



NEW ZEALAND COUNCIL OF TRADE UNIONS
Te Kauae Kaimahi

Chris Laidlaw
GWRC Chair
PO Box 11646
Wellington 6142

CC: Sue Kedgley; Daran Ponter; Roger Blakeley; Ian McKinnon; Ken Laban; Prue Lamason; David Ogden; Jenny Brash; Barbara Donaldson; Penny Gaylor; Adrienne Staples; Paul Swain

12 March, 2018

Dear Chris,

As you know the CTU has been working with the Tramways Union to negotiate the transfer of Wellington bus drivers (and their terms and conditions of employment) from Mana Coach Services and NZ Bus to the new providers Tranzit and Uzabus.

I am writing to you to provide some background on the process to date, and to raise our concerns about the behaviour of Tranzit - specifically the company's refusal to engage in good faith in the GWRC facilitation process with the Tramways Union and the CTU.

Given the transition to the new providers is only a few months away, there is now an urgent need to resolve this matter - both for drivers and for the integrity of Wellington's public transport system.

Current situation

In the last six months the Tramways Union has been attempting to engage with both the GWRC and the new providers, to negotiate a transfer of staff on equivalent terms and conditions of employment.

We have well-founded concerns that, without such a transfer, drivers will experience an average loss in income of \$200 per week. Tranzit has repeatedly claimed that drivers will be no worse off, but has refused to discuss with the Union what pay rates will actually be.

Tramways Union members make up 95% of the bus workforce in the Wellington region. They have undertaken not to work for the new providers until the issue of a fair collective employment agreement is resolved.

Despite Tranzit's refusal to reveal anything concrete about pay and conditions, and their refusal to enter into any process of bargaining, we have asked Tramways Union members to sign on to Tranzit's pre-employment expression of interest list to help protect their employment.

But it is critical that GWRC understands that hiring staff requires signed, legally binding employment agreements, not merely an expression of interest such as the one currently being collected.

Our role is to ensure that members are treated fairly, and with respect. As we have said from the beginning, they need employment and income certainty and they have been failed in this regard.

Failure to engage

GWRC has responded well to our call to sponsor a process of facilitated meetings between all parties (current and future providers, the Union and GWRC), including engaging an auditor to identify the exact nature of any loss of income.

In the course of this process all parties agreed that some analysis was required of the current terms and condition of employment contrasted with what the new providers were planning to offer. Both the current providers and the Union have supplied payroll and collective agreement information, as well as examples of current shift patterns and case-studies.

However, despite agreeing to participate in this process, Tranzit have refused to provide any confirmation of intended rates, agreements, shifts, or global payroll expectations. **They have even repeatedly refused to provide the name of the employing entity to either us or the facilitator.** In each case they have claimed they have not finalised that information.

Employer identified

We have subsequently discovered that, while this facilitation process has been underway, Tranzit had incorporated three new subsidiary companies - Transurban Upper Hutt, Transurban Lower Hutt and Transurban Wellington - and have been advertising driver positions using Transurban as the implied employer. The agreements we have seen have been largely casual, have contained a variety of rates - all of which represent a cut in income from current terms and conditions - and have in some cases contained clauses that may define the agreements as unlawful zero-hour contracts. This is clearly not acting in good faith.

Bargaining initiated

Following our discovery of the employing entity, we have initiated bargaining based on Tranzit's repeated public statements that they expect to employ current drivers (i.e. Tramways members).

The response from the company has been that they have no employees and, as such, will not respond further. We are currently in the process of filing legal proceedings to challenge this position.

Tranzit's resolute refusal to engage with either unions or the GWRC around the transfer of employment reflects poorly on them and the GWRC. It also reveals much about the new environment that this tender has created for bus drivers and associated staff. It is both unprofessional and reckless of Tranzit to behave in this manner, and this is a clear breach of the Regional Council's imperative that contractors must be good employers.

Aside from the lack of transparency and the lack of good faith, we should all be alarmed if Tranzit have no employees yet given the proximity of the transition.

Non-industrial concerns

It seems very likely that Tranzit's current attitude will lead to significant disruption of Wellington's public transport system via industrial unrest. If Tranzit's attitude to staffing is replicated elsewhere in the business there is a real risk of systemic failure.

In addition to our specific industrial issues, we have serious concerns about the broader integrity of Wellington's public transport system. These include:

- As far as we are aware, no depots or hubs have been consented, let alone built.
- The new routes have not been confirmed.
- The tendering model is creating a real risks that services will not be delivered. In Auckland we have seen Pavlovich, a major provider, unable to fulfil its contract.

Summary

On this basis, I am asking you to exercise your influence to urgently bring Tranzit to the table to negotiate a sensible and fair transfer of employment and a collective employment agreement while there is still time to do so.

We also request a briefing on the issues we have raised, including Tranzit's intended employment terms and model, and its intended employing entity.

I would also request a face-to-face meeting with you in the next fortnight to discuss these issues and potential remedies in more depth. I would also appreciate the opportunity to speak to the issue at the next Council meeting or Transport and Environment Committee meeting. One of my staff will be in touch to arrange this.

Yours,



Richard Wagstaff
CTU President