



RMTU, KiwiRail Freight, KiwiRail Mechanical Services, KiwiRail Network Infrastructure and NZRC Multi Employer Collective Employment Agreement 2010/2012

Introduction

During early 2009 it became apparent to the RMTU and KiwiRail that it made practical sense to merge all of the KiwiRail Group companies and their RMTU membership into one Collective Employment Agreement (CA). The RMTU and NZRC/ONTRACK had signed a formal relationship charter which had at its core a commitment to engage in an interest based bargaining approach. At a joint KiwiRail/RMTU planning meeting held on 29 October 2009 it was agreed that they would develop a Multi Employer Collective Agreement (MECA) which would be an amalgamation of the two existing MECA and the single Employer Collective Agreement with United Group (UGL). The focus would be to merge the Collectives but no member would lose any of their current terms and conditions. In December 2009 a round of nationwide Report back meetings occurred, during which meeting votes were taken to gauge member support for the merger. The voting was overwhelmingly in favour. In February 2010 the RMTU undertook a formal MECA ballot process seeking a mandate from members and to satisfy the requirements of the Employment Relations Act. The ballot was carried overwhelmingly.

In March 2010 the UGL CA was "rolled over" on current terms and conditions to provide concurrent expiry with the 2 MECA's of 30 June 2010. A term of the UGL rollover was for full backdating of any MECA increase to 31 March 2010. On 1 June 2010 KR Group and the RMTU met to finalise proposed terms for a MECA settlement. This included;

- The term of the Agreement
- A commitment from KR Group to conclude technical work on the payroll system codes
- A proposed wage increase based upon the CPI
- "Best of Best" to be applied to terms, allowances, conditions and pay rates as much as possible
- All pay codes aligned

Your RMTU wider reference bargaining team comprised James Kelly, Wayne Butson, Todd Valster, Scott Wilson, Doug Blakie, Bernie Snook, Howard Phillips, Geoff Young, Garesh Sukha, Hayden Smith, Tania Haraki, Brian Armstrong, Harvey Patterson, Jerry Hohepa, Phil Kearns, Kevin Jones, Terry Duffy and Tim Spence. A smaller steering group was elected from this group and also project teams were used to look at specific issues and working groups. Our thanks to the team(s) for their work.

Joining the CA's together was much more challenging than the separation process used during the outsourcing era. To safeguard the RMTU and its members and KiwiRail 2 key clauses have been incorporated into the MECA. These safeguard clauses will be utilised if a dispute arises over a workers specific terms and conditions. To settle any dispute the parties agree to go back to the

previous CA when it is proven that a worker has suffered a loss during the transfer or the company. The 4 (four) CA's have been merged into one Collective Agreement.

All of the documents relevant to the settlement are viewable on the Union website including this newsletter. Use this link <http://www.rmtunion.org.nz/articles/article-bargaining.php> or go to www.rmtunion.org.nz and then "Bargaining" on the home page.

The Proposed Settlement

Term of the Collective Agreement

The proposed term of the MECA is 2 (two) years from 1 July 2010 to 30 June 2012.

General Increase

- For year 1, from 1 July 2010 to 30 June 2011, an increase of 2% to hourly rates and allowances, and
- For year 2, from 1 July 2011 to 30 June 2012, an increase to hourly rates and allowances will be based on the annualised CPI figure for the period 1 July 2010 to 30 June 2011 less the GST component which is expected to be offset by personal tax changes.

The settlement will incur backdating of wage and allowance movements for;

- KiwiRail Mechanical Services to 1 April 2010, and
- For remaining KiwiRail group staff members covered by one of the other CA's to 1 July 2010.

Working Parties to conclude their work

- Mechanical – a pay and progression document is being prepared for further discussion at the next Mechanical Industrial council meeting.
- Medical Retirement – a position paper has been prepared, cost of any change is being costed. Current provisions retained in the MECA.
- Yard Terminals and CT Sites – work has been completed on the Freight Team Leader roles and Container Terminal Operators progression with report back meetings to staff/members on outcomes to be undertaken in the near future.
- Tranz Metro Train Managers – scheduled to meet in September to advance the work being done on the progression criteria.

- KiwiRail Network Infrastructure – Career pay progression – progression plans signed off by KR management with implementation planned for early 2011 – subject to member ratification late 2010.
- KiwiRail Network Infrastructure – Hours of work – movement to 24/7 working for essentially Auckland and Wellington – completed and awaiting member ratification late 2010.
- Drug and Alcohol - The clause recommended by the "joint" Drug and Alcohol Working Party has been inserted into the multi employer collective agreement. KiwiRail and RMTU have agreed that the Drug and Alcohol Working Party will be reconvened to work toward reaching a position where KiwiRail will meet customer needs where these are not commercially unreasonable or impractical. The Working Party will gather information on where other infrastructure companies are at especially with KiwiRail's customers and prepare an education and training package. The Working Party is required to complete this work and report back with recommendations to KiwiRail and the RMTU by 30 November 2010.

Memorandum of Understanding

A Memorandum of Understanding (MOU) will once again form part of the settlement agreement.

- 5 (five) Industrial councils will be operating during the currency of the MECA. They will be an Interislander Council, Passenger Council, Mechanical Council, KiwiRail Freight Council and KiwiRail Networks Council.
- Book on Book Off Arrangements
- Conversion of 2nd Man Locomotive Running Positions to Rail Operator
- Introduction of part-time Locomotive Running Positions – Tranz Metro Wellington
- Conversion of further Terminal Shunt Operations to Remote Control
- Union Leave
- Privilege benefits – this preserves Wellington Passenger mechanical depots travel benefits and also ex UGL Auckland KiwiRail Mechanical Services travel benefit arrangements on Veolia operated services within Auckland.

Summary

The RMTU and KiwiRail Group have signed a Relationship Charter which will govern and provide the framework for engagement and interaction over the coming years. This Charter is the cornerstone of how we have been able to achieve this settlement. This Charter is also available for viewing on the

Union website with the other MECA documents.

The MECA if ratified shall expire 30 June 2012.

The negotiating team thanks all members for their input and support into achieving this settlement.

Your negotiating team unanimously supports this proposed settlement and recommends that the membership supports it.

RATIFICATION

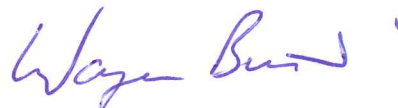
The MECA is subject to ratification by all of the Union's members who will fall within its coverage and who are employed within the KiwiRail group of companies namely, KiwiRail Freight, KiwiRail Mechanical Services, KiwiRail Network Infrastructure and NZRC.

The proposed settlement shall be rejected if more than 33% of the members reject the settlement by the due date.

The ballot paper is enclosed with this settlement update.

- **If you wish to reject the settlement then you need to mark the box, add any comment and return the ballot paper in the supplied envelope.**
- **If you wish to accept the settlement you need to destroy the ballot paper.**

THE FINAL ACCEPTANCE IS MADE BY YOU, THE R.M.T.U. KIWI RAIL MEMBERS, WHO WILL BE COVERED BY THE PROPOSED MULTI EMPLOYER COLLECTIVE AGREEMENT.



Advocate

For and on behalf of the KiwiRail Group negotiating team.