



NATIONAL OFFICE MEMORANDUM

Date: 2 November 2021
To: All KiwiRail Members
From: Wayne Butson, General Secretary

Subject: KiwiRail – RMTU MECA Bargaining Status Statement #5

This is not a joint bargaining update notice but a first joint notice was issued last Friday 29 October 2021.

This notice is the fifth issued and should be read in conjunction with the earlier bargaining status notices dated 26 August, 12 October, 15 October and 22 October 2021 and the Strike Ballot information notice dated 14 October 2021.

The BPA (Bargaining Process Agreement) provides for each party to be able to make single updates to stakeholders on a no surprises basis. To meet the no surprises basis this notice will be provided to KiwiRail as well as members.

To remind members, the unanimously agreed (amongst the bargaining team) RMTU claim for this MECA renewal is ***“a single priority claim of an 8% general increase to all wages and allowances within the MECA and for the increase to be paid as a flat rate universal increase to all members with a 12 month term for the new MECA”***. ***The methodology we expect KiwiRail to use for the calculation is 8% of gross MECA Payroll divided by the number of members remunerated under the MECA delivering a flat rate quantum for the increase.***

The RMTU also expects KiwiRail to complete, to our satisfaction, the pay scale 1, 2, 4 and 7 market study reviews agreed as part of the last MECA settlement to be completed prior to any general increase being applied this wage round.

KiwiRail and the RMTU short line up met in a Microsoft Teams meeting on 28/20/2021. The meeting commenced with KiwiRail outlining an improved offer for the teams consideration.

The KiwiRail offer, as presented to the RMTU Short Line up team, is as follows;

1. Term – 3 years – from 1 July 2021-30 June 2024.
2. A top up as required to bring all those on affected pay codes in the occupational groups whose Pay Scale reviews have now been concluded, to a 0% variation from the EY median salary equivalent, backdated to 1 July 2021.
3. Year 1 (12 months) – a 4% increase to all wage rates and allowances, on top of the market adjustment offered in #2 above, backdated to 1 July 2021.
4. Year 2 (12 months) - a 4% increase to all wage rates and allowances, effective from 1 July 2022.
5. Year 3 (12 months) - a 3% increase to all wage rates and allowances, effective from 1 July 2023.

Total percentage increase over 3 years = 11.4% (accumulating – KiwiRail's emphasis)

6. Lieu (Alternative) Days – Clause 25.5 Public Holidays - a joint HPHE Working Group to consider issues of concern around inconsistency of Lieu Days entitlements.
7. Medical Retirement – Clause 27.3 Termination for Incapacity - a joint HPHE Working Group to consider the application of this provision beyond the age of eligibility for guaranteed retirement income.
8. Locomotive Engineers and Productivity – a short term (4 month) Working Group set up with RMTU LEs and Operations managers to investigate ways of improving productivity.
9. All other existing MECA clauses shall be carried forward from the expired MECA.

Following these opening statements, the RMTU took an adjournment and met on a Zoom meeting platform.

The Team agreed that KiwiRail was improving their offer but the offer still fell well short of our claim and members expectations. Current inflation is 4.9% and so the KiwiRail offer effectively delivers a 0.9% wages spending cut to members. A 3 year term is not on the table as delegates agreed that the economy and inflationary outlook is volatile and so locking in a fixed increase over the long term merely transfers inflationary risk from KiwiRail to our members. We agreed to advise KiwiRail that we were prepared to consider a two year term in the context of an overall settlement.

The RMTU team returned to the KiwiRail Teams meeting and advised the RMTU was encouraged by the KiwiRail offer and we remain willing to talk further on mutually agreed days and times to continue to try and reach an agreed settlement short of strike action. We summarised by stating that KiwiRail's offer, whilst improved, remains unacceptable to the RMTU Bargaining Team. We agreed to keep talking.

The RMTU KiwiRail Strike Ballot continues with the key details being;

- Closes at 1700hrs on 12 November 2021
- Only ballot papers returned are counted
- We need to have a high rate of return of ballot papers to demonstrate to the employer that members resolve is strong
- Detailed explanatory information accompanies the Strike Ballot

Next KR-RMTU Teams meeting is set for 1000hrs 9 November 2021.

We will keep you informed.

**The RMTU Team strongly recommend members vote in
favour of Strike Action.**

**Make your voice heard – Have your say – Tick Yes - Return
your ballot paper – Make it count!**

In Unity,



Wayne Butson
Advocate KR 2021 Wage Round