

Rail and Maritime Transport Union media statement: 30 July 2015

Business “appalled” with government’s treatment of KiwiRail

The rail workers union is backing [calls](#) from Mainfreight chairman Bruce Plested for more positive support for long-term rail infrastructure, says Rail and Maritime Transport Union (RMTU) General Secretary Wayne Butson.

Earlier this month Treasury documents revealed that the government had received advice to downsize or shut down KiwiRail.

Yet Mr Plested’s comments, delivered at the annual Mainfreight shareholders meeting, indicate that there’s business appetite for greater investment in rail. The government advice to downsize or shut down wasn’t based on business confidence or empirical evidence, it was all ideological, says Butson.

KiwiRail is the victim of years of systematic underinvestment. After the company was privatised it was stripped by corporate raiders. But even after the public took back control, successive governments never formulated a long-term plan for the state company.

Rail is an important part of the national infrastructure and it needs government support. KiwiRail is currently [considering whether to reinvest in an electric fleet](#) or downgrade to a cheaper and dirtier diesel fleet. If there was a long-term plan in place then it would be an easy decision to reinvest in the electric fleet, says Butson.

But continual pressure from government to minimise costs and maximise returns means that the diesel fleet looks attractive because it’s cheaper in the short term. The government needs to get its act together and formulate a long-term plan.

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