



Image: Striking teachers demonstrating outside the West Virginia Capitol in Charleston

Power imbalance between working people and employers must be addressed

NOVEMBER 9, 2017

Dr Stephen Blumenfeld, Director of the Centre for Labour Employment and Work at the Victoria University of Wellington, outlines why the new government needs to move quickly to restore the rights of working people.

Since the 1970s, market liberalisation and technological change have resulted in a decline in the number of manufacturing and blue-collar jobs, which had buttressed New Zealand's economy since the 19th century. These were, for the most part, union jobs that empowered workers, paid good wages, ensured safe workplaces and offered retirement security.

As those jobs all but disappeared in the 1980s and 90s, due in large measure to the opening of the country's economy to promote international competitiveness and to the rapid globalisation which followed, successive governments gradually stripped away workers' statutory rights along with the institutional and legislative support for unions.

Through lower-cost imports, outsourcing and shifting production overseas, the opening of New Zealand's economy during the 1970s and 80s substantially reduced employee bargaining power. This was followed by radical deregulation of the country's labour market through enactment of the Employment Contracts Act in 1991, which ended compulsory membership provisions and shifted collective bargaining to the enterprise level.

Together, these shifts contributed to a precipitous decline in union density and collective bargaining coverage, a loss of employment protection, and a concomitant shift in the balance of power towards employers. Moreover, notwithstanding the Employment Relations Act 2000, both union density and collective bargaining coverage in New Zealand currently sit at their lowest levels since the 1930s and near the bottom of the Organisation for Economic Co-operation and Development (OECD).

In addition, labour productivity growth and wage growth began to diverge in the 1970s, with the labour share of income falling from around 60 percent in the early 1980s to 46 percent in 2002, reflecting a loss to wage earners of around a quarter of aggregate income.

That decline, in particular that was experienced during the 1990s, was far more a consequence of within-industry effects – specifically, the significant fall in workers' relative bargaining power and the loss of employment protection – than of shifting industrial structure.

Furthermore, while the labour share of income increased slightly between 2002 and 2009, there is no sign of it returning to its pre-1980s level. Crucially, no viable and sustainable alternative collective voice mechanism with which to counterbalance that shift has emerged in that time.

As has proven to be the case in other OECD countries, in order to restore the balance of power in employment relations, government must act to protect and promote union membership and collective bargaining.

In that regard, the newly established New Zealand government should scrap the 90-day trial period, which has the effect of hindering newly hired employees from joining unions, and reintroduce the '30-day rule' for new employees,

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Changes to employment legislation

There is a view that the employment context in New Zealand is 'fit for purpose' and suits most working people.

This begs the question "How do we know this", and further, "Are there some in society who benefit more than others from the current employment setting".

COLLECTIVE BARGAINING

Health, the Public Service and Education are the last arenas where collective employment negotiations have continued to achieve agreements covering a significant proportion of employees, with pay increases and improvements to working conditions.

Bill Rosenberg, NZCTU Economist, indicated that last year only 45 percent of jobs not covered by a collective agreement got a pay rise, while 99 percent of those on a collective agreement got a rise.

The big picture is that the government has capped public spending and pay increases in Education, as well as in Health and Public Services. Private employers have followed suit. In the education sector over the last decade, pay has only increased by 1% or so per year.

INITIAL CHANGES

The Labour-led coalition government now seeks to reverse some of the legislation brought in by the previous government. If the changes to the Employment Relations Act are passed later this year, this will benefit the most vulnerable workers and should lead to improved bargaining processes.

The key proposed changes are as follows:

Representatives

ISEA representatives under the new legislation will get time off during the working day to carry out ISEA-related duties, such as talking to new staff about joining ISEA, attending meetings in support of an ISEA member and consulting with the principal about significant changes to conditions.

Although ISEA Reps are mentioned in many of our agreements (contracts), it is helpful to include this in union access rights provisions in legislation. This acknowledges the Rep's role, which is voluntary, its impact on workload and the benefits it provides to ISEA members and schools.

Collective Agreement (Contract)

The agreement will need to include a pay scale. Most of our schools include one. Where this isn't the case, ISEA has pushed

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enabling them to freely choose whether or not to join a union. It is also important that the 'duty to conclude' a collective agreement be reinstated in the legislation to ensure employers don't simply walk away from bargaining. Finally, the government should reaffirm the importance of free association and the



for it in bargaining. This has real and symbolic significance as it normalises bargaining for pay and recognises that pay is at the heart of the agreement for employees.

New Staff

New staff must be given the conditions of the collective agreement for their first 30 days. We have retained this in the majority of our agreements, so there is little change for our members here. This re-establishes collective agreements, rather than individual employment agreements, as the norm. Further, it ensures that new staff will have the existence of a union and the collective agreement brought to their attention. Whilst they still have the freedom to join or not, if the new staff agree, ISEA will be notified that they have become employed at the school.

Reps will need to recruit those new staff members to join the Association once the 30 days have elapsed.

90-Day Trial

This will exist only in small workplaces (with 20 or fewer employees). ISEA has resisted efforts by the employer in bargaining to introduce 90-day trial periods for staff, as the 'fire at will' power that this provision gives employers is not appropriate in the professional context of a school. ISEA is also opposed to allowing small employers to use such trials, as young workers are very vulnerable to exploitation through this provision.

School Visits

Finally, ISEA officials will no longer have to seek permission to visit schools to meet members. In the majority of our schools, requesting permission for a visit has not been a requirement; signing the visitor's book has been sufficient.

The removal of this clause will assist the Association in schools where we don't have collective agreements and where we have few or no members.

The changes depend on the bill becoming law. It is to be hoped that this will happen in the next six months. It's a good start and it will improve the climate for bargaining and the Association's work with members in the current year.

Matthew Fitzsimons, General Secretary, ISEA

role of unions by enforcing regulations around employers 'passing on' terms and conditions of a collective agreement and enforce bargaining fees where employers offer union-negotiated pay or conditions to their non-union employees.

ISEA comment: The areas needing change raised by Dr Blumenfeld are being addressed by the new government in some form, as indicated in the above article on Changes to Employment Legislation.

New members welcome

The start of a new year, new young faces, new uniforms, new stationery and new colleagues. By now the excitement, drama and business of the new school term and year has probably (or not) calmed down a little.

About now is a good time to look around your school and check if there are new colleagues to welcome and introduce to the Union. Some may be new to your school, some may be new to teaching, some may have no experience of belonging to a union, some may hold a certain view of unions. With at least ten schools engaging in collective bargaining this year, it is important that we keep up the excellent work we have been doing by continuing to recruit new members. The more people we represent, the better we are able to have a say in employment terms, conditions and salaries.

As a member, you are one of the best recruiters – you know your school and how it operates and what the issues are. You can help new colleagues by checking that they have been given a copy of the School - ISEA Collective Agreement. They may have questions about conditions of employment or pay. If they are first or second-year teachers, you can help ensure that they receive the appropriate 'beginning teacher' time allowance. Remember to approach part-timers and staff who arrive at different times of the school year. Introduce them to your ISEA School Rep(s). If you don't have a Rep, it's time to call a meeting and elect at least one Rep. Your ISEA Rep will have information and membership forms, or your new colleagues can join online at www.isea.org.nz. It's so easy. There is also an Organiser available to help you with recruiting, should you need it.

Every member is a potential recruiter.



REASONS WHY YOUR COLLEAGUES

SHOULD JOIN ISEA:

- ISEA negotiates collectively to improve members' terms and conditions of employment.
- The more ISEA members we have, the greater our voice at your School.
- ISEA has skilled staff to support members with employment issues.
- ISEA is committed to lobbying and raising issues with education and other relevant agencies regarding professional aspects of your roles.
- Through Member Advantage, you can take advantage of discounts, for instance, in health insurance, car rentals, hotels, tyres and eye glasses.

So, start a conversation with your new colleagues today.

Cindy Doull, Organiser, ISEA

Updating our Rules: Members' feedback wanted

Since 2016, the ISEA Executive has been reviewing a key document, our Rules, to ensure that it is up-to-date, that our goals are appropriate and our processes clear, fair and effective for members.

The Rules lay the foundation for ISEA as a democratic, professional association advocating for quality education.

Every incorporated society is required to have a set of rules. ISEA's Rules, including how to make changes to the Rules, apply to all its members.

ISEA is registered under the Incorporated Societies Act 1908. The Act will be updated in the next few years. Our work will anticipate those changes.

In recent workshops and at Executive meetings, the Executive has considered the broad principles underlying the Rules and the detail and has updated the aims of ISEA to better reflect the needs of the members and the work of the Union. A new process for resolving internal disputes has been included to ensure fair processes for members.



The document is on our website. We encourage you to look through it, contact us if you have questions and provide us with your feedback.

The final version of the Rules will be a remit to members from the Executive for this year's AGM in Auckland (5 May 2018). Once approved, the amended Rules will be registered with the NZ Companies Office.

Hilary Stubbs, President, ISEA

INSPIRASI

INDONESIAN YOUNG LEADERS PROGRAMME

INSPIRASI - Indonesian Young Leaders Programme: CAN YOU HELP?

ISEA, along with the other NZ education unions, supports UnionAID, a New Zealand charitable trust established by the NZCTU, whose motto is "Better Work, Better World".

A new programme run by UnionAID in partnership with AUT and BaKTI (East Indonesia) is INSPIRASI (the Indonesian Young Leaders Programme). Members may recall a similar programme for Myanmar Young Leaders.

Hosts are being sought for 8 young Indonesian community-based leaders from the provinces of East Indonesia who will be in Auckland from late June to mid-December 2018.

The young leaders will participate in a programme to further develop their English language skills and their knowledge, skills and confidence as leaders in the sustainable development of their communities and the wider East Indonesia region. Hosts are paid for their guest's room and board.

Information is available at: <http://unionaid.org.nz/wp-content/uploads/2018/03/INSPIRASI-Host-Invitation.pdf>

Contact Laila Harré, Programme Manager: Mob: 021 839661; email: laila.harre@unionaid.org.nz

ISEA Directory

PO Box 47665, Ponsonby, Auckland 1144

General enquiries

Organiser: Barbara Hill

Organiser: Cindy Doull

General Secretary: Matthew Fitzsimons

President : Hilary Stubbs

www.isea.org.nz

admin@isea.org.nz

bhill@isea.org.nz

cdoull@isea.org.nz

mfitzsimons@isea.org.nz

president@isea.org.nz

Need advice or assistance?

ISEA has a Freephone number **0800 300 073**. You can leave a message for ISEA on our freephone number 0800 300 073.

We endeavour to respond to queries within 24 hours on weekdays or the Monday following the weekend.

(Our normal office hours are Monday-Friday 9am-5pm. We are closed on all Public Holidays and Auckland Anniversary Day).

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