



21 July 2005

**2005 – 2008 Toll NZ /Rail & Maritime Union Wage Collective Agreement
Negotiation**

MEMORANDUM OF UNDERSTANDING

The following arrangements agreed between the parties as part of the above negotiations are as follows: -

Toll Operations Council

The Toll Operations Council will be expanded to include one Tranz Metro Wellington Union Delegate and one Tranz Metro Management representative. Toll Tranz Link will be represented by the existing Council membership.

Book-On and Book-Off Arrangements

Toll NZ has 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 Toll Operations Council to ensure a successful transition as the technology evolves.

Start-up and Shut-down of Locomotives

The parties note that fuel costs are escalating globally, therefore there is a clear and urgent need to conserve fuel.

To assist in addressing these concerns the parties commit to explore opportunities for greater fuel savings.

One immediate opportunity identified by Toll NZ is altering the existing arrangements for shutting-down and restarting locomotives in situations where they are likely to stand, unused, for extended periods.

The site specific application and introduction of altered arrangements will be managed and administered through the Toll Operations Council.

Conversion of 2nd Man Locomotive Running Positions to Rail Operator

Where Toll NZ identifies opportunities to free up locomotive engineer resources, on services currently manned by two Locomotive Engineers, through natural attrition (i.e. retirement, resignation, transfer or promotion) or the gaining of new work, the RMTU will work co-operatively to facilitate the transition of manning to a single Locomotive Engineer and a 2nd person qualified Rail Operator.

The implementation process will be facilitated through the Toll Operations Council.

Introduction of part-time Locomotive Running Positions – Tranz Metro Wellington

On the basis of the negotiated agreement to move all Tranz Metro LEMU's to Scale B effective 01 July 2007. Tranz Metro LEMU's who are not or who have not been diesel qualified may not progress beyond 5th year – Grade 1.

RMTU will support and commits to act reasonably and in good faith on any proposal for the introduction of part-time locomotive running positions within the Tranz Metro Wellington business area.

The parties are concerned about the increasing age demographics within Locomotive Running in Tranz Metro Wellington, coupled with staff shortages and skill retention, and are looking for ways of retaining skilled staff who may wish to reduce their current hours of work.

Any implementation process will be facilitated through the Toll Operations Council in conjunction with local representation.

Conversion of further Terminal Shunt Operations to Remote Control

Where Toll NZ identifies opportunities to free up locomotive engineer resources currently manning terminal shunts, through natural attrition (i.e. retirement, resignation, transfer or promotion) or the gaining of new work, the RMTU will work co-operatively to facilitate the transition of this work to remote control operation.

This agreement is restricted to terminal shunting services utilising shunting class locomotives only.

The implementation process will be facilitated through the Toll Operations Council.

Early Retirement and Medical Incapacity

During the term of the Collective Agreement the parties will establish a project team to consider the issues surrounding the application of Early Retirement, Retirement and Medical Incapacity.

Union Leave

The provisions of the 19 January 2004 letter from the company to the RMTU re Paid Leave of employees for Union purpose is renewed. Paid leave provision is varied so that wage bargaining and the ratification report-back meetings are exempted from being a debit to the Paid Leave component.

Superannuation

Toll NZ has advised that it is looking into superannuation options in the future and is currently researching opportunities to put in place an employer contributory superannuation scheme in conjunction with the newly announced government savings scheme that will come into effect in 2007. The Company will undertake to consult with the RMTU on this issue.

Progression Policy for Hillside & Toll Passenger Mechanical Engineers

During the term of the Collective Agreement the parties will establish site based project teams for Hillside and Toll Passenger to review the individual site requirements for training and progression for apprentice training, training standards, methods of training and progression structures for mechanical engineers.

It is intended that the model established for Hillside would be further expanded to incorporate Toll Passenger.

Wellington Car Parks

The Parties acknowledge that the transfer of the Wellington Station facility to the Crown raises issues of continuity of car parking for Wellington based employees. Toll NZ will consult with the RMTU to reach a mutually acceptable solution that satisfies related car-parking concerns of shift working employees that may arise during the currency of the Agreement.

Ferry Terminal Gradings and introduction of Technology for vessel loading

The Parties agree that the recognised skill sets within the designation of Ferry Terminal Operator (refer page 27 of current agreement), are :-

- Ships Lines (mooring and releasing)
- Baggage Handling
- Heavy trade license
- Gangway Operation
- Linkspan Operation
- Coach driver (Wellington only)
- Car Marshal
- Rail Marshal

The number of skills required to advance through the grades are :-

- Grade 3 (Paycode 41091) - One to three skills
- Grade 2 (Paycode 41110) - Four to five skills
- Grade 1 (Paycode 41120) - Six or more skills (which must include Car Marshal)

The rates of pay for Rail Marshal, Car Marshal/Relief (newly created designation) and Ferry Terminal Operator Grades 1 & 2, have been increased to cover the introduction of technology, in to the passenger operation, (the collection and scanning of bar coded passes) and the parties agree that staff within these designations and gradings once fully trained, will be required to adopt the system change as part of their responsibilities

Regular Meetings : Ferry Terminal RMTU delegates & Interislander Management.

The parties agree that combined delegates from each terminal will meet with management representatives from the Interislander (and Head office RMTU at their discretion) at least four times per year, to discuss issues common to each terminal. Other special teams may be created as required and agreed to look at special or one off projects or situations.

Toll Tranz Link CT Sites

The progression criteria for the Toll Tranz Link CT sites pay scale is:

- ***Container Terminal Operator Grade 1***
Entry level must have the necessary licences with an 'F' endorsement including the OSH certification before starting. Remains at this level for a period of 12 months, and undergoes extensive training and education on the entire process of terminal operations, from Gate-In through Ground-based

tasks including Load and Unload of trains. This will be assessed via a TTL competency assessment process, carried out by the relevant Manager.

- ***Container Terminal Operator Grade 2***

Has completed 12 months at entry level, and has met all of the necessary standards in Grade 1 to enable a move to Grade 2 through completion of the Competency Assessment Process in all tasks required. At this point the Level 2 NZQA Unit Standards will commence. Will remain at this level until successful completion of Level 2. The expectation is that this will take 12 months.

- ***Container Terminal Operator Grade 3***

After successfully completing Level 2 NZQA Unit Standards, Level 3 NZQA Unit Standards will commence. Will remain at this level until successful completion of Level 3. The expectation is that this will take 12 months.

- ***Container Terminator Operator Grade 4***

After successfully completing Level 3 NZQA Unit Standards, Level 4 NZQA Unit Standards can be started. However, this is a Unit Standard applicable to Team Leaders and above it is at Operators discretion should they wish to progress to Level 4.

- ***Container Terminal Gate In***

In acknowledgement of the claim that the Gate In role is more aligned with the Customer Service function and has some retention and development issues there is an increase on the current rate, and a proposal to amend the designation as above. There is an opportunity for these roles to move through the Levels 2, 3 & 4 of the NZQA Unit Standards.

- ***Container Terminal Team Leader Assistant***

This is a new role to acknowledge the claim of additional Advanced Capacity payments for CT Team Leaders, it is also in recognition of the request for retention and progression in CTO roles. This also will address the succession pathway for our Operators in recognition of improved job skills.

This role to be assessed and established at the discretion of the manager.

The Assistant Team Leader role requires a minimum of Level 3 NZQA Unit Standard.

- ***Team Leader***

In acknowledgement of the claim that the Team Leader role has some retention and development issues there is an increase on the current rate.

The Team Leader role requires a minimum Level 4 NZQA Unit Standards

The parties accept that the successful application of the above initiatives is a negotiated and important component of the 2005-2008 Collective Agreement settlement.

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