new executive and all delegates. The meeting started at Parliament building with the presentation of the petition on New Zealand Made supporting Hillside and Hutt workshops that was attended by a number of supporting unions. It was followed by the AGM at which there was a good turnout from most sectors. Kevin Jones was again elected chairman. The branch thanks Hayden Smith for all his efforts as he steps down from the executive.

Disruptions to services have escalated lately with breakdowns, and once again, a lack of trained maintainers to service the fleet of aging Ganz Marvag and English Electric units. A lack of spare parts seems to be the prime cause. The new Matangi fleet is growing in numbers as more are commissioned into service and staff trained to operate them. Sitting behind all of this are the bus replacements for the ongoing blocked lines.

Networks have been very busy, especially during the recent cold snap which brought snow to areas in Wellington that have not seen it for 40 years.

Interisland have also had issues, the major one being the big "A" – asbestos in the work area.

The Upper Hutt yard is finally having a long overdue rebuild after a number of derailments by passenger and freight vehicles. It has taken some five years and the threat of closure to get the work going. Our platforms on the Wellington network are still being accessed and bought up to standard and the infrastructure upgrades continue to progress.

July saw a large number of new people join us as well as a number of service recognitions with 10, 20, 30, 40 and 50 years coming up. Congratulations to Phil Gibbs on a

WELLINGTON RAIL BRANCH



Matangi unit in its new 'safety campaign' livery (below left) inside the unit and (r) Phil Gibbs in his 'own' chair!



very long and industrious 50 years of service. We all hope you get lots of joy from the personalised chair presented by Metro Management along with your certificate. There have been a few luncheon and certificate presentations for these with good turnouts. It does show that the aging workforce is an issue and if the Company wishes to retain the invaluable services of these trained people, they are going to have to show are far greater understanding than they have to date.

It's now mid-August and the launch of Rail Safety Week commenced on August 22 with a new Matangi unit decked out for the week long campaign. This was launched by our CEO and attended by police and GWRC members as well as Metro staff. Also this week will see the new Matangi entering service on the Kapiti Coast.

And now it is on to a better and busier few months ahead... In Unity.

NELSON PORT BRANCH

AMAZING – branch notes from Nelson! Port Nelson is now safer for union workers. A number of measures have been introduced as a result of collaboration between RMTU workers and Port Nelson – all focused on training and accident prevention thus empowering workers to help create a safer workplace.

All stevedoring staff undertook a refresher training course that focused on the use of container lashings, which previously had a high accident rate. As a result of the training, all staff now lash in an identical, optimal way that lowers the chance of a worker being hurt as a result of falling bars or fingers getting caught in the securings.

Stevedores also undertook extra training for working at heights, facilitated by Gearshop. Again, the focus was on accident prevention and doing the job in a safer way. Staff learnt how to care for and use safety equipment to optimal effect. This safety equipment included a safety cage that had been redesigned to make it safer for workers loading vessels.

Another important aspect of Port Nelson's 'training and prevention' approach

to safety is their new, upgraded Drug and Alcohol Policy. Port Nelson implemented a random drug testing and 'self-reporting' policy in February. This random testing both deters potential drug users and has a high probability of detecting repeat drug users who pose the greatest threat to the safety of their fellow workers.

Workshops

Approximately 170 PNL staff and RMTU members took part in a series of 'Fit to Work' workshops in early February. These focused on encouraging workers to make better daily decisions about their lifestyles to help reduce the risk of injury at work. Staff, especially shift workers, learnt about factors such as adequate sleep, alcohol and its after-effects, diet and exercise.

The key focus of the policy is on rehabilitation and support, and now workers can self-report with the knowledge that they will get the assistance they need.

Port Nelson has also recently gone through the three-yearly ACC safety audit. The auditor gave Port Nelson a 'very positive feedback' especially about the recent safety

initiatives. Port Nelson retained their tertiary accreditation, which was the highest level they could achieve under the framework. The audit reviewed documents, investigated the day-to-day running of the port and also observed work practices. The ACC auditor also held focus groups with Health and Safety representatives and managers that allowed workers to participate in improving the safety of their workplace.

Our people

In other news Alan Cochrane from our workshop celebrates a remarkable 30 years of continuous service for PNL, Glen Bisdee, line handler welcomed a brand new baby boy (Archer Bisdee) into his family on July 29 and, on a sad note, we remember Max Miller who passed away in May. Max was with Tasman Bay Stevedoring for 16 years, mainly as a forklift driver during the fruit season. More recently he was a watchful eye on all car/boat operations and will be missed by everyone who knew him well.

A stopwork meeting was held on June 23 while our AGM was held on August 18. There were no new nominations and all previous delegates and executive were re-elected.

CANTERBURY RAIL BRANCH

IF having to deal with the aftermath of the major earthquakes and continuing aftershocks wasn't enough, we like many other areas, copped two separate dumps of snow to further complicate things.

Yet again, in these situations, a number of KR staff just shrugged off the conditions and got on with the job at hand of trying to ensure there was as little disruption to normal services as possible. Once things settled down again it was interesting to hear the usual comments around the depots in regards to the lack of acknowledgment of their efforts from management. It isn't that hard to say 'Thank you' – or maybe it is.

There has also been an increase in the

number of incidents and injuries in our area over the last few months so again, in these trying circumstances, we need to be more aware and not put ourselves into situations that could lead to an incident or injury – and look after one another to ensure we all get home safely. I know a number of people are saying that the company have dropped the ball on safety and are now all about 'meeting the customer's needs' but this doesn't mean we have to behave in the same manner. Let's all be safe out there and look after each other.

It is that time of year again when branches hold their AGMs and delegates and branch officials are elected for the

coming year. Having this in mind it is time to thank the current delegates for all their good work over the past year. Without the delegates putting their hands up and getting involved I shudder to think what would be happening around this business. It is also important to remember that those who put their hands up and take on these positions are not the Union – YOU, its members are the Union – so maybe it's time to have a think about what you can do to help in the coming year. We are all in this together and as we say 'stronger together'.

It was good to finally see the Coastal Pacific back and running after being taken out of service earlier in the year "due to the effects of the earthquake".

TIMARU RAIL BRANCH

HELLO from sunny Timaru. Yes we were lucky to miss many of the winter storms, most go out to sea at Oamaru and hit Christchurch on the Port Hills, but our thoughts go to all staff caught

up in the severe winter around the country.

The branch had its AGM recently which was supported well by staff from around the area. Many thanks to our branch secretary Joe Holland who organised the meeting.

Congrats to staff who now hold delegate positions. We welcome Bill Murdock back to Timaru after nine years in Otira (Bill is very happy to be back. It is amazing how, after you have done 10 years plus, you have to fight to get your three year

Continued on the next page

promise delivered upon by KiwiRail – ed). Bill you have played a big part in keeping KiwiRail running smoothly in that area and you have more than done your share in a tough environment on the Midland Line. Good on ya Bill.

Many thanks also must go to the Networks staff working in the Timaru area doing up our terrible tracks etc. Well done guy's!

Our DSG 3018 has a second speedo installed and it's trial has gone well. So

TIMARU RAIL BRANCH [cont]

the KiwiRail Freight Industrial Council has agreed to roll this out on all mainline run DSGs with the modifications to the vigilance system also to be completed.

Our Toll Networks (Tranz Link) staff have been involved in the ratification procedure for their collective agreement and are happy enough with the result.

Plans for major work within our CT site has been welcomed and should start very soon with a refurbishment of the gatehouse

also planned. The workload for the new season will mean even more work for the CT staff as well as for all the terminal team.

The Temuka yard remains a problem. The back road has been out of use due to lack of maintenance thereby causing several derailments and needs urgent work to get it back to code standard ready for the season which is almost upon us.

Till next time, take care, be safe and Go the All Blacks!

GREETINGS from Port Chalmers. It's hard to believe that we are almost $\frac{3}{4}$ through 2011.

It will be great to see the beginning of spring and hopefully an improvement in the weather.

We have had two major dumps of snow which disrupted life in general for most of those who live here. At Port Otago Ltd (POL) the snowfalls resulted in a most bizarre 'adverse weather policy'. It seems POL management have some trust issues with their staff making the decision not to drive to work in unsafe conditions. It's a pretty unsavoury request that you should make every attempt to arrive at work and be on time! Come on I thought one of our core values was Health & Safety. It's a very sad day when you read that staying at home to attend to children when schools/day-care centres are closed is not a reason on its own to be absent from work. Are we really expected to come to work and leave the kids at home alone? Maybe we or POL could encourage our members to bring their kids to work.

As we enter the off season we see all

PORT OTAGO BRANCH

kinds of issues arising such as occupational doctors questioning employees about health/medical restrictions on their abilities to perform all shifts and restructures happening in areas that really don't need restructuring, only to then be left in a mess when the restructure is completed!

D&A amnesty

Now we have random Drug & Alcohol testing with a three month amnesty period with full random testing kicking off on November 15. The random testing regime is to be managed by NZDDA. One would have thought that under the 'oiling of the cogs' umbrella POL would be more open and honest about the way NZDDA propose to random test!

On a more positive note we see the arrival of a new shipping line, ANL/CGM, which made its first visit recently. By all accounts they were very pleased with the service they received.

Log volumes are up and keeping us busy.

Fonterra is keeping both KiwiRail and

the port busy with its shuttle services. We are trialing PK wagons because it has just been discovered that the IB wagons were travelling back to the port over-loaded. This could be a project for Hillside to design and make a wagon that has the capacity to carry 3 X 20 foot containers of milk powder.

On the Hillside matter, it was devastating to learn that KiwiRail forged ahead with the 40 (only to grow to 44) redundancies. An absolute disgrace!

We need to keep momentum on the campaign and try and change some of the ludicrous decisions being made by Stephen Joyce and Jim Quinn.

With the election looming a good start would be to sack National come November 26.

Get active and make sure family and friends are enrolled and, most important, make their vote count. New Zealand needs a left-led government otherwise workers are in very serious trouble from December 2011.

Until next time, stay strong and be safe!

Unions have a long tradition of international solidarity.

Becoming a Kiwi Solidarity member is a modern way of expressing that solidarity and helping vulnerable workers in developing countries in our region get a fairer deal.

Sign up to UnionAID today

UnionAID is the only New Zealand overseas aid agency that places workers' rights at the centre of its work.

tel: 04 385 1334 (ext 810), fax: 04 385 6051, write: P O Box 6689, Marion Square, Wellington, email: unionaid@nzctu.org.nz
Or phone 0900 UNAID (0900 862 43) to automatically donate \$30.



Simulator solution for busy ports

IN a busy port it's hard to find time to train new crane operators but Port Napier may have found the answer at the OCHA port training centre in Antwerp, Belgium.

Senior crane driver Peter van Veelen recently spent two weeks in Antwerp with two trainees at a special course for crane operators assessing the value of such course and came away very impressed.

"Our crane drivers learned as much in three weeks in Antwerp as they normally would in several months, without the need for us to make resources or staff available in New Zealand."

In fact, Port Napier were one of the first port companies to take advantage of the new simulator technology available in Antwerp which could be used for a variety of gantry cranes.

"While the simulator isn't three dimensional and it takes a while to get your eyes adjusted for distance, it is pretty realistic," said Peter, "especially after spending an hour or more inside it."

The screens surround the operator and

appear in every window – both sides, front, above and below.

"After spending a few hours in the simulator the trainees then go outside to a real crane and put into practice what they've learnt," said Peter. "It saves so much time and is a better utilisation of human resources."

He added that while the course is not cheap, it frees up time on the port where crane training time is at a premium.

"Especially during the busy season," he said, when they barely have time to service the cranes let alone find time to send a trainee up to practice. In the final analysis, Peter says it is well worth the company's time to send trainees to Antwerp who come back almost ready to take over.

Port Napier is obviously impressed as they have already lined up two more trainees for next year.

The training course comprises of two weeks of simulator training followed by a week of hands-on training in a real crane. In addition, the course can offer advanced training for experienced operators. The

simulation included training on all types of cargo, including containers, bulk materials, general cargo and project cargoes. A Gottwald HMK 260 E Mobile Harbour Crane, which has been used by the training centre since 2009, was available for the hands-on training.

Chief operating officer for Port of Napier, Chris Bain, told OCHA, "Since we have a vital interest in enabling our crane drivers to become familiar with their everyday work as quickly as possible, we decided to send two of them to Antwerp."

Head of training Carsten Wittmer said: "The potential of a crane can only be fully utilised if the operator has a perfect understanding of how to use the technology."

He added that the main aim in planning the new training concept was to develop a programme that is state-of-the-art in every respect. 

