



## NATIONAL OFFICE MEMORANDUM

**Date:** 8 December 2021  
**To:** All KiwiRail Members  
**From:** Wayne Butson, General Secretary  
**Subject:** KiwiRail – RMTU MECA Bargaining Status Statement FINAL

This is not a joint bargaining update notice and is issued by the RMTU alone.

This notice is the seventh issued and should be read in conjunction with the earlier bargaining status notices dated 26 August, 12 October, 15 October, 22 October 2021, 1 November 2021 and 11 November 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.

Following the unsuccessful mediation with KiwiRail on 29 November 2021, informal discussions have been occurring between the parties to see if it was possible to finesse a deal that would meet the financial ability of KiwiRail to pay and be sufficient to meet the wishes of the majority of Union members employed under the MECA. Acceptance of any proposal is the role of the democratically elected bargaining team reps and so it is expected that members will place their trust and faith in those representatives, that they have been voted into the Council roles, and are able to recognise a proposed settlement which will be acceptable to the majority of members. On 3 December a break through was achieved in the approach of KiwiRail to the need to maintain anniversary dates for the MECA and to achieve a balance of an agreed increase amount with an element of backdating of the settlement.

A consideration in all wage disputes is an employer's ability to pay and so we have been subjected to a number of occasions where KiwiRail's financial situation was advised and disclosed to us. They have consistently reiterated that for the next three years the operating cashflow for the company is negative. We are all now aware of the financial separation of KiwiRail into below rail and above rail. In short the below rail business is awash with cash with massive crown funding through the NLTF and Budget grants and the above rail is strapped for cash. Treasury are very assiduous in ensuring that there is no drift of funds from below rail to the above rail business.

The RMTU team was focussed on reaching a satisfactory settlement which meets the financial needs of members and also avoids the need for strike action. The financial and other reasons for trying to avoid the strike are self evident but, so we are all on the same page, they include;

- To avoid the loss of remuneration to members
- Avoid the damage to the employer/employee/Union relationship that is the natural consequence of any strike action
- To avoid litigation cost and disruption in the event that KiwiRail moves to suspend or lockout non striking workers
- To avoid the risk of losing public support by a Christmas disruption

The strike ballot that a majority of members supported gave a massive mandate to the negotiating team to initiate strike action to support our claim and it also authorised the negotiating team to be able to withdraw any strike notice in the event of a proposed settlement being achieved that the team were confident a majority of members will ratify.

The 3 December 2021 offer (which is attached) was put to the short line out bargaining team on Monday 6 December 2021 and they unanimously endorsed the offer for presentation to the wider negotiation team on 7 December 2021. All meetings were by Zoom. The wider negotiating team voted unanimously to accept the KiwiRail offer and to withdraw the strike notice.

I, and members of staff and the negotiating team, have received criticism for the fact that many members heard about the withdrawal of the strike notice via the media. To use the media to advise members, customers and other affected parties that the strike was being withdrawn was my decision as I did not want to delay the advice from getting out and I was absent from the Union office yesterday attending the funeral of our past National President Jim Kelly. This is not an excuse, rather it is an explanation. I take full responsibility for the advice to media as it was my call.

I am dismayed that we appear to have members upset this call rather than celebrating the success we have achieved. The proposed settlement is a great victory and will provide a real and meaningful lift to wages for a significant number of members employed under the MECA. In 2018 we did a settlement for \$1.63ph for 2 years and this one is for \$2.48ph for 12 months with a further 4% for 7 months. The proposed settlement is not backdated to the expiry of the previous MECA, which we could have had for a lower increase, but the negotiating team believed that we are better focussing on the higher increase as it is compounded year on year. Members are reminded that the claim was not for an 8% wage rise but rather for 8% of payroll to be paid as a flat rate. The result is some members are getting 8% or more whilst others are getting less than 8% of their current hourly rate as an increase. This is the nature of the flat rate increases and I am mindful that when commodities increase in cost they do not increase as a percentage of a person's income but rather as a flat rate. To maintain living standards for all it is appropriate to have us all compensated for the increase at the same amount. The negotiating team know that this has to be tempered with percentage increases and so hence the traditional 4% for the second increase in year 2.

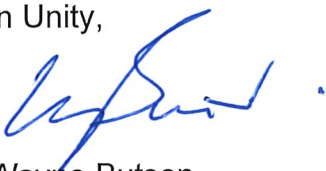
The process from here is that we are trying to frantically arrange face to face meetings for most of the country next week and we also hope to get the ratification ballot into the postal system by end of business Tuesday 16 December 2021. The ballot will close on Friday 11 February 2022 at 1700hrs and be counted on Monday 14 February 2022. This means that the increase will be paid out sometime thereafter which means there will be backdating to 14 November 2021 of the \$2.48ph.

The final point to reinforce is that the offer attached is **NOT** the final Terms of Settlement (TOS) which will be signed by the parties and become the record of the negotiation and what has been achieved. The TOS is still being finalised but will be available at the face to face meetings and in the ratification ballot pack. The full terms of settlement renews for a further 2 years the previously agreed undertakings and also lists further work that needs to be done by the parties and includes Rom S9, S3 and the internal review of relativities between payscales 2 and 4 and infrastructure gang sizes plus other matters.

**THE RMTU NEGOTIATING TEAM UNANIMOUSLY RECOMMEND THE PROPOSED SETTLEMENT TO MEMBERS FOR RATIFICATION.**

Remember when you receive your ballot paper and you want to **ACCEPT** the settlement then destroy your ballot paper. If you wish to **REJECT** the settlement then please mark the ballot paper in the rejection box and send back the ballot paper in the stamped reply paid envelope accompanying the ballot paper..

In Unity,



Wayne Butson  
**Advocate KR 2021 Wage Round**



## KIWI RAIL OFFER IN RESOLUTION OF KR-RMTU MECA NEGOTIATIONS

3 December 2021

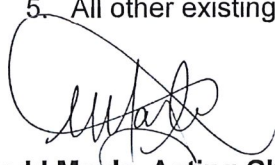
KiwiRail offers the following in resolution of negotiations for a new KR/RMTU MECA:

1. Term – 2 years from 1 July 2021 to 30 June 2023.
2. A top up to a 0% variation to the EY median salary equivalent for affected pay codes in the concluded Pay Scale reviews - effective from 1 July 2021 (see below).

The pay codes and designations are:

Pay code	Position	Current hourly pay rate	New market median
60131	Traction Line Mechanic Level 1	24.28	25.98
60132	Traction Line Mechanic Level 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 Level 2	27.84	31.12
60183	Senior Safety Protector	29.77	32.00
42400	Mechanical Engineering Level 1	22.65	24.99
42410	Mechanical Engineering Level 2	24.69	26.20

3. \$2.48 per hour increase to all wage rates and an 8% increase to all allowances from 14 November 2021.
4. 4% increase to all wage rates and allowances from 13 November 2022.
5. All other existing MECA clauses shall be carried forward from the expired MECA.



Todd Moyle, Acting Chief Executive





## KiwiRail Holdings Limited: KiwiRail Limited: Bargaining for a Collective Agreement

### Notice of Withdrawal of Strike Action

To: KiwiRail Holdings Limited  
Attention: Todd Moyle, Acting CEO  
By email [Todd.Moyle@kiwirail.co.nz](mailto:Todd.Moyle@kiwirail.co.nz)

And To: KiwiRail Limited  
Attention: Todd Moyle, Acting CEO  
By email: [Todd.Moyle@kiwirail.co.nz](mailto:Todd.Moyle@kiwirail.co.nz)

And to: The Chief Executive of the Ministry of Business, Innovation and Employment  
By email: [strike.notices@mbie.govt.nz](mailto:strike.notices@mbie.govt.nz)

You are hereby given written notice, in accordance with section 95AA of the Employment Relations Act 2000, of the **withdrawal** of the two strike notices issued to the above mentioned employers and to the Chief Executive of the Ministry of Business, Innovation and Employment, both dated 23 November 2021 and issued on that day, and which provided notice of strike action on 16 December 2021 and 17 December 2021 respectively. Those strikes will now no longer proceed.

  
**Signed:**

Wayne Butson, representative of the Rail & Maritime Transport Union (RMTU)

Date: 8 December 2021

Signed on behalf of all members of the RMTU who are covered by the bargaining with KiwiRail Holdings Limited and KiwiRail Limited for the intended collective agreement, and who are employed in any of the places referred to in the notices issued on 23 November 2021.