Media Release: Rail & Maritime Transport Union
Thursday May 24, 2012

Privatising assets should NOT be used as a reason for rail plan

The government shouldn't hide behind the sale of profitable assets and use privatisation as the solution to funding KiwiRail's long term plan, the Rail and Maritime Transport Union said today.

The Finance Minister today announced that proceeds of the sale of Mighty River Power would form part of the funding of the 2010 KiwiRail turnaround plan.

But Wayne Butson, RMTU General Secretary, said that selling one asset to pay for another made no economic sense.

"Taking highly profitable assets and flogging them off for a one-off gain is short term thinking at its worst," he said.

"The government needs to take an ambitious approach to the future of rail, and make high quality rail a key part of the national transport logistics supply chain."

"Instead, it has always looked half-heartedly at rail, with mothballing of key regional lines and the loss of economic benefits to New Zealand when the construction of rail stock was sent to overseas firms, rather than the Lower Hutt and Dunedin workshops."

"The government packaging up spending initiatives like rail, hospitals and schools, in a cynical attempt to sweeten the privatisation pill, will not fool the two-thirds of New Zealanders who are opposed to these sales."

Wayne Butson said that RMTU members, through the CTU, were part of the Keep Our Assets campaign, and would be active in the push to force a referendum on the government's privatisation plans.

Ends.

For further comment: RMTU General Secretary Wayne Butson on (027) 496-2461