

# Memorandum of Understanding

March 2023

## Auckland

### Climate Emergency Response Fund allocation for Driver Terms and Conditions

#### The Parties

Auckland Transport "The Authority"

New Zealand Bus Limited "The Operator" and

Supported by

New Zealand Tramways and Public Passenger Transport Employees Union – Auckland Branch (Tramways) "Union Representative" and First Union Incorporated "Union Representative" and

Waka Kotahi NZ Transport Agency "Waka Kotahi"

#### Background and Purpose

The Parties are committed to ensuring a sustainable driver workforce, improving the attractiveness of bus driving as a career and supporting the retention and recruitment of bus drivers.

In Budget 2022 Cabinet approved Crown funding from the Climate Emergency Response Fund for the Retaining and Recruiting Bus Drivers – Improving Terms and Conditions initiative. The initiative aims to improve bus driver terms and conditions employed by the Operator which carries out services on behalf of The Authority.

Funding is to be made available subject to meeting funding conditions set by Cabinet.

The purpose of this document is to record agreement of the Parties to work in good faith to meet the conditions and to record the next viable step towards improving terms and conditions for bus drivers.

The Parties recognise this represents a collaborative step forward and acknowledge there is more work to be done.

This agreement records the intent of the parties and does not pre-determine any other legal process binding on the Parties. Receipt of Crown funding will be subject to separate agreement.

#### Agreement

- 1) The Parties record their joint intent to work in good faith to:
  - a) Increase the existing bus driver hourly base rate by **s 9(2)(b)(ii)** per hour on or before 1 April 2023 (Wage Uplift) and work towards a \$30 urban base rate later subject to funding; and
  - b) Contribute **s 9(2)(b)(ii)** per hour to the cost of Penal Rates.
- 2) The Parties acknowledge and understand that in order to receive Crown funding:
  - a) The Authority must provide local share funding to match Crown funding at the normal funding assistance rate.

- b) It must be demonstrated to the satisfaction of The Authority that The Operator has or will contribute to increased driver wages consistent with the wage component of indexation since The Authority last contributed additional funding (beyond indexation and normal contract payments) to lift driver wages through to the date wages are further increased in accordance with this Memorandum of Understanding.
  - c) The Operator must at least annually adjust driver wages and utilise the full labour component of future indexation payments to increase driver wages for the remaining term of their service contract(s) with The Authority.
- 3) The Operator will disclose data and information to The Authority as may be reasonably required to verify the commitments in this Memorandum of Understanding on an ongoing basis. The Authority may share this data and information with Waka Kotahi and Waka Kotahi may in turn share this information with the Ministry of Transport for purposes of providing updates on the progress of the initiative and other administrative obligations.
- 4) Subject to all Parties signing this Memorandum of Understanding, Waka Kotahi will work with The Authority to enable access to the government share of funding (subject to meeting funding conditions).
- 5) The Parties record their intention that subject to confirmation of local share funding from the Authority and confirmation of Crown funding from Waka Kotahi:
- a) The Authority and The Operator will amend relevant contract(s) for services to give effect to agreements reached pursuant to the process outlined in this Memorandum of Understanding.
  - b) To the extent necessary, The Operator and, where applicable The Union(s), will work in good faith to amend employment agreements to give effect to agreements reached pursuant to the process outlined in this Memorandum of Understanding.
- 6) This Memorandum of Understanding is effective on the day that it is signed by all Parties and remains effective until the intended initiative(s) under Section 1) are implemented or until the this document is superseded by a future agreement agreed by the Parties.

Signed for and on behalf of **Auckland Transport**

s 9(2)(a)

Date: 31 March 2023

Signed for and on behalf of **NZ Bus Limited**

s 9(2)(a)

Date: 31/3/2023

s 9(2)(a) Tramways

Date: 31/3/23

Signed for and on behalf of **First Union Incorporated**

s 9(2)(a)

Date: 31 March 2023

Signed for and on behalf of Wake Kotahi, New Zealand Transport Agency:

s 9(2)(a)

Date: 05/04/2023