



RMTU, KiwiRail Holdings Limited and KiwiRail Limited

Multi Employer Collective Employment Agreement

2020/2021

Introduction

In 2018 The RMTU and the Employers negotiated, and members subsequently ratified, a Multi-Employer Collective Agreement (MECA) with a two-year term to expire 30 June 2020. On 4 May 2020 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, Mechanical, Networks and Interisland Councils. A smaller steering group was elected from this group. Thanks to the team(s) for their work.

This negotiation was commenced when the parties agreed to a bargaining process agreement prior to meeting in joint session. The negotiations were disrupted and overshadowed by the COVID-19 pandemic and KiwiRail's claims of massive tonnage volume and income reductions. The Board and senior management had announced salary reductions of various magnitude and there was a stated expectation from the Company that the MECA workforce would share the burden.

Your negotiators were steadfast that remuneration reviews that were underway would have to be honoured in this negotiation and there were other minor fiscal items that should be addressed.

The headline item for this wage round, in our view, is the 1% increase to KiwiSaver and the UGL superannuation employer contribution.

The full documents related to the proposed settlement are viewable on the Union website including this newsletter. 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 one year from 1 July 2020 to 30 June 2021.

Wage Increase - No general increase to wages and allowances.

KiwiSaver – Employer Contribution - The employer contribution to KiwiSaver shall increase by 1%, from 3% to 4% and, where it applies to other superannuation schemes supported by the employer, from 4% to 5%. This

does not apply to the remaining members of the Government Superannuation Fund (GSF).

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.

Retirement Clause 26.21 (new Clause 26.23) - The clause to read as follows "*Employees who retire at the age of eligibility for the guaranteed retirement income (GRI) or who retire earlier than the GRI eligibility age with the consent of the employer shall be entitled to paid retiring leave on the following scale.*"

Living Wage - All rates in the MECA which currently fall below the Living Wage (\$22.10 per hour) will be raised to that level, effective from 1/9/2020. 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.

Loading Welded Rail at Hutt - A new allowance will be paid for loading welded rail at Hutt Workshops. Allowance shall be \$2.50 per hour. Insert into the Infrastructure Schedule of the MECA – page 56: "*Due to the unusual nature of the work involved in loading and/or unloading rail at the Woburn Rail Weld Facility, employees operating the overhead cranes at this worksite will be paid an allowance of \$2.50 per hour while undertaking this activity, effective from date of ratification*".

Any such work carried out between 1 July 2020 and the date of ratification will be compensated by a lump sum on production of such shifts worked.

Flexiworker Allowance - Delete Clause 8 of the I&A Schedule of the MECA. The current Flexible Workers (as at the date of these Terms of Settlement) will be grandparented their existing conditions in Payroll on existing allowances. The names of the individual employees will be listed in the new MECA in a schedule.

All other Infrastructure employees will attract the Night Work Allowance as outlined in Clause 7 of the I&AM Schedule of the MECA, as per current practice, when they work night shifts.

Notes: There will be no additional appointments to Flexible Worker positions.

Payment for Night Work is the same as applied under the Flexible Work conditions, so remuneration and leave entitlements remain the same.

For clarity, every reference in the I&AM Schedule Former ONTRACK will be renamed Pay Scale 3 and every reference to Former OIL will be renamed Pay Scale 2. "Former Mechanical Service" in Clause 1 will be deleted.

OJT Allowance - Delete Clause 6 from the I&AM Schedule and incorporate it into Clause 33.10.

Leave Provisions

Sick Leave - Clause 26.12 to be amended to provide for employee entitlement to increase to 10 days' Sick Leave per annum effective from the date of the employee's first anniversary after 30/6/20 (expiry of previous MECA).

Bereavement Leave - Clause 26.20.2 to be amended to delete 3 days and replace with 5 days for all bereavements from date of ratification.

Stress Leave - New Clause 26.13.4 - Application of Stress Leave

1. Employees who require time off work because of stress, whether work-related or through personal circumstances, will have an entitlement of up to 5 days' leave, debited against their Sick Leave entitlements.
 2. The period of Stress Leave taken shall be paid at Relevant Daily Pay.
 3. After that period, the provisions of Clause 26.17 (Health Assessment) shall apply, with possible Return to Work plans.
- a) Any additional leave required shall be covered by existing or remaining Sick Leave provision entitlements.

Domestic Violence Leave – New Clause 26.21

Domestic Violence Leave shall be provided in accordance with the Holidays Act 2003 (currently S.72A-72J). This provides for up to 10 days within a 12 month period. Existing anniversary dates in Payroll will be used as the starting point for a 12 month period.

Leave taken under this clause shall be paid at Relevant Daily Pay or otherwise in accordance with the Holidays Act 2003.

Fatigue Leave - New Clause 26.22

- a) It is recognised that fatigue is an important health and safety issue for KiwiRail and the RMTU.
- b) Any employee unable to work due to fatigue shall access the requirements and entitlements of the agreed Fatigue Management Enterprise-wide SHE Standard.
- c) Remuneration shall be at Relevant Daily Pay.

Pay Scale 6 – Locomotive Running

Add new scale as follows in addition to old scale during transition:

New LE Review	Scale 6	Step	New Rate	Hourly
48545		Team Leader LE	50.31	
48565		LE - Level 6 - at the beginning of the 16th year since achieving LE qualification	46.24	
48525		LE - Level 5 - at the beginning of the 13th year since achieving LE qualification	44.61	
48515		LE - Level 4 - at the beginning of the 10th year since achieving LE qualification	44.08	
48505		LE - Level 3 - at the beginning of the 7th year since achieving LE qualification	43.58	
48495		LE - Level 2 - at the beginning of the 4th year since achieving LE qualification	43.01	
48475		LE - Level 1 (Years 1 -3) on achieving LE qualification	41.07	
48443		Trainee LE	37.52	
48441		Classroom Trainee LE	23.84	

Note: New rates apply from date of ratification. Progression through the scale applies from the usual step transition (anniversary date of passing Level 1). Those whose anniversary date triggered a Level progression between 1 July 2020 and the date of ratification will receive arrears backdated to their anniversary date.

Pay Scale 8 KiwiRail Container Terminal

Employees in KiwiRail Container Terminal operations other than those paid under Pay Scale 1 are paid:

Designation	Pay Code	Rate
Terminal Team Leader	47180	32.00
Processing Officer (Southdown only)		28.90
Terminal Operator 4 (TO4)	47150	28.90
Container Terminal Trainer		28.05
Terminal Operator 3 (TO3)	47140	27.00
Container Terminal Operator 2 / Gate Officer 2 (CTO2 / GO2)		25.80
Terminal Operator 2 (TO2)	47130	25.00
Container Terminal Operator 1 / Gate Officer 1 (CTO1 / GO1)	47120	24.29

NB: These rates are effective from the date of ratification of this MECA.

Pay Scale 9 - Ferry Terminal Operators

Replace current scale with the following:

Pay Codes	Current occupation description	position	Roles	New Rate
41141	Load Marshall		LM	27.00
41140	Ferry Terminal Operator		FTO1	25.50
41110	Ferry Terminal Operator		FTO2	24.00
41091	Ferry Terminal Operator		FTO3	22.50

Note: New scale and rate will be backdated to 1 July 2020.

Undertakings of the parties:

- a. That previously agreed variations to the MECA be incorporated into the new MECA. These include:
 - i. Rostered Day Off definition as agreed by the Administration Council (Clause 23.2.11);
 - ii. OJT Allowance amendments as referred to above, including reference to inclusion of National Control Centre.
- b. That the KiwiRail Discount Scheme be reinvigorated and advertised to all employees as a matter of priority during the term of the MECA.
- c. That the Coverage Clause (7) of the MECA be referred to the joint RMTU - KiwiRail Administration Council for review and possible rewrite using HPHE principles.
- d. That the joint RMTU - KiwiRail Administration Council agree a definition for "Safety Critical" occupations/roles within KiwiRail using HPHE principles.
- e. That the ROM S3 and S9 reviews be completed during the currency of this MECA.
- f. The Interislander Council will review the job description and specification for Load Marshalls during the currency of the MECA.
- g. The KNIC will reactivate the Workforce Planning initiative that was developed two years ago.
- h. KiwiRail commits to ensure that all new and current managers within the company will complete the agreed Clause 29 e-learning module and report regularly to the RMTU on completion stats.
- i. KiwiRail confirms that the current travel privilege benefits include access to the premium classes on Scenic Journey services at privilege rates, with the exception of the cost of alcohol consumed.
- j. 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.
- k. That the following reviews be referred to the relevant Industrial Council and if necessary HPHE working groups as agreed for resolution within the term of the new MECA:

Pay Scales 1, 2, 4, and 7 to have market study reviews undertaken to ensure KiwiRail is a market median employer (Plant Fitters at Palmerston North – designation as Plant Inspectors to be addressed in the Pay Scale 2 review).
- l. That the Administration Council be retained for the consideration of all future administrative issues which span the whole of KiwiRail.

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 23 December 2020, KiwiRail employs 2443 members of the RMTU who are party to the Collective Agreement. This equates to 98 days (2443/25 = 98) union leave days for the year 1 July 2020 to 30 June 2021.

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 may be joint meetings with nominated RMTU official(s) and Employer official(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 2021.

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 2 April 2021**

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 2 April 2021**. Late papers will not be counted.
- If you wish to accept the proposed MECA you need to destroy the ballot paper.

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

The Negotiation team is of a united mind that we should lock in the gains in this package and focus on the next round of bargaining. An additional aspect supporting the ratification of this proposed MECA, in our view, is the fact that, under the ERA 2000 Collective Agreements only live on for a period of 12 months beyond their expiry on their tenor after which members employment terms move to be on individual agreements and so all collective provisions lapse.

A strategy of locking in what we have got is supported by the fact that almost immediately following ratification of this proposed MECA we will be giving notice to KiwiRail to initiate the next round as the proposed MECA being voted on by you will expire on 30 June 2021.

Wayne Butson
Union Advocate – RMTU/KR MECA