

# THE ACTIVIST



**Published Regularly - ISSN 1178-7392 (Print & Online) 10 may 2010**

## **PORTS FORUM**

Another successful Ports forum was held in Wellington last week. 23 delegates from 11 maritime branches attended the forum. A full report will be sent to branches soon and there will be greater coverage in the Transport Worker Issue2.

## **NZ WORK FOR NZ WORKERS CAMPAIGN**

The campaign was launched in Wellington last week. The launch received a considerable amount of media interest and the leaflet drop that was done that evening at the Wellington Rail Station showed that there is considerable public support for the campaign and the general notion of greater NZ content in Government purchases.

The Union website has a campaigns page. The NZ work for NZ workers page has all the material that is needed to get actively involved in the campaign. There you can download posters, logo's, petition and you can also log onto the online petition and send an email of support for the campaign to KiwiRail CEO Jim Quinn and Transport Minister Steven Joyce.

[www.rmtunion.org.nz](http://www.rmtunion.org.nz)

**WE NEED YOUR HELP AND SUPPORT!**

## **NEW TRANS TASMAN TRANSPORT UNIONS ALLIANCE**

Transport unions in New Zealand and Australia have joined forces to organise safe and fair pay rates along with good working conditions for transport workers.

Karl Andersen, Transport, Energy and Stores Sector Secretary for the National Distribution

Union says seven Australian and New Zealand transport unions have formed the Transport Unions Alliance as a means of strengthening their ability to deal with issues common to members in both countries.

"Unions in Australia and New Zealand

often have employers in common and it makes sense for us to work together by supporting each other in disputes, developing joint campaigns and sharing resources," he says.

"The unions involved are excited about the potential this agreement gives us to run coordinated campaigns in support of workers' rights along supply chains and transport hubs in multinational companies."

Unions who have signed up to the alliance include the Maritime Union of Australia, the Rail, Tram and Bus Union of Australia, the Transport Workers of Australia, The Engineering, Printing and Manufacturing Union (NZ) the Maritime Union of New Zealand, the National Distribution Union



**NZ WORK FOR NZ WORKERS**

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

(NZ) and the Rail and Maritime Transport Union (NZ).

## MEAL BREAK CHANGES WILL CONTINUE TO STRIP WORKERS OF THEIR RIGHTS

The Government's proposed amendment to the rest and meal breaks legislation will deny vulnerable workers basic rights to minimum breaks. The Bill, Employment Relations (Rest Breaks and Meal Breaks) Amendment Bill will take away employers' obligation to provide rest and meal breaks for employees.

Minister of labour Kate Wilkinson (National) believes it will create more flexibility, however, Labour believes it will only make employees more vulnerable and is yet another employment relations claw back. Labour Spokesperson, Trevor Mallard, says this Bill will only take us backwards.

"In 2008 Labour included rest and meal breaks into legislation to help fix the inequalities in the work force which has seen many employees forced to work in unfair conditions where they may not have been given breaks because employers had no legal obligation to provide them".

The proposed legislation which will be passed by the Government removes all employer requirements about the length of breaks, the timing of breaks, and provides many reasons for employers not give breaks to employees at all.

"Getting a decent break time is an issue of fairness and of healthy work practices. Kate Wilkinson and the National Party will be taking the right to decent work away from New Zealand workers with this, and other pieces of legislation".

Labour will be opposing this legislation and is committed to ensuring workers have minimum rest and meal breaks enshrined in legislation.

## JOYCE DOESN'T BACK KIWI WORKERS TO GET JOB DONE

The extraordinary dismissive attitude of the Transport Minister Steven Joyce shows National does not back our rail workers to complete the job of building the rolling stock for Auckland's rail network, Labour's Transport spokesperson Darren Hughes said today.

"Steven Joyce has been dismissive of the report before even looking at the opportunities it presents," Darren Hughes said.

"The RMTU and Dunedin City Council investigation clearly showed that it is possible to produce the rolling stock required within the budget allocated for the project. The bonus for Kiwis is that it would create hundreds of jobs, as well as boosting the tax take and GDP.

"Mr Joyce's 'cup half empty' approach at a time when 168,000 Kiwis are looking for work is quite astonishing.

"Prime Minister John Key's crusade to find some 'step change' for the economy has so far produced little, and when industries themselves provide a way to get Kiwis back into work, his right hand man rules it out before he's taken a good look at the proposal.

"Stephen Joyce claims that our rail manufacturing industry isn't up to the task shows just how little he knows about our rail industry. Today he even admitted to never having visited the rail yards at Woburn in Wellington and Hillside in Dunedin where the locomotives could be built.

"New Zealand taxpayers will be spending hundreds of millions of dollars on this rolling stock. It beggars belief that Stephen Joyce won't consider putting some of that money towards supporting Kiwi jobs," Darren Hughes said.



## **JUMP IN OTAGO UNEMPLOYMENT DEMONSTRATES NEED TO BACK HILLSIDE WORKSHOPS**

The Rail and Maritime Transport Union says today's big spike in unemployment in the Otago region, bucking the trend nationally, demonstrates the need to support rail industry jobs like those at Hillside workshop in Dunedin.

Otago was one of the only regions, alongside Northland, Bay of Plenty and Tasman/Nelson/West Coast, to register an increase in unemployment in today's Household Labour Force Survey.

Otago unemployment has risen from 2.7 per cent in the March 2008 quarter and 4.4 per cent in the March 2009 quarter, to 6.3 per cent in the March 2010.

"Hillside workshop is a major employer in Dunedin," Wayne Butson, General Secretary of the Rail and Maritime Transport Union said.

"This is the time to be backing Hillside, not walking away from it, as we have seen from the government's response this week to the BERL report on building rolling stock for Auckland."

"We have the expertise and equipment in our rail workshops in Dunedin and Lower Hutt and we have workers who are ready and keen to do this work."

"We want KiwiRail and the government to back Kiwi workers, back the Dunedin and Lower Hutt economies, and get our trains built at home," Wayne Butson said.

This week's BERL report estimated that building trains needed for Auckland electrification in New Zealand would add between 770 to 1270 additional jobs and \$232 to \$250 million to GDP.

## **MORE ON METHYL BROMIDE**

The Coalition against the Use of Methyl Bromide is holding protests throughout NZ opposing the ongoing use of the chemical in ports around New Zealand.

"Methyl Bromide is a highly toxic gas, especially to the lungs and nervous system. Chronic exposure to it through the air has been associated with a range of neurological effects. Exposure to high quantities of the gas can be fatal," Green party Health spokesperson Sue Kedgley said.

"Workers inform us that methyl bromide is being used to fumigate logs and other products up to 10 to 12 times on any given day. While the fumigation takes place in containers, the gas is released into the atmosphere after each treatment, where it can drift considerable distances, depending on the wind direction and strength," Ms Kedgley said.

"The process is primitive and the controls inadequate.

"Methyl bromide is pumped into containers. After about 24 hours the containers are opened up, letting the toxic gas escape into the surrounding environment.

"Because it has no odour or warning agent, workers would not know when they were being exposed to the gas. This is completely unacceptable and is putting the health and safety of workers at risk on a regular basis."

"Everybody working and living near to the fumigation area is at risk."

Ms Kedgley said there has been a 500 percent increase in the use of methyl bromide over the past decade, even though as a signatory to the Montreal convention, New Zealand has pledged to reduce the use of methyl bromide and use recapture technology wherever possible.

## **TRAINS STOP FOR ONE MINUTE FOR WORKERS' MEMORIAL DAY**

Trains will stop at 12 noon for one minute to remember those who have died at work, the Rail and Maritime Transport Union (RMTU) said today, marking Workers Memorial Day.

"Members of our union work in dangerous industries," said RMTU General Secretary Wayne Butson.

"This is a day when we remember that since 1994 we have had 27 RMTU rail and port members killed at work. RMTU members attending memorial events today will have all of those 27 workers in their thoughts."

"We also have many level crossing accidents and trespasser events which mean death and serious injury is an unfortunate companion to our industry."

"Although the workplace fatality record has improved since a ministerial inquiry in 2000, all workplace deaths are preventable," Wayne Butson said.

"As well as drawing attention to the human cost of workplace fatalities, accidents and disease, today we call for strong legislative protection for workers to prevent these. Recent signals that the ACC work account will be handed over to insurance firms is just one area where our members have deep concern at the government's approach to health and safety."

"Workers have the right to go to work and come home unharmed. 'Mourn the dead, fight for the living' remains the banner which we mark Workers Memorial Day with, and pledge to protecting and looking after our fellow worker," Wayne Butson said.

## **BUILDING LOCOMOTIVES IS ABOUT BUILDING AN ECONOMY, SAYS PRODUCTIVE ECONOMY COUNCIL**

Stephen Joyce needs to take a "whole of the economy view" of KiwiRail's intended purchase of locomotives and rolling stock, says Selwyn Pellett the spokesperson for the Productive Economy Council.

"We are an ambitious nation and it would be nice if our political and economic decision making could catch up with that ambition. New Zealanders want to see our Kiwi SOE dollars spent here, building our own rail locomotives and rolling stock, creating jobs, new skills, tax revenue and

export opportunities. Not protected industries but invested industries. This type of economic investment is very sticky and that is its appeal, says Pellett.

"In the productive economy we are always looking for opportunities to build capacity and capability for the downstream benefit of staff and shareholders, especially if it can be de-risked off the back of a secure contract. It's not always possible to recover the entire cost of a particular investment over the life of a single project, but if that investment provides an opportunity to build a new revenue stream and become world class in the design and manufacturing of that product or product family then why would we not go for it? Yes, the future of that business depends on finding viable markets to sell into, but the nation has to be up for that challenge" says Pellett.

"In an energy-restricted future – where rail must play an increasing role here and in other countries – why would we not gear up to be world class in all things rail? We already have world-leading power electronics capability in this country and a great green badge waiting to be leveraged outside of tourism. If the power electronics industry in this country turned its expertise to power efficient rail management it would be a fantastic opportunity for this country's future exports," he says.

"Trying to create a business like that isn't easy, but the safest business to gear up for is one that has a large contract, where the set up costs are covered, where the end customer is cooperative, and where the capability exists, or can be expanded from an existing core capability. It seems to me this situation meets all of these tests," says Pellett.

The argument that KiwiRail can't take the commercial risk of a late delivery is wrong. Let's quantify that risk in hard dollars against the economic benefit to the country of 770-1270 full-time equivalent jobs over the construction period, \$232-\$250 million added to gross domestic product, Crown





revenue net increase of \$65-\$70 million and the trade balance improvement of \$114-\$122 million.

"The Canadian government's investment in aerospace industries over the years is a prime example of a government policy of investment to develop an industry – investment that has paid dividends. Similarly the investment, sponsorship and drive by Taiwanese government into the semiconductor industry now delivers over \$14 billion USD per year. Closer to home, was the economic impact for Australia in deciding to build an Australian car in 1948. We want to catch up to the lucky country, yet we don't set out to create our own luck," says Pellett.

"It's a matter of optimism; a belief that your country can build something that will compete on the global stage and bring economic benefits back to the country, combined with an understanding that to do so requires support from government, effectively socialising some of the risk. All of the examples given had their genesis in this kind of socialised risk allowing an industry to grow that would otherwise not be formed without that support."

"Does our government risk something by choosing to invest in rail as an industry? Of course it does. But we all risk much more by choosing to believe that this country cannot build industries that can compete on a global stage. This government espouses inspirational goals so why do we have such low expectations of our own capability?" says Pellett

"BERL has made the commercial case for building the locomotives here and as a country we are up for it so perhaps Mr Joyce and the board of KiwiRail could reconsider this issue," says Pellett.



## PRIVATISATION – BAD FOR ACC, BAD FOR SMALL BUSINESS, BAD FOR NEW ZEALANDERS

The privatisation of ACC will make it even harder for injured New Zealanders to receive fair compensation, said ACC Futures Coalition spokesperson Hazel Armstrong today. Private insurance provision of ACC cover will also make the scheme more expensive for most employers, especially small ones.

"If private insurance is allowed in to ACC then we can expect to see a worsening of the current situation where genuine injuries are being refused compensation in a blind determination to reduce costs," said Ms Armstrong.

"Has the private insurance model anywhere else in the world ever delivered better, cheaper outcomes than ACC? The answer is no. So why is the Government pursuing this goal? Why, when ACC already provides the fairest, best value, most efficient service, is it being dismantled? The role of ACC, and the Government as its custodian, is to best serve the people of New Zealand. This move will actively harm them and serve only the interests of private profit."

"New Zealanders did not give up their right to sue in return for having their claim for compensation decided on the basis of an insurance company's bottom line."

The argument that competition between insurers will result in cheaper and more efficient administration is not borne out by the evidence. In the 1970s and 1980s when private insurers operated in New South Wales, Victoria and South Australia, an initial period of competitive premiums was followed by a sharp increase, especially for smaller firms, as insurers found themselves under-reserved in their provisioning for outstanding claims.

The impact of marketing and distribution efforts and commissions or salaries to agents, as well as the duplication of financial, IT and administrative systems all

make private provision less cost-effective than ACC's existing monopoly.

"It is a myth that privatisation will make ACC cheaper for levy payers and more efficient to run," continued Hazel Armstrong. "All but a few large employers will ultimately see levies rise, administration will become more complex, and levy payers will see more of their contributions disappear into the pockets of insurance company executives and shareholders."

"The Government could also end up burdening itself with even greater liabilities because of the possibility that private insurers can go bust, as several recently have. In 2001 HIH (which offered underwriting services in New Zealand under the previous privatisation experiment) was put into receivership. HIH was also active in the workers compensation market in Australia. While another insurance company entered into negotiations to pick up the renewal rights in HIH's workers' compensation business, nonetheless, workers' compensation policies written in Victoria, Western Australia, Tasmania and the ACT were the subject of government-funded rescue packages. In other words the governments were forced to come to the rescue to protect vulnerable beneficiaries through the failure of the market model."

## **LOW WAGE GROWTH EMPHASISES NEED FOR GOVERNMENT TO FOCUS ON WAGES**

The low wage increases for the year to March 2010 mean that real wages (after inflation) fell or little more than stood still. Workers will be concerned that the increase of 1.5 percent in the Labour Cost Index (LCI) for the year was significantly behind inflation of 2.0 percent, said CTU Economist and Policy Director Bill Rosenberg.

"It is all very well for the Government to say it has a target of 2025 to catch up with Australian wages but how about a target for 2011 or 2012?" said Rosenberg. "The reality is that we are drifting further behind

Australian wages. Meanwhile the Government is reducing employment rights on such matters as dismissal appeal rights, meal breaks, holidays and accident compensation entitlements. This is the wrong approach. Employers and the Government need to focus on investment in decent jobs and policies that lift wages – such as a higher minimum wage."

Australian average weekly earnings rose 5.0 percent in the year to November 2009 (latest available). New Zealand average weekly earnings rose 4.5 percent in the year to December and 2.5 percent in the March 2010 year. Australia's Wage Price Index rose 2.9 percent in the year to December 2009 (latest available). New Zealand's LCI rose 1.8 percent in the same period and 1.5 percent in the year to March 2010.

The LCI rose only 1.5 percent in the year, the lowest increase since September 2000, and a steep fall from the peak of 4.0 percent in September 2008. The LCI measures changes in pay rates for a fixed quantity and quality of labour. Average hourly earnings rose 2.1 percent in the year, the smallest annual increase since December 2004. This compares with inflation at 2.0 percent in the same period. However they actually fell in the March quarter for the second consecutive quarter – by 0.4 percent. Average ordinary time hourly earnings are now \$25.27.

The proportion of workers experiencing an increase in the year has also fallen to only 43 percent – down from 60 percent a year ago and a peak of 62 percent in September 2008. The biggest drivers for increases were collective employment agreements and the cost of living. For those who got an increase, the median increase was 3.3 percent, and the average was 3.8 percent, indicating inequality in the distribution of increases.

Employment is no longer falling as fast as in 2009, with the number of filled jobs remaining at a very similar level to December. The big question is whether this is enough to keep up with the number of people entering the workforce in order to head off increased unemployment.

Total paid hours increased 1.1 percent in the March 2010 quarter (seasonally adjusted) assisted by the revival in manufacturing.

Average paid hours worked per week increased 0.7 percent in the quarter, which meant average weekly earnings rose by 0.4 percent when both wage rates and hours worked are taken into account. Most of this increase is however due to seasonal effects.

## ROGER PUT IN HIS PLACE

Act MP Roger Douglas' Bill which aimed to reinstate youth rates was voted down in the House 117-5. Labour, National, Greens, Maori Party and United Future voted against the Bill. Labour supported the abolishment of youth rates in 2007.

## WIN A DELUXE COFFEE MACHINE - UNION MEMBERS ONLY

Union Plus (in association with Sovereign) is giving you the chance to win a Deluxe Coffee Machine valued at over \$2,000. There are also 25 coffee packs to be won. There is one condition - you must be a current Union member to enter.

Text the word CUP109 and your Name & RMTU to 382.

You will receive an auto-responder message to confirm your entry and that 'an adviser will be in touch. Don't worry, the only contact you will have is from the Union Plus Member Benefits team to ask if you wish to opt-in to receive their monthly member benefits updates.

The competition ends on June 30th. [www.unionplus.co.nz](http://www.unionplus.co.nz)

## REDUNDANCY BILL SET FOR FIRST READING

Darien Fenton's Redundancy Bill will be heading to the House for its first reading on May 5th.

Darien's Bill --- Employment Relations (Statutory Minimum Redundancy Entitlements) Amendment Bill --- will provide minimum notice and compensation for redundancy, and is based on the recommendations of the Public Advisory

Group on Restructuring and Redundancy which reported back in 2008.

To find out more and to support the campaign click [here](#).

## MAKE A SUBMISSION ON MINING IN NATIONAL PARKS

Schedule 4 of the Crown Minerals Act is a list of our most precious and high value conservation lands. Let the Ministry of Economic Development know they are inaccessible for mining or exploration. Submissions close 5pm 4th May, 2010. [Read submission guide](#) | [Quick submission form](#)

## UNEMPLOYMENT FALL WELCOME, BUT RECESSION NOT OVER FOR MANY

The fall in unemployment today to 6.0 percent in seasonally adjusted terms is welcome, says the CTU, although we should be careful not to count too much on one quarterly result that has surprised most analysts.

Peter Conway, CTU Secretary said: "Actual numbers looking for work are still 153,500 (140,000 seasonally adjusted) so the recession is not over for many workers."

"The reduction in the actual unemployment rate from 6.8 percent to 6.6 percent is much lower than the seasonally adjusted figure. We cannot be sure yet that this is a strong downward trend and we expect

the recessionary peak in those on unemployment benefits to occur next summer."

Maori unemployment is at 14.2 percent compared to 10.7 percent a year ago. Youth unemployment (15-19 years) has fallen slightly from 26.5 percent in December to 25.2 percent, but is still considerably higher than the 19.1 percent a year ago. Unemployment among Pacific peoples is still high at 14.4 percent.

Peter Conway said today's figures show that there are still 263,000 jobless people once



we include those discouraged from looking for work, or not immediately available.

"Investing in jobs for the future – including in rolling stock production for KiwiRail, expanding home insulation and increasing employment assistance through the Ministry of Social Development is vital. Cutting further public service jobs won't help, with the Government confirming that 470 public service positions will go by the end of next year."

"The Government should not be phasing out Community Max and Job Ops when unemployment is still higher than when they introduced these schemes."

Peter Conway said that now is the time to increase spending on programmes such as skills investment subsidies for workers starting a new job to help match their skills and capabilities with what an employer requires. "We hope to see expanded employment assistance in the Budget," he said.

The focus for assistance needs to shift now from schemes such as Job Support (9-day fortnight) to direct support for the unemployed at the sharp edge of the recession).

## STRIKE BALLOT BILL

The Labour Party supported the first reading of a member's bill requiring unions to hold a secret ballot vote of their members to approve a strike before undertaking any action.

The Bill, by National Party MP Tau Henare, seeks to insert the requirement into the Employment Relations Act 2000.

Labour Spokesperson, Trevor Mallard, said Labour had no objections in principle to the Bill progressing to select committee, because it largely reflects current practice.

"Very few unions use a 'show of hands' strike vote these days - the vast majority are comfortable with secret ballots because they are fairer and more democratic and do

not represent an erosion of workers' rights".

"Labour will be using the select committee process to ensure that as well as decision systems being fair for unions they are fair for employers which would involve boards rather than just chief executives making decisions to lock out workers".

## PORT CHALMERS – ATTITUDE TO H&S

As most of you will know Port Otago has a very flash H&S sign installed at the entrance to the port. It was noted that on Workers Memorial day (28 April) the message on the sign read **"Health and Safety is a value NOT a priority"**.

It obviously should have read "..... and a priority" in our view.

In any event it is a poor showing by Port Otago and we expect them to do much better in future.

With this attitude publically displayed by a large employer is it little wonder that NZ's workplace fatality rate is the disgrace of the first world developed countries who are members of the OECD.

## CRACKDOWN ON LOAN SHARKS WILL PROTECT OUR MOST VULNERABLE

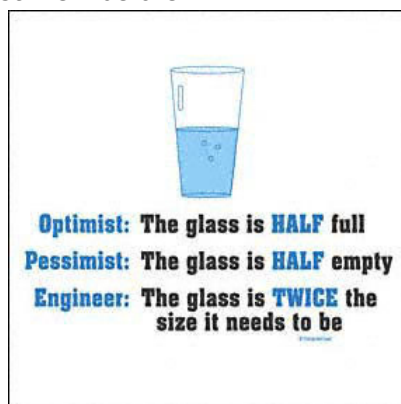
In May, Labour's Consumer Affairs Spokesperson, Carol Beaumont, will be taking a Bill to the house which aims to crack down on loan sharks.

Carol's Bill, Credit Reforms (Responsible Lending) Bill, will have its first reading in the House on May 5th.

Carol's Bill aims to target the greedy money lending companies who target the lowest paid in our communities.

"Protecting our most vulnerable New Zealanders and their families is at the heart of my campaign to crackdown on Loan Sharks".

"Times have never been better for loan sharks. Unemployment is at record levels





and more families are struggling to make ends meet. For most the economic recovery has yet to find its way to their pockets. The reality for many Kiwis is that losing a job coupled with rising food costs can often end with a loan shark as the only alternative", says Carol Beaumont.

"These loan sharks lend out money at obscene rates, without checking to see whether the borrower will be able to meet the repayment requirements. Increasing numbers of people are pawning items like bikes and children's toys to borrow funds to be able to pay the bills".

"My bill and the campaign to stop loan sharks is to start the process of eradicating these predatory loan sharks from our communities".

To find out more about Carol's Bill click [here](#).

## PRIVATISATION OF ACC WILL HURT ACCIDENT VICTIMS

The Government's plan to privatise ACC will fundamentally undermine a world leading system that is fair for accident victims, said the Green Party today.

It has been reported that the ACC stocktake report is now with John Key's Government for consideration.



"Funnily enough, it looks like the report will match National and ACT's stated ideological goal of privatising parts of ACC," said Green Party ACC Spokesperson Kevin Hague today.

"Privatising parts of ACC will drive up costs and cut support to vulnerable accident victims. It will result in uneven support for accident victims – this will drive further inequality in our already highly unequal society.

"Part-private models will not work – we have seen this in Australia, and last time New Zealand did this in the late 90's. It is clear that John Key's Government, despite its protestations, is committed to privatisation. We are seeing moves across the board to attack and undermine the public service.

"There is no crisis in the ACC accounts, last year it took in over a billion dollars more than it spent on claims. John Key's Government has manufactured a crisis with ACC so that it can pursue its privatisation agenda.

"Privatisation has been the goal all along. That's why they do their accounting as if it were a private insurance company so, hey presto, a 'financial crisis' despite a surplus of more than \$1 billion and reserves of more than \$10 billion," said Mr Hague.

## CTU SUPPORTS CAMPAIGN TO BUILD RAIL ROLLING STOCK IN NZ

The Council of Trade Unions has welcomed the launch by the Rail and Maritime Transport (RMTU) of a campaign to build rail rolling stock in New Zealand.

The CTU attended the launch of the campaign this morning which builds on the economic impact assessment by BERL on behalf of the Dunedin City Council and the RMTU.

Peter Conway, CTU Secretary, says: "We have the people, we have the expertise, we have the engineering capability and we have local suppliers to

build the Electric Multiple Units for Auckland right here in New Zealand."

KiwiRail workers in Hillside and the Hutt are already building and refurbishing trains. The BERL reports shows that the economic benefit to New Zealand to build the Auckland trains here could be up to 1270 jobs and a \$250 million addition to economic growth.

Peter Conway said that KiwiRail should not rule themselves out of this bid.

"Of course there has to be a robust tender process. But an analysis of the 'whole of life' cost of building and maintaining these trains in New Zealand makes for a strong business case. And when we add in the economic benefits to the whole community the case is overwhelming."

It is recognised that even if KiwiRail did undertake this manufacturing around 30% of the total cost would be captured offshore. But as BERL pointed out the key question is how New Zealand can lock in the other 70% for the sake of jobs and engineering capacity in New Zealand.

For further details on the campaign see:

<http://www.rmtunion.org.nz/articles/article-building-rolling-stock-in-nz.php>

## EARLY CHILDHOOD EDUCATION CUTS SHORT SIGHTED

Spending money on Early Childhood Education is a "no-brainer" and government cuts are bad for children and workers, CTU president Helen Kelly said today.

The revelation that the Government will cut access to early childcare education by cutting eligibility to the Childcare Subsidy is deeply disturbing, said Helen Kelly today. "Anything which reduces people's ability to take up job opportunities – as this policy does – is totally counter-productive in the current depressed economy," she said. Research also overwhelmingly shows the benefits to children of high quality ECE.

"This is a change that is going to impact badly on women who, while they have increasingly high levels of labour participation, are still likely to have the dominant role in caring for young children. Changing the income thresholds will mean that lots of middle income families who are not on high wages will not be able to afford early childhood education. Reducing access to early childhood education will reduce the ability of mothers to be in the labour market and increase pressure on women and their families."

"This policy is very short-sighted. It is a further illustration of the Government's abject failure to address employment equity for women."

"Once again we are going in the opposite direction to other countries that are developing policies and increasing funding to enable younger children to get early childhood education and enable more women to re-enter the job market."

"The Government needs to take another look and get some advice from women in the labour market and early childhood educationalists. They made these cuts without consultation about the impact on families and they tried to keep them hidden. They will have long lasting negative effects and we urge them to take another look."

## CONTINUED CUTS IN ACC COMPENSATION PAYMENTS REVEALED IN GOVERNMENT ACCOUNTS

The Government financial statements for the 9 months to 31 March show that ACC compensation payouts were \$242m lower than expected because of "lower claims costs", says the CTU.



"This appears to be confirmation of the cuts in entitlements from government and administrative actions," said CTU Economist and Policy Director Bill Rosenberg. "It confirms reports of more ACC claims being turned down. This is despite the increases in ACC levies, driven mainly by the full cost recovery model."

"On the other hand, the ACC and New Zealand Superannuation investment funds continue to contribute to the Government's operating balance, increasing by \$466m and \$891m above forecast respectively. The deficit in the Operating Balance is \$2.0 billion lower than forecast."

Tax revenue was down due to continued lowered company profits and wage and salary income, indicating the lingering recession. This was more than offset by higher GST receipts and government agencies spending below forecast. Part of the \$809m in lower spending was due to Treaty settlements of \$385 million being delayed until the next financial year, but a large part of the difference to forecast was due to

"individually small items (all less than \$30m) across a number of departments". The pressure on government departments to cut spending appears to be working.

Gross debt is \$2.4 billion lower than forecast at \$50.4 billion or 27.2 percent of GDP and net debt (excluding the New Zealand Super Fund and advances such as student loans) is close to forecast at \$25.6 billion and 13.8 percent of GDP. Net debt including all crown assets is actually negative (that is, a net asset) at \$320 million.

## BITS AND BOBS

- Railway expert and RSA stalwart Noel Meek, of Greytown, has died. Mr Meek, 88, died on Sunday. Mr Meek was a co-founder of the Fell Locomotive Museum in Featherston and was president of the organisation which ran the museum from October 1989 to October 2006. Mr Meek was a gold star badge holder with the RSA and was awarded the MZNM (Member of the New Zealand Order of Merit) in the 1999 New Year Honours list for his services to the community. In an interview with the *Times-Age* in 2008, Mr Meek said his interest in rail began as an 11-year-old. "I would sit up in the station box and work the signals and tablet machines," he said. "Everything was moving and there was so much activity. It was all steam until 1938 when the rail became electric." "The great thing about the Fell museum is that it gives a chance for the kids to get interested," he said. "They're the future. We're going to need them to become the next volunteers".
- ITF General Secretary David Cockroft will talk about the human factor in shipping and praise improved communication between the ITF and INTERTANKO when he appears as a guest at the tanker owners' association's 40th anniversary meeting in London today. Addressing the meeting Cockroft is expected to say: "It is unfortunate that you should be celebrating the 40th anniversary of INTERTANKO at the same time as what is quite probably the worst oil related disaster in history, which is currently

taking place off the US coast. Once again, it is not the 11 rig workers who tragically lost their lives who get the most attention. It's the oysters, the crabs, the seabirds and the sea turtles.

- **Retirement** – GM Passenger - Mr Ross Hayward retired from this position at 1700 hours Friday 7 May 2010 and has completed a handover of responsibilities to the Chief Executive, Mr Jim Quinn, for an interim period pending the commencement of a new General Manager. New Appointment – GM Passenger - Dr Deborah Hume has been appointed to this position. Dr Hume is currently employed as NZTA Regional Director for Wellington / Nelson and Marlborough. Previously General Manager Strategic Support with Transit NZ Dr Hume has a strong background in stakeholder management and transport planning. The RMTU wishes Ross a long and healthy retirement.
- Last week the KiwiRail Mechanical Council met for the first time in Christchurch.
- The KiwiRail – RMTU D&A Policy consolidation working party will meet in Wellington on 19 May 2010. The working party has as its objective the development of a single D&A policy for KiwiRail Group of companies. KiwiRail has also placed on the table its desire to implement random testing where customers require it as part of KiwiRail members accessing other company worksites.

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

**"WE'RE STRONGER TOGETHER"!**

