



## RMTU, KiwiRail Holdings Limited and KiwiRail Limited Multi Employer Collective Employment Agreement 2021/2023

### Introduction

In 2020 The RMTU and the Employers negotiated, and members subsequently ratified, a Multi-Employer Collective Agreement (MECA) with a one-year term to expire 30 June 2021. On 4 May 2021 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.

This negotiation was commenced when the parties agreed to a bargaining process agreement prior to meeting in joint session. The negotiations proved to be difficult and the bargaining team initiated a ballot of members to seek a mandate for industrial action to add leverage to the Union claim. The issuing of strike notice proved to be a catalyst for major change within KiwiRail management and also the company approach to the bargaining which resulted in meaningful progress being achieved..

Your negotiators wish to express their appreciation for the faith and trust members placed in them to determine the timing, scope and nature of any industrial action and the empowerment this gave the team.

The headline item for this wage round, in our view, is the real and meaningful flat rate increase to members hourly rates of \$2.48ph and the 4% increase for 7 months of the second year. There are other very beneficial terms of the proposed settlement which are of benefit to members during the currency of the MECA.

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](http://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 2021 to 30 June 2023.

**Wage and Allowance Increase** - A flat rate increase of \$2.48 per hour shall be applied to all printed wage rates, effective from 14 November 2021.

All printed allowances shall increase by 8% effective from 14 November 2021.

All printed wage rates and allowances will increase by a further 4% effective from 13 November 2022.

**Market Study** - As a result of the market study reviews for Pay Scales 2, 4 and 7, the parties have agreed to move those hourly rates that are calculated to be below 100% of the market median to the EY median salary equivalent. This agreement will not set a precedence for KiwiRail's approach to being a market median payer (+/- 10% of the market median).

The pay codes and designation changes are:

Pay code	Position	Current hourly pay rate	New hourly rate – effective from 1 July 2021 (\$2.48 to be added 14/11/21)
60131	Traction Line Mechanic Lvl 1	24.28	25.98
60132	Traction Line Mechanic Lvl 2	25.94	26.92
60134	Senior Traction Line Mechanic	30.18	33.48
60135	Leading Hand Traction Line Mechanic	32.96	34.40
60061	Traction Electrician Level 1	34.28	36.40
60063	Traction Electrician Level 2	35.43	39.01
60065	Leading Hand Traction Electrician	39.95	42.75
46190	Senior Storeperson	24.70	26.21
60172	Store Person Level 2	24.90	27.49
60081	Signals Maintainer Level 1	23.95	25.46
60092	Signals Equipment Technician Level 2	26.90	28.94
60095	Senior Signals Equipment Technician	33.78	34.09
60096	Signals Equipment Technician Leading Hand	37.01	38.53
60103	Signals Equipment Assemblers Level 3	29.01	29.19
60142	Signals Line Mechanic Lvl 2	27.84	31.12
60183	Senior Safety Protector	29.77	32.00
42400	Mechanical Engineering Lvl 1	22.65	24.99
42410	Mechanical Engineering Lvl 2	24.69	26.20



**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.

**Undertakings of the parties:**

- a. That the KiwiRail Discount Scheme be reinvigorated and advertised to all employees as a matter of priority during the term of the MECA.
- b. That the Coverage Clause (7) of the MECA be referred to the joint RMTU - KiwiRail Administration Council for review and possible rewriting using HPHE principles.
- c. That the joint RMTU - KiwiRail Administration Council agree a definition for "Safety Critical" occupations/roles within KiwiRail using HPHE principles.
- d. That the ROM S3 and S9 reviews be completed during the currency of this MECA.
- e. The Interislander Council will review the job description and specification for Load Marshalls during the currency of the MECA.
- f. KiwiRail commits that it shall undertake, in partnership with the RMTU, a review of all existing infrastructure gang sizes, coverage and skills to ensure that they are correctly resourced.
- g. That the review of Pay Scale 1 shall be referred to the Administration Council for completion during the currency of this MECA.
- h. That the Administration Council be retained for the consideration of all future administrative issues which span the whole of KiwiRail.
- i. That the internal relativity study between comparable parts of Pay Scales 2 and 4 be completed during the currency of the MECA with representatives from the relevant Industrial Councils.
- j. 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 delegate(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 11 February 2022

**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 11 February 2022. 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.**



Wayne Butson

Union Advocate – RMTU/KR MECA

9 Dec 21