

Bargaining Trends presented in seminars around the country

Report from Sue Ryall, Centre Manager, CLEW

CLEW recently completed the roadshow of seminars on our 2017 edition of *Employment Agreements: Bargaining Trends and Employment Law Update*. Close to 300 HR professionals, employment lawyers, union officials and policy analysts attended the seminars held in Auckland, Hamilton, Wellington, Christchurch and Dunedin, with many people attending for the first time.

The seminars present analysis of the 2016/2017 data from the Employment Agreements Database and the analysis showed some interesting emerging trends. The data draws from 2064 collective agreements that expired less than two years before June 2016 and these agreements cover close to 324,000 employees. The CLEW collection is unique. While other organisations collect data on wages and allowances the CLEW data includes employment agreements provisions relating to leave, hours of work, redundancy, health and safety, and training along with other smaller items.

As always the wages trends were a key interest. For the wage trends we only use agreements that are current in the year 1 June 2016 to 31 May 2017. This includes 1140 collective agreements covering 260,300 employees. There are of course many agreements where the wages are not included in the agreement and are therefore not included in the wage increase calculations, even though these employees may have had an annual increment. Our annual increment is calculated from the minimum rate included in the document.

The major trends identified in the past year are:

1. Two years is the most common term for collective agreements with 42 percent of employees covered by such an agreement and close to 80 percent are covered by an agreement of 24 months or more. This trend has been evident throughout the last decade but particularly in the last five years.
2. The average annualised wage increment across all the CAs in our wage sample is 1.9 percent and the increase for central government employees has increased to 1.8 percent for the 2016/2017 year. The average annualised increment for private sector employees was 1.9 percent.
3. The movement in the legislated minimum wage in the last few years has resulted in higher increments for industries where this minimum is the common rate of pay. In particular, accommodation and food services' employees averaged the highest increment in the past year at 3.2 percent and this group has also received the highest mean annualised increment across the last six years at 3.1 percent.

4. While ordinary **weekly hours** are specified in collective agreements for close to 90 percent of employees, the proportion of collectivised employees who do not have **ordinary days** of the working week included has increased in recent years, particularly for private sector employees.
5. Most employees on CEAs across all sectors have no entitlement to compensation for working weekend hours as part of their ordinary working hours. For that matter, almost no employees in food retailing and business services are paid extra for working on Saturday or Sunday when rostered to do so.
6. Sick leave: Since 2010 there has been a steady increase in the proportion of employees who have more than the statutory entitlement to accumulate 20 days sick leave, and in the last year the proportion who can accumulate more than 100 days has increased.
7. CEAs are now more likely to include a much lower cap on the amount of redundancy compensation than was the case before the global financial crisis and recession in 2008/2009.

During the seminars there was interest in what is happening with Domestic Violence Leave clauses and how common they are and also in how agreements are dealing with changes under the Employment Standards Bill, particularly around the 'availability' provisions. These are both areas for which CLEW will be collecting data in the future and information will be available later in 2018.