

# Wellington rail workers reject proposed attacks on wages and conditions: Form a rank-and-file committee to fight back!

Our correspondents

22 August 2024

*The Socialist Equality Group (SEG) in New Zealand invites rail workers to attend an online Zoom webinar this Sunday, August 25, at 3:00 p.m. to discuss the urgent need for workers to form a rank-and-file committee, independent of the union bureaucracy, which is working with the company and local government behind the scenes to impose another sellout agreement. Register here to attend this important meeting.*

On August 21, hundreds of commuter rail workers in Wellington attended a stop-work meeting called by the Rail and Maritime Transport Union (RMTU) and voted unanimously to reject an initial offer presented by private companies Transdev and Hyundai Rotem (THR), which would have cut real wages and attacked their conditions.

The RMTU has been in talks since July 11 to reach a renewed Multi-Employer Collective Agreement (MECA) with the two companies, which are contracted by the Labour Party-led Greater Wellington Regional Council (GWRC).

Wednesday's meeting was the first time union officials have reported back to the membership on the negotiations, which are continuing behind closed doors.

THR's proposed cuts were so blatant that the RMTU was forced to recommend a No vote on the initial offer. Union officials told workers they would organise a strike ballot but no dates or details are confirmed. Nor has the union announced any specific wage demands of its own.

THR put forward a three-year deal with a pay increase of 5 percent in the first year for Transdev workers and 4 percent for Hyundai Rotem workers; these increases would be followed by inflation-

adjustments for the next years. This is a pay cut in real terms. Official statistics show that household living costs increased by 5.4 percent in the 12 months to June.

The companies also declared the new wage rates would apply only when the deal is ratified, meaning there would be no back-pay to July, when the previous agreement expired. This is a threat that the longer the negotiations continue, the more the workers will lose.

The companies also demanded other concessions from workers, including:

- Reduced payouts for workers when they retire. Someone who has completed 10 years' employment, for example, would get a miserable 10 days' pay (instead of the current 26).
- Workers who cannot continue working for medical reasons would no longer be paid out their remaining sick leave.
- The removal of travel discounts for long-distance rail and ferry journeys.
- Workers rostered on for overtime who are unable to work due to illness would no longer be paid overtime rates for those shifts that they cannot work.
- The removal of other allowances for Hyundai Rotem maintenance workers.

In a letter to workers, THR declared that these concessions were needed to pay for what it falsely called "a substantial general wage increase." The companies cited increased costs for insurance and materials and stated: "Even as part of a global group, we do not have access to additional financial support." They had to remain "self-sufficient" within their contract with the GWRC.

In fact, both companies are amassing huge profits from their global operations. Transdev, a French-based

multinational which employs about 100,000 people in several countries, reported an operating profit of €169 million (\$NZ305.8 million) in 2023—almost double its result for the previous year. Meanwhile, Hyundai Rotem last year reported a gross profit of 464 billion South Korean won (\$NZ563.4 million).

While the RMTU did not recommend THR's initial offer, it has a long record of enforcing sellout agreements, including the previous two-year deal covering 2022-2024. Wages increased between 5 percent and 7.2 percent per annum over the past two years depending on the role. The RMTU presented this as a victory. In fact it was a wage freeze or a cut for workers. In the year to June 2023, household living costs increased by 7.2 percent. In addition, the RMTU agreed to back-pay the deal only to September 2022, instead of July 2022 when the previous agreement expired.

The capitalist parties and New Zealand's corporate media have said nothing about the current rail workers' dispute. Successive Labour and National-led governments and councils have underfunded transport networks and handed them over to private companies to be run for profit. This has not prevented the RMTU from campaigning for Labour and the Greens during elections and donating members' dues money to both parties.

The *Post* reported on August 15 that the Labour-led GWRC recently had to borrow \$24 million to make up for a drop in passenger revenue from the rail network. The council's regional transport committee chair Thomas Nash, a Green Party member, made clear that fares would continue to rise, imposing more costs on working people.

The unanimous rejection of THR's offer demonstrates that workers are prepared to fight back against the attacks on their wages and conditions. The Socialist Equality Group warns, however, that the RMTU has no intention whatsoever of carrying out such a fight: the union leadership is working with the companies and the council to repackage the proposed agreement into another sellout. Even if the RMTU goes ahead with a strike ballot, it will be a limited action designed to defuse workers' anger.

The unions transformed decades ago into bureaucratic organisations, staffed by pro-capitalist bureaucrats who enforce the demands of the state and corporations. In

the 1980s, the rail unions worked with the then-Labour government to cut tens of thousands of jobs nationwide to transform the rail network into a profit-making business; in the 1990s and 2000s, they worked with successive governments to impose more redundancies and prevent any organised opposition to privatisation of rail services.

The SEG calls on workers to take their own action, independent of the union bureaucracy. This means building a new organisation: a rank-and-file committee, controlled by workers themselves.

Such a committee will formulate demands that meet the needs of workers, not what the company and the union say is "realistic" or "affordable." A rank-and-file committee will provide the mechanism to fight for the broadest possible strike action, including other public transport workers in Wellington and across the country, who confront the same austerity measures from government and big business.

In opposition to the nationalism promoted by the unions, which keeps workers divided and isolated from each other, a rank-and-file committee would seek to unite Transdev and Hyundai Rotem workers in Wellington with their brothers and sisters internationally. In Australia, the United States, Canada, Asia and Europe, workers employed by these and other companies are facing major attacks on their living standards and working conditions in the name of boosting profits, and as governments divert more and more public money into the military to prepare for war.

To carry out a genuine fight against austerity, workers must be guided by a socialist perspective. Society's resources and vital industries, including public transport, should be placed under the control of the working class and run for the benefit of the population, not to accumulate profits for the rich or to prepare for imperialist wars.

We call on rail workers to register to attend the online meeting called by the SEG this Sunday at 3 p.m., to discuss these vital questions.



To contact the WSWS and the Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**