



RMTU, KiwiRail Holdings Limited and KiwiRail Limited

Multi Employer Collective Employment Agreement

2023/2025

Introduction

On 3 May 2023 the Union issued a bargaining initiation notice to the employers for the renewal of the MECA for the KiwiRail Group of companies in accordance with the Employment Relations Act 2000. Your RMTU bargaining team comprised RMTU staff and Union delegates on the KiwiRail Freight, Administration, Mechanical, Networks, Scenic journeys and Interisland Councils. A smaller steering group was elected from this group. Thanks to the team(s) for their valuable work.

Bargaining was delayed in starting due to key KiwiRail managers not being available so KiwiRail confirmed full backdating of agreed increases. The negotiations went over 4 days

The headline items for this wage round, in our view, is the real and meaningful increase to members hourly rates and allowances of 6% year 1 and 4% and 1% increase in the employer's contribution to KiwiSaver Year 2.

The full documents related to the proposed settlement are viewable on the Union website including this newsletter and a draft MECA. Go to www.rmtunion.org.nz and then "Bargaining" on the home page. **You are urged to read the full text before voting.**

The Proposed Settlement

The key points of the proposed settlement are;

Term - The term of the new MECA has been agreed as two years from 1 July 2023 to 30 June 2025.

Wage and Allowance Increase – 6% increase shall be applied to all printed wage rates and allowances, effective from 25 June 2023.

All printed wage rates and allowances will increase by a further 4% effective from 23 June 2024.

The KiwiRail KiwiSaver contribution will also increase by 1% going from, 4% to 5% from 23 June 2024 and other superannuation schemes supported by KR will increase from 5% to 6%. This does not apply to members of the GSF.

These dates are to align with pay periods.

Hours of Work Parameters

Clause 23.3.2;

- delete - Locomotive Engineers: work periods with a commencement time from 0601 to 1400 hours

- add - Locomotive Engineers: work periods with a commencement time from 0600 to 1359 hours

Annual Leave

New Clause 26.4.2

Employees who are entitled to 4 weeks' annual leave (including shift worker leave) will take at least 1 weeks' continuous leave in each leave year. Employees who are entitled to 5 weeks' annual leave or more (including shift worker leave) will take at least 2 weeks' continuous leave in each leave year – to coincide with the pay fortnight. Renumber existing clause 26.4.2 to 26.4.3

Parental Leave

Delete clauses 26.8.1 – 26.8.6 and replace with:

Employees will be allowed parental leave in accordance with the Parental Leave and Employment Protection Act 1987 (or successor legislation and its amendments) and the KiwiRail Parental Leave Policy

Personal Grievances

Add into clause 28.6.1 after 'then you have 90 days' or 12 months for personal grievances related to sexual harassment.

Pay Rate Changes

Pay Scale 2;

- Track Ganger (pay code 60008) will increase to \$38.12 per hour (same hourly rate for the Track Machine Ganger). This is before the 6% increase is applied.
- Leading Hand Structures (Non Trade) (Grandparented) (pay code 60048) will increase to \$38.12 per hour (same hourly rate for the Track Machine Ganger). This is before the 6% increase is applied.
- Leading Hand Structures (Non Trade) (pay code 60047) will increase to \$38.12 per hour (same hourly rate for the Track Machine Ganger). This is before the 6% increase is applied.
- Traction Supervisor (pay code 60136) will increase to \$43.51 per hour (restores the previous relativity), This is before the 6% increase is applied.

- Leading Hand Traction Line Mechanic (pay code 60135) will increase to \$40.18 per hour (restores the previous relativity), This is before the 6% increase is applied.

Pay Scale 4;

- The RSAS Pay and Progression document will be updated to include paying Electrical Technicians at the level 5 rate.

Pass on (consistent with past practice) - KiwiRail accepts that there shall be no pass on of any financial gain on which agreement was settled, or any gain contained in this settlement or collective agreement, to any employee who is not a member of the Union and falls within the coverage clause of the collective agreement.

Living Wage - The Living Wage will continue to apply to any rates in this Multi-Employer Collective Agreement which fall below the published Living Wage on 1 September every year. KiwiRail commits to continuing to make progress towards becoming a Living Wage accredited employer by extending the Living Wage principle to its contractors as soon as it is able.

High Performance High Engagement (HPHE)

The Parties re-confirm their commitment and agreement to work together using High Performance High Engagement principles and working collaboratively to improve the business and provide mutual benefits to KiwiRail and its workers.

Digger Operators

The Digger Operators will continue to be paid under Pay Scale 1 until such time as KiwiRail and the RMTU agree on the rates of pay for this position to be incorporated into Pay Scale 2 of the MECA.

Wiring and Relay Rooms

The updated payrates effective from 25 June 2023 for the Signal Equipment Technicians (Relay Room) and Signal Equipment Assemblers (Wiring Shop) roles will be compared to the recent market study and adjusted if they are still below the market median (+/- 10% of the market median).

Locomotive Servicing Rosters

The parties agree that all Locomotive Servicing rosters will consist of paid meal breaks – the existing unpaid meal breaks at Mt Maunganui and Wellington will be removed.

Otira Housing

KiwiRail agrees to provide options for future housing arrangements for Otira workers. An options plan will be provided by 30 September 2023.

Transition to Retirement

The parties agree to establishing a framework for workers who want to transition to retirement as they prepare to move out of

the workforce into full retirement. This will be an HPHE project with a target for completion by 30 June 2024.

Trade Certification Allowance

Insert the following wording for eligibility for the Registered Electrical Technician Allowance;

- Payable to an employee who has an Electrical Service Technician or Electrical Appliance Serviceperson qualification or holds full Electrical Registration and where the qualification is relevant to the worker's position but is not a core requirement of their position as listed in the Career Pay and progression (CPP).

Flexiworkers

The list of Infrastructure Flexiworkers in the Flexiworker Schedule will be updated by removing names of workers who are no longer employed by KiwiRail.

Pay Scale 9 Interislander

The previously agreed and ratified variation covering progression for Interislander workers in Pay Scale 9 will be incorporated into the MECA.

Undertakings of the parties:

- a. The joint KR – RMTU Administration Council will be retained to consider all future administrative issues spanning the whole of KiwiRail.
- b. The Coverage Clause (clause 7) of the MECA is referred to the Administration Council for review with emphasis on Field Engineers. This review is to be completed by 30 June 2024.
- c. The Administration Council will agree a definition for "Safety Critical" occupations/roles within KiwiRail. This is to be completed by 30 June 2024.
- d. The KIC Council will review ROM Section 3 and this will be completed by 30 June 2024.
- e. The Administration Council will review Pay Scale 1 and this will be completed by 30 June 2025.
- f. A review of the pay and progression system for Traction and Systems Controllers paid under Pay Scale 3 will be undertaken by the KNIC Council. This review is to be completed by 30 November 2023.
- g. The Customer Contact team within Interisland will have their terms and conditions of employment reviewed with the objective to moving to standard

terms and conditions (rather than the salary option). This review is to be completed by 30 November 2023.

- h. The Administration Council will review and agree the definition for consecutive shifts (in relation to Rostered days Off). This review is to be completed by 30 June 2024.
- i. The Administration Council will review and agree an updated Travel provides and Benefits Policy – in particular clarify the food discounts on Scenic Journeys and access to the Interisland Lounge). This review is to be completed by 30 June 2024.
- j. The Administration Council will review and agree on the re-introduction of allowance descriptions paid under clause 33.15 of the MECA. The review will also assess the definition of confined space. This review is to be completed by 30 November 2023.
- k. The CT reps on the KIC Council will confirm the availability of the Training pathways to deliver the Pay Scale progression system. This is to occur by 30 June 2024.
- l. The Administration Council will review the application of the OJT allowance when engaging in On the Job training supervision for safety critical roles. This review is to be completed by 30 June 2024. The KNIC will continue its review for situations where payment of the OJT allowance is applicable for Infrastructure Workers.
- m. The KIC and KNIC will undertake a joint review on the methodology for payment of standby shifts. This is to occur during the term of this agreement.
- n. A review of Storeperson wage rates payable in Pay Scale 2 and 5 will occur during the term of this agreement.
- o. The KNIC will undertake a review of the Environment Allowance payable under clause 33.13 with the view to incorporating this allowance into the hourly rates of pay for the affected workers. This review will be completed by 30 June 2024.
- p. The KNIC will undertake a review of the Thermit Welding skill and its applicability to the Track CPPs. This is to occur during the term of this agreement.

- q. That the previously agreed and ratified variation to Train Control progression will be incorporated into the MECA.

Formerly agreed undertakings to be continued as part of this MECA:

a. Relationship Charter (August 2014)

KiwiRail and the RMTU agree to actively use the Relationship Charter as its guiding principles to meet not only its Good Faith requirements but for any initiatives nominated by either KiwiRail or the RMTU.

b. Terms of Reference for Industrial Councils

KiwiRail have developed a terms of reference template which can by agreement by both parties be altered for each Industrial Council or can include RMTU delegates from other Industrial Councils.

c. High Performance High Engagement (HPHE Charter 27 September 2016)

KiwiRail and the RMTU agree to continue developing High Performance High Engagement and working collaboratively to achieve mutually beneficial outcomes such as operational business improvements.

d. Drug and Alcohol Policy and Procedures

KiwiRail and the RMTU agree to the continuation of the Drug and Alcohol and Procedures review that followed the settlement of the 2014 Collective Agreement.

e. Book-On and Book-Off Arrangements

KiwiRail Freight have advised that they are considering the introduction of new rostering technology that may include electronic book-on and book-off arrangements. The parties agree to work together, through the KIC to ensure a successful transition as the technology evolves.

f. Company Required Medical Examinations

KiwiRail agrees that if an employee is booked on a company required medical examination on a day of work, they will be paid relevant daily pay for their rostered hours. KiwiRail medical examinations on an employee's rostered day off are voluntary. If the employee attends a medical on their rostered day off, they will be paid 4 hours' relevant daily pay.

g. Special Paid Union Leave

The existing arrangements in respect of paid leave of employees for union purposes are renewed in these Terms of Settlement. As for previous years, the provision of special leave on pay for union officers will be on the basis of one day per 25 members.

As at 28 September 2021, KiwiRail employed 2576 members of the RMTU who are party to the Collective Agreement. This equates to 103 days (2576/25 = 103) union leave days for the year 1 July 2021 to 30 June 2022. This can be adjusted at 1 July 2022.

The Employee Relations Manager should receive applications preferably 21 days prior to the date of the commencement of the intended leave.

h. Trade Certification Pay Scales 2 & 5

The Parties agree to continue the grandparenting of the Trade Certificate Payments for the 9 or otherwise remaining staff named in the KiwiRail Infrastructure and Asset Management Schedule.

i. Prescription Safety Glasses (as agreed by the parties on 27 May 2016)

Ratification processes and Signing these terms of settlement

KiwiRail's CE has signed the terms of settlement agreement prior to ratification of the proposed MECA by the RMTU.

RMTU General Secretary has signed the terms of settlement which form the basis for the proposed MECA which is subject to ratification by union membership

Having signed the Terms of settlement both KiwiRail and RMTU officials recommend this settlement and the proposed MECA.

Meeting arrangements

The RMTU will proceed through its agreed balloting process (as stated within the signed Bargaining Process agreement) and a series of report back meetings to members at various locations and called for that purpose. The meetings will be with nominated RMTU official(s) and delegatel(s) with agreed scheduling.

It is agreed that KiwiRail and RMTU will work to encourage and facilitate maximisation of membership attendance at regional report back and ratification meetings. The meetings will be full stopwork meetings with no trains departing the meeting location during the time of the meeting. All terminal operations shall halt during the hours of the report back meetings at terminals.

The RMTU confirms that its ratification procedure is:

The RMTU confirms that the ratification process is the normal individual postal ballot and that unless 33% or more of financial eligible members vote to reject the proposed settlement that it will be deemed to have been ratified by the members.

Proposed Settlement and MECA is subject to ratification by union membership.

The proposed MECA if ratified shall expire 30 June 2023.

RATIFICATION

The proposed MECA is subject to ratification by all of the Union's members who will fall within its coverage and who are employed within the divisions of KiwiRail group of companies.

The settlement and proposed MECA shall be rejected if more than 33% of the members vote to reject the settlement and proposed MECA by the due date, namely 1700hrs Friday 29 September 2023

The ballot paper is enclosed with this settlement and proposed MECA update.

- **If you wish to reject the proposed MECA then you need to mark the box "x", add any comment and return the ballot paper in the supplied envelope, so that it is received by Head Office by no later than 1700hrs Friday 29 September 2023. Late papers will not be counted.**
- **If you wish to accept the proposed MECA you need to destroy the ballot paper.**

Your RMTU negotiating team supports the proposed MECA and recommends that the membership supports it by ratification.



Todd Valster
Union Advocate – RMTU/KR MECA