

THE ACTIVIST



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UGL RATIFICATION

2 Teams will cover the country next week advising UGL CA covered members of the terms of the proposed settlement which is out for ratification. Ballot papers have been dispatched from national Office this week and will be arriving in members' letterboxes thereafter. We would suggest that members should reserve judgment until they have attended a ratification meeting and talked to the negotiators.

The voting is simple and in the usual manner. If you're happy destroy your voting paper. If you are unhappy and wish to reject the settlement then complete the paper and post it back in the supplied envelope.

KIWI RAIL – VEOLIA MECA

The parties are still talking but there remains a major gap between KiwiRail and the RMTU position. The Union is considering its options which may include the conducting of a strike ballot seeking a mandate for the negotiating team to be authorised to give notice of industrial action if they deem it necessary.

Talks with Veolia are progressing and it is hoped to have a further round of talks next week.

AN INTEGRATED TRANSPORT SYSTEM – STILL A PIPEDREAM?

JEANETTE FITZSIMONS, GREEN PARTY CO-LEADER

There has long been a view in Parliament

and elsewhere that all tax on petrol ought to go into roads. Only the Green Party has consistently challenged this view, arguing that it is no more true than to claim that all tax on tobacco ought to go into cigarette factories or that all tax on booze ought to go into liquor outlets.

The first reason is that road user's benefit greatly from funding that ensures others can use public transport, rail and shipping. It is usually cheaper and faster to reduce congestion by improving alternatives to roads, than by building new roads.

The second reason is that road use causes substantial external costs to the rest of the economy that have to be funded out of general taxation. Until now the petrol excise has been at least contributing to those costs. A couple of months ago Parliament

legislated for "full hypothecation" where all funds collected from motorists go into the Land Transport Fund, although fortunately this does not dictate that they must be spent on roads alone.

Both the 1998 Land Transport Pricing Study and the 2005 Surface Transport Costs and Charges report showed markedly similar outcomes. Rail pays 82% of its total costs to the economy while cars pay only 64%, and trucks only 56%. Both reports showed the minimum unpaid cost to the economy of road transport was \$1200m a year. That's enough to skew decision making badly.

The Institution of Professional Engineers commented on this in their July report, Transport: Engineering the Way Forward:



"Government needs to ensure that the pricing of each of the three freight modes matches the real costs, including non-direct costs."

Another key issue is the way the Land Transport Fund allocates resources between transport modes. Nothing illustrates this better than two new Auckland projects – the electrification and modernizing of the Auckland commuter rail system, and the "motorway in a tunnel" under the Prime Minister's electorate, to Waterview.

The motorway will be 100% funded from the National Land Transport Fund. Just 4.5 km of new motorway will cost around \$2 billion – nearly half a billion per km. Its purpose? To get Aucklanders across Auckland in peak hour traffic.

Another way of serving exactly the same purpose is to electrify the rail system and upgrade the signaling, double track in places, to enable the frequency, speed and reliability of the trains to increase. This will increase carrying capacity from around 6 million passenger trips a year to 38 million.

And is this project also generously handed to Auckland by the country as a whole? No way. Government says it is funding half of it. But when you look a little closer it's not all that generous.

Auckland raises a loan and charges up to 5 cents regional fuel tax to service that loan. Government also raises a loan and charges up to 5 cents to service it – but it is Auckland that pays the servicing costs on both loans!

We keep hearing that Invercargill is not prepared to contribute to electrifying Auckland's rail, but Invercargill is apparently quite happy to pay for a motorway tunnel under Waterview. This is completely false economics.

It also flies in the face of what is happening in the real world with oil prices and climate change.

Oil prices have dropped recently, so no problem? Well, if I had said two years ago that in late 2008 we would be celebrating that oil prices had dropped back to \$100

barrel and petrol to just under \$2/litre you would have locked me up. That's how much things have changed. And there is no doubt that when the US heating season begins and the economic recession eases oil prices will resume their climb. That is already having an effect on transport demand.

In June, vehicle kilometres traveled on the Auckland motorways were down by 3 percent on average; it is 7 percent on the North Shore. Is that because the people who live on the North Shore cannot afford petrol and the people who live in South Auckland can? Hardly. It is because the people on the North Shore now have an alternative. They have a very good busway, and they are using it. The people in South Auckland, who can afford transport the least, don't. So they are still using their cars.

We need to shift funding from the Land Transport Fund out of new motorways and into public transport, rail, and facilities for cycling and walking. The Greens have a bill in the House that will do this. We need to fund like for like, and increase the financial assistance rate for major public transport infrastructure projects to 100%, same as for state

highways.

We need to invest nationally in our rail system so it can maximize the freight it can take off trucks, at a four fold improvement in energy efficiency. We need an integrated freight plan so that coastal shipping, rail and roads are co-operating parts of an integrated system, rather than rail and shipping just competing with each other at the fringes.

No other party is offering this at this election, so the change we need is Green. Party Vote Green means a vote for an integrated transport system funded on a fair basis for an oil and climate constrained world.

ELECTION 2008 - NOVEMBER 8TH

The Prime Minister has today announced the election date as November 8th. On Monday 15th CTU Unions Local groups will be hitting the streets in all the main centres, with CTU



'Fairness At Work - Worth Voting For' leaflets.

CTU president Helen Kelly says there is a lot at stake for workers at this election. "The last 20 years has seen considerable changes in New Zealand politics that have had a big impact on Kiwi workers and their families. Workers know that governments can make a big difference to their working lives, and this election unions will be closely analysing what each party's policies will mean for workers and their families."

Parliament will be dissolved on October 3. MPs will return for at least one more sitting week when the House resumes on September 23 after a week's recess which started Friday 12th.

You can sign onto the election campaign at: www.fairnessatwork.org.nz - look for the Plays of the Week logo in the top right corner.

ONTRACK CA's

Following the rejection of the proposed settlement by members informal discussions have been held between officials to explore options for a revised offer to members.

Should this fail then we shall have to seek a mandate from members for industrial action. Watch this space.

CASUAL WORKERS TO BE PROTECTED UNDER NEW BILL

Casual workers will have greater protection under a Bill tabled yesterday in Parliament, said Peter Conway, Council of Trade Unions Economist.

"The Bill provides increased powers to Labour Inspectors to issue determinations on whether a worker has been genuinely employed on a fixed term agreement, or is in fact a permanent employee."

"The Bill also codifies case law the tests that should be applied to assess whether a worker has progressed from casual to permanent employment."

"Unions will also welcome provisions in the Bill that cover what is known as 'triangular'

employment. The Bill will ensure that workers who perform work for a controlling third party can join that party to any personal grievance claim, and also must be employed on terms and conditions no less favourable than any collective agreement which covers direct employees."

"While we have low unemployment in New Zealand, far too many Kiwi workers are in casual and temporary work, bringing insecurity to their incomes and work and family life."

"Protection for casual workers is long overdue and we hope that this Bill can proceed to a select committee and then on to full legislative effect," Peter Conway said.

KIWI RAIL INDUSTRIAL COUNCIL (KIC)

The KIC was formed from the Toll Operating Council (TOC) and the opportunity was taken to review and update the Terms of Reference from the old TOC. These new KIC Terms of

Reference are on the RMTU Website under "Publications - Other RMTU Publications".

A key change is the strong focus on setting up Local Industrial Committees and the change in RMTU reps with one

less CT rep and a new Scenic Rep (see nominations called for below).

The first meeting of KIC was held in Auckland 28-29 August. The minutes from KIC#1 were published within a week of the meeting and are being distributed by KiwiRail. If you haven't seen a copy of these minutes including agenda and attachments then contact your manager.

JUST ADMIT IT AINT BROKE KATE

"National's repositioning over its proposal to introduce a 90 day unfairness period into small workplaces won't fool anyone," Council of Trade Unions president Helen Kelly said.

"This week the EPMU has shown employers that the current probation provisions in the Employment Relations Act work to both enable genuine probations for new employees, but also to protect work rights so workers are not unfairly treated during this period."

**Higher Wages
Worth Voting For**



"It appears the EPMU had some concerns with a new appointment and set about to ensure adequate support and monitoring was in place for a probationary period. This is lawful and reasonable under the current law."

"What the EPMU then had to do was ensure fairness when it was dealing with this employee in employment matters knowing that the employee also has appeal rights in these circumstances - something which is also perfectly reasonable when a person's job is at stake."

"The National Party knows it's Fire at Will policy is unpopular with workers, parents and others who know that they and their children will be treated badly under the proposal, and they are trying to dress it up as fair."

"Firstly National says workers will have to agree to have no rights - but they don't explain how a worker that insists on fair treatment will not be discriminated against at the appointment process." employees from bad faith practices, removing the rights to personal grievances on matters of performance only. We know that will simply mean employers will claim performance as the reason for dismissal, even if it is not."

"National has failed to explain why they are unwilling to support fair treatment at work. We are not surprised to see National's sensitivity given the reaction to its policy."

"What they should do if they really want to act maturely in relation to this matter is accept the EPMU have shown them that the current system works, and stop trying to argue there is a problem needing fixing," Helen Kelly said.

NEW WELLINGTON TRAINS MATANGI –

This week members of the RMTU Passenger Best Design (PBD) team will visit the first mock up of the new multiple unit's cab which has been set up for viewing at the Hutt Workshops. These new multiple units are currently in the latter part of the design

stage and are being built in South Korea, they are to be called Matangi. RMTU PBD was set up to enable formal representative consultation on the new passenger rolling stock for Wellington and other Wellington passenger projects. To keep all members in the loop a display wall has been set up in the Tranz Metro amenities and EMU mechanical depot in addition to meetings to discuss key elements of these new trains. RMTU Wellington Branch Sec, Howard Phillips from the PBD team reports - *"we are in an exciting part of the design stage, we realise the decisions being made now may well be 40 years decisions"*. RMTU PBD speaks highly on the level of dialogue between them, the KiwiRail Professional Services Group, Greater Wellington Regional Council, Halcrow, TDI and the manufacturers - Rotem Mitsui.

WAGE GAP WITH AUSTRALIA

"It is ironic to see John Key ask Labour to please explain the wage gap with Australia when in fact it blew out in the 1990s under a National-led Government," CTU Economist Peter Conway said today.

"The CTU estimates the wage gap with Australia to be around 30 percent. With variations in the exchange rate and depending which wage figures are compared, there are numerous figures circulating."

"For instance, comparing the full time adult rate in Australia with the average weekly wage in New Zealand at current exchange

rates showed a difference close to 50 percent."

"However, if we compare the New Zealand average weekly wage with the Australian all employees rate of \$AUD890.90, the difference is more like 15 percent."

"The reality is that we have a significant wage gap with Australia. The gap grew by 50 percent in the 1990s and from 2000 to June 2007 it grew by less than 2 percent.

"Since then, wages in New Zealand have gone up faster than in Australia so it is likely that the gap has not expanded at all between 2000 and 2008."



"Australia has a higher minimum wage, kept occupational and industry-wide agreements that set out minimum pay and conditions, and invested in more capital per worker and skills development in the 1990s."

"Since then, we have been in catch-up mode," Peter Conway said.

ACC KEY FACTS

- Every year ACC runs a public consultation on proposed levy rates for the following year. It then finalises its proposed rates and submits them to the ACC Minister. The Department of Labour also advises the Minister, who then makes recommendations on rates to the Cabinet, which then determines the rates.
- Almost 85 per cent of levies collected pay for the cost of claims. The rest funds injury prevention programmes and operating scheme costs. Separate levies are set for employers (including self-employed people), earners and motor vehicle users. The government funds the non-earners' account.
- The cost of claims and claim numbers are increasing. For example, motor vehicle injury claim costs have risen from \$288 million two years ago to over \$359 million last year – partly because there are more serious injury claims and because surgical, treatment, rehabilitation and home support costs are rising rapidly.
 - For example: elective surgery costs have increased 16 per cent, the amount paid to family carers of injured New Zealanders has increased 17 per cent, contracted care provider costs have risen 12.6 per cent.
 - The global credit crisis has also impacted on levy rates by creating an investment loss for ACC this year; despite the fact



its investment performance outperforms market benchmarks. This loss was anticipated in documents released at Budget time.

ACC TIMELINE CHANGES WELCOME

The Council of Trade Unions has today welcomed the announcement by Maryan Street that Labour intends to push out to 2019 the requirement to fully fund ACC accounts. Peter Conway, CTU Economist, said that it makes sense to allow a longer time frame to smooth the adjustment.

"The CTU notes that Maryan Street has said that the impact of pushing out the full funding requirement would mean that instead of ACC's proposed motor vehicle levy for next year of \$287, up from \$254 this year, there would be a fall to about \$203. The CTU hopes that legislation can therefore be put through Parliament before a final decision is made on the 2009/10 levies."

"The cost of fully funding pre-1999 claims is distorting levies and is incompatible with a social insurance model."

"Pushing out the timeline relieves some of this pressure and this will be of relief to motorists who have already faced high petrol prices this year," Peter Conway said.

HALF A PERCENT CUT THE RIGHT DECISION

The Council of Trade Unions has supported the 0.5 per cent cut in the official cash rate announced on Thursday 11 September.

"Although trading banks are arguing the offshore cost of borrowing restricts their ability to pass on a rate cut which they had already factored in, the announcement of a half per cent cut is higher than what most expected," CTU Economist Peter Conway said. "This means there will be pressure on the banks to respond."

"Wages as measured by the Labour Cost Index rose by 3.5 percent in the June 2008 year, consumer prices were up by 4 percent and Treasury say labour productivity for the March year rose by 3.1 percent. This shows that it is not wage pressures driving inflation compared with food prices for example."

"The economy is in a shallow recession and a neutral cash rate of 6 percent is where we need to be. Getting to that level in bigger steps than anticipated is a welcome sign," Peter Conway said.

CHEAPER DOCTOR FEES - SHOULD I STAY OR SHOULD I GO?

Workers are still left wondering whether National will remove the cap on GP fees," Council of Trade Unions president Helen Kelly said today.

"Cheaper doctor visits and prescriptions are very popular policies for workers. About a million people today receive low-cost primary health care, including free doctor visits for under-sixes."

"If this is an area where National wants more user-pays, they need to be honest with workers about this."

"From a worker's perspective lots of things make up their wage packet – not only taxes and the wage rate itself, but also the social services that impact on our incomes. And workers will be worse off if a larger tax cut is coupled with more user-pays on our roads and in our doctor clinics."

The policy announcement also confirms National has nothing new to say on wages, Helen Kelly said.

"When it comes to lifting workers wages, all National can talk about is tax cuts. Leaving it to taxes alone is a joke. There are serious workforce issues in health, and saying tax cuts will solve recruitment and retention is wrong," Helen Kelly said.



TALKING UNION TOASTMASTERS

Talking Union is a Toastmasters group that has been running for over two years in Wellington. Members from many unions meet twice a month and go through the toastmasters programmes with the usual theme being around unions and workers issues. It is a great forum to improve your public speaking. The next meeting is at the RMTU Wellington office 25 September from 5.15 – 6.30. Any Wellington members that are interested can contact Todd at RMTU. Also if members in other areas are interested in setting up their own Talking Union group, contact Todd – tvalster@rmtunion.org.nz

INTERNATIONAL TRANSPORT FEDERATION SUMMER SCHOOL INDIA 22-26TH SEPTEMBER

On the 22nd to 26th September, National Office Organiser, Henry Fagaiava, will be attending an ITF Summer school held in India.

Henry is attending to learning organizing skills and this is a learning opportunity arising from the RMTU's affiliation to the ITF. He will be one of many delegates from the Asia / Pacific region affiliate unions of the ITF.

These ITF summer schools were established after the 1998 Congress in Delhi and were set up to strengthen the international perspective of union leaders and activists. The theme of this year's summer school is how transport unions can collectively strengthen their responses to neo-liberal policies through privatisation and permanent restructuring.

Other topics to be covered at the summer school will be continuing the ITF's Organising Globally programme. This is to strengthen union organisation in the context of outsourcing, sub-contracting and casualisation.

A full report from Henry on this conference will be in the next issue of the Transport Worker.

ATTENTION ONTRACK INFRASTRUCTURE MEMBERS – WHAT RATE DO YOU BOOK AS TRAVEL ALLOWANCE?

Section 3 of the allowances of the Ontrack Infrastructure Collective Agreement states;

"If you work between 2000 and 0600 hours and live more than 2kms away from work \$4.41 is paid for the work period. If you are called back to work between work periods you are paid \$4.41 **OR** the Company rate for the use of your vehicle, at **your** option. These payments do not apply if you have a Company vehicle for travel to and from work."

We can confirm that the company rate stated in this clause is currently \$0.62 per km **AND** it is also a non taxable allowance.

You can choose which rate you would prefer to be paid, either the \$4.41 or the \$0.62 per km.

Reports into National Office thus far are that the 62 cents per km appears to be the most favourable to members. Particularly as a majority of member's distance travelled when called back to work exceed the \$4.41 payment when the kms are totaled for payment.

If you wish to claim the 62 cents per km you should fill out an expense form available from your local manager, keep one copy for reference and submit the original copy to your manager.

Please note: If you choose to book up the normal rate of \$4.41 then continue to do so by booking accordingly on your timesheets.

Those choosing to book the 62cents per km must fill out the expense form in addition to their timesheets to claim the allowance for that period.

NATIONAL'S ACC PRIVATISATION PLANS IN QUESTION FOLLOWING AIG COLLAPSE; PARALLELS TO HIH

The Council of Trade Unions is challenging National leader John Key to state whether he is still in favour of privatising accident compensation, following the US government bailout of insurance giant AIG.

"John Key said in July it was "almost certainly likely" that National would privatise the ACC work account," CTU president Helen Kelly said today.

"The last time National let the private insurance industry loose on our accident compensation one of the providers, a subsidiary of HIH Insurance which had up to 40 percent of workplace cover, went bust with losses of around \$1 billion. Fortunately by the time of their collapse the government had renationalised the scheme."

"The bailout of AIG sends a strong warning to voters – National wants our accident compensation and rehabilitation managed by firms just like these ones."

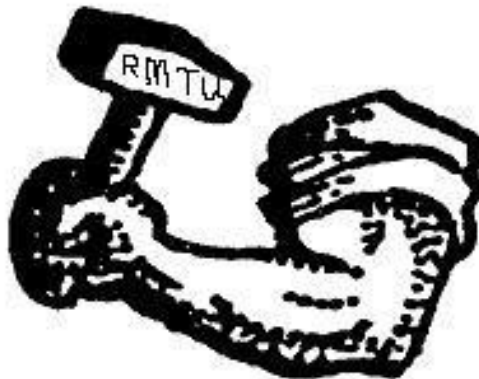
"No one wants this ACC privatisation policy – health professionals, workers and the business community have said there is no appetite for change."

"National has ignored the evidence from PricewaterhouseCoopers which noted ACC was a world leader,

and they are continuing with their plans to privatise it. We don't think workers' health and safety is worth the risk," Helen Kelly said.

**Let's Be safe Out There
And Remember.....**

**"WERE
STRONGER
TOGETHER"!**



UGL RATIFICATION MEETING ITINERARY

	Day	Date	Time	
<u>Phil Bosworth & Rudi Brens</u>				
-	Monday	22/09/08		Phil fly to Auckland Dep: 12.00, Arrive 13.00 and pick up rental car
Auckland + Whangarei	Monday	22/09/08	14:00	
Auckland	Monday	22/09/08	19:00	
	Tuesday	23/09/08		Drive to Mt Maunganui
Mt. Maunganui + Kawerau + Hamilton *	Tuesday	23/09/08	15:00	
Mt. Maunganui	Wednesday	24/09/08	7:00	Drive to Hamilton, Fly to P.Nth 10.05 Arrive 12.05 and pick up rental car
	Wednesday	24/09/08		
P. North + Napier + Karioi	Wednesday	24/09/08	13:00	
P. North	Wednesday	24/09/08	15:30	
P. North	Thursday	25/09/08	7:00	
New Plymouth	Thursday	25/09/08	12:00	Drive to New Plymouth Rudi fly to Auckland 14.15 Phil fly to Wellington 14.45
<u>Tim Spence & Shane McNae</u>				
	Monday	22/09/08		Shane fly to Christchurch Dep: 06.50, Arrive 09.10 Tim fly to Christchurch Dep: 08.20 Arr: 09.15
Addington + Westport + Picton	Monday	22/09/08	11:00	
Linwood	Monday	22/09/08	14:00	
Middleton	Monday	22/09/08	16:00	
Addington	Monday	22/09/08	19:00	Tim Only (Shane out of hours)
	Tuesday	23/09/08		Fly to Wellington Dep: 09.45 Arr: 10.35 and pick up rental car
Wellington	Tuesday	23/09/08	11:00	
Wellington	Tuesday	23/09/08	16:00	
Hutt Workshop	Tuesday	23/09/08	13:00	
				Shane fly to Tauranga Dep: 18.50 Arr: 20.00 Tim fly to Dunedin Dep: 19.00 Arr: 20.15
<u>Tim</u>				
Dunedin + Invercargill	Wednesday	24/09/08	10:00	