PPTA TE WEHENGARUA ANNUAL CONFERENCE 2017

ONCE MORE UNTO THE BREACH, DEAR FRIENDS, ONCE MORE

PPTA INDUSTRIAL STRATEGY FOR 2018 – AND BEYOND!

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This paper investigates the economic, political and industrial environment for the 2018-2019 bargaining round, and outlines an industrial strategy, including a claims process, for that round. The proposed strategy will address the two most serious challenges schools and teachers are facing, and will continue to face over the next decade; teacher supply and teacher workload.

RECOMMENDATIONS

1. That the report be received.
2. That the industrial strategy and framework for claims for the STCA outlined in this paper be endorsed.
3. That national funds be set aside and branches and regions be advised to plan and budget for a 2018 - 2019 teacher industrial campaign and members also be advised to prepare financially for this.
4. That branch meetings be called for members next year to consider and discuss the claim and suggest up to two further claims re supply, workload or equity issues.

Recommendations that were passed by the 2017 PPTA Annual Conference below:

ONCE MORE UNTO THE BREACH, DEAR FRIENDS, ONCE MORE: PPTA INDUSTRIAL STRATEGY FOR 2018 AND BEYOND!

1. THAT the report be received.
2. THAT the industrial strategy and framework for claims for the STCA outlined in this paper be endorsed.
3. THAT national funds be set aside and branches and regions be advised to plan and budget for a 2018 - 2019 teacher industrial campaign and members also be advised to prepare financially for this.
4. THAT PUMs be called for members next year to consider and discuss the claim and suggest further claims which may be part of the claim provided they are widely supported and deeply felt.
5. THAT PPTA executive seek variations to the STCA and ASTCA to increase all salary rates by 5% from 28 January 2018 as an interim response to the deteriorating teacher supply crisis.

CONTENTS

1. BACKGROUND

1.1. The Secondary Teachers Collective Agreement (STCA) expires on 28 October 2018, with the Area Schools' Collective Agreement (ASTCA) and both principals' agreements expiring in the first half of 2019 - ASTCA in April, Secondary Principals' Collective Agreement (SPCA) in May and Area School Principals' Collective Agreement (ASPCA) in June.

1.2. The settlement of the 2015 STCA included two working groups, to be held in 2016, one on teacher supply and one on workload. Our intention was for these to influence our bargaining for the 2018-2019 round.

1.3. This paper proposes a strategy for teacher bargaining in 2018 and 2019, based on feedback from members, branch and regional officers and national executive members. This paper aims to test the direction we believe members wish us to take in preparing a claims strategy for 2018.

2. THE 2018 - 2020 ENVIRONMENT – ECONOMIC, POLITICAL, INDUSTRIAL

2.1. Writing several months out from the election means that the mist of uncertainty still hangs heavy over the political context, but despite this there are some scenarios that are more likely than others, and a few certainties that we need to plan for.

2.2. Economic growth in New Zealand has been relatively strong in recent years, driven mostly by immigration, tourism and construction. Despite this, and low unemployment, wages have remained pretty flat. Arguably low inflation and interest rates have meant that the resistance from state and private employers has continued to keep wage growth weak.

2.3. Wage growth in 2016-17 was subdued, with the Labour Cost Index tracking slightly below general inflation – Consumer Price Index (CPI). While unionised public sector workers were more likely to receive pay increases than other workers, these increases were a median of 2%, while for increases in the private sector the median was 2.3%. Our last 2% x 2% x 2.5% wage settlement, while one of the highest public sector settlement in 2015, is consistent with this.

2.4. Of course the industrial climate has contributed to slow wage growth. While the lowest paid and most vulnerable workers have had some wins, against zero hours and for pay equity, the ability for unions to organise and take industrial action has been further eroded with the passage of the Employment Relations Amendment Act 2014. Unions continue to achieve better pay increases for their members than non-unionised workers, but the proportion of unionised workers continues to decline.

2.5. Employers and conservative politicians blame low worker productivity for our relatively low wage economy, but New Zealand workers' share of overall GDP (the labour income share) has not even kept up with modest productivity growth, meaning that the return on capital has increased faster than the return on labour in recent years.

2.6. While shock election results have been all the rage globally for the last 18 months, writing two months out from the election there is little indication that there will be a change from a National-led government in September, and NZ First as 'kingmaker' in almost every scenario.

2.7. A National-led government in 2018 will be in many ways dèjá vu for PPTA in terms of collective bargaining. The long term commitment to decrease government spending as a proportion of the economy means that substantial pay increases are definitely not part of their plan. While the political context is status quo, the education labour market is very different, with increasing difficulty in recruiting and retaining teachers in the secondary sector. This will of course need to underlie our industrial strategy in this round and will be explored later in the paper.

2.8. Industrially, if a National-led government gets back for a fourth term there is likely to be further undermining of industrial protections and rights for workers and a more negative bargaining environment for unions. During the current term the National led government continued to seriously undermine collective bargaining by:

- removing the duty to conclude bargaining, i.e. allowing the ministry to simply walk away from negotiations;
- imposing a 60 day stand-down period before bargaining can be reinitiated;
- allowing the ministry to arbitrarily deduct up to 10% of teachers' salaries for "partial strikes";
- Removing protection for new employees who are no longer now automatically covered by the applicable collective agreement in their first 30 days of work.

2.9. In terms of the situation with a Labour led government, the paragraphs from the 2014 industrial paper are still remarkably relevant – as far as we know so far:

> "If there is a Labour-led coalition in government in 2015 [or 2018] it will not necessarily be easy sailing for PPTA members to achieve significant pay increases either. While Andrew Little has spoken publicly in recent times about workers needing to see 4% pay increases in coming years, the need to show fiscal restraint will weigh heavily. Labour has promised to run surpluses in government but has also committed significant funding in education to ensure 100% trained and qualified early childhood education teachers and to reduce class sizes.
>
> While a Labour-led government may not necessarily be better for PPTA in terms of winning a significant pay increase in bargaining in 2015, it would certainly provide a more favourable industrial and education climate generally. With commitments to extend the rights of workers to collectively bargain, and develop industry wide standards to form the basis of collective agreements, this is a markedly preferable option for our bargaining environment". [1]

2.10. So, we are in exactly the same position that we were in 2014 when we were considering the industrial strategy for the 2015 teacher CA round. Then as now we were developing the strategy just months before a general election. Accordingly we need the strategy to be flexible enough to achieve the best possible settlements for our members whichever government is in power.

[1] PPTA Industrial Strategy Paper, 2014

3. INDUSTRIAL STRATEGY

3.1. The strategy used for the last collective bargaining round was comparatively very successful. We won one of the highest salary increases in the public sector, we made some gains in conditions, including: teacher practising certificate fees, more sabbaticals, coverage of tech teachers, mileage and field allowance increases.

3.2. Most importantly, we saw off further ministry cutbacks yet again. While the slightly more conciliatory approach of the ministry bargaining team didn't stop them dragging bargaining out for over three months, our relatively streamlined claim did prevent longer delays and allowed us to choose the improvements members identified as their most important, rather than have the ministry choose from a raft of minor claims.

3.3. The 2015 STCA settlement also provided for two working parties to look at the issues of teacher workload and teacher supply. While this was a ministry claim it was at our instigation, as we saw it as vital in informing our industrial strategy for future rounds. The working parties were the 2016 Secondary Teacher Supply Working Group (the Supply Working Group) and the 2016-17 Secondary Teacher Workload Working Group (the Workload Working Group) which have both now concluded and produced very extensive reports. While the joint recommendations are not exactly ground breaking, those of PPTA only and PPTA with other groups – New Zealand Secondary Principals' Council (NZSPC), New Zealand School Trustees Association (NZSTA), Secondary Principals' Association of New Zealand (SPANZ) - lay a firm foundation for 2018-19 bargaining.

3.4. Our claims for this next bargaining round will need to focus on these two outstanding issues, identified continually by members, networks, regions and executive. The issues of recruitment and retention measures to address teacher shortages (supply) and workload pressure for teachers and middle managers will form the basis of our claims and will be informed by the reports of the Supply and Workload working groups. Both reports can be found on the PPTA website.

4. TEACHER SUPPLY

4.1. We have a triple whammy beginning to seriously erode teacher supply at this time.

- A large proportion of 'baby boomer' teachers will leave the teaching workforce in the next 10 years.
- More teachers are leaving teaching to take up more rewarding careers early or mid-career.
- Fewer people are being attracted into teaching.

4.2. The Supply Working Group included representatives from the Ministry of Education (ministry), NZPPTA, NZSTA, SPANZ, NZSPC and the Education Council.

4.3. The report of the Supply Working Group identified the workforce trends and current issues as being:

- The workforce is ageing. 45.4% of secondary teachers are over 50 years of age.
- Fewer beginning teachers are entering the profession, and the proportion that start in permanent full time positions has lessened considerably.

- There is a high rate of attrition among beginning secondary teachers. Just under half leave teaching within the first five years of joining the profession.
- There are not enough new teachers in the sciences (including physics, biology, and chemistry), technology, mathematics and Te Reo Māori to meet demand.
- Teacher vacancies are increasing. Following the 10 year low during the global financial crisis, job advertisements are rising, and we expect this trend to continue in the short to medium term.
- Teacher shortages create pressure across the education pathway and impact on student achievement. Employers report that they are forced to compromise on quality to fill positions.
- Supply and demand issues are nuanced, differ by school and location, and are being experienced across deciles. There is a concentration of issues in Auckland, but also in some regions and rural areas particularly in sciences, technology engineering and mathematics (STEM) subjects and Te Reo Māori.[2]

4.4. The forecasts of increased secondary student rolls indicate the need for serious increases of teacher numbers immediately and secondary rolls will continue to rise for the next nine years. This means the current shortages will only get worse if measures are not taken within the terms of the next collective agreements for secondary and area school teachers.

4.5. The table below shows the latest projected roll increases from the government which show a steady secondary roll increase from now until 2025, of around 27,000 students. That's around 1200 extra teachers from now until 2025.[3]

TABLE 1: SECONDARY STUDENTS PROJECTED ROLLS

YEAR	SECONDARY TOTAL		
	MALE	FEMALE	TOTAL
2016	137,850	136,223	274,073
2017	138,351	136,508	274,858
2018	138,746	136,307	275,053
2019	140,005	137,584	277,589
2020	141,959	138,961	280,920
2021	145,585	142,476	288,061
2022	148,536	144,447	292,983
2023	151,419	147,237	298,657
2024	152,787	148,555	301,343
2025	152,923	149,315	302,238
2026	151,020	148,237	299,257
2027	148,724	146,463	295,188
2028	147,486	145,341	292,827
2029	147,176	145,005	292,180
2030	146,802	144,419	291,220

4.6. The major issue in terms of supply is pay. At some point before or during their tertiary education, students consider teaching as a career. They know they will need four years of tertiary education to get their subject specialism and teaching diploma or degree.

[2] Secondary Teacher Supply Working Group Report 2016
[3] Parliamentary question (PQ) 1107 (2017): Secondary school roll projection, by year level, as at November 2016

4.7. When they consider teaching, students look primarily to the pay offered them after four years of tertiary education – and many are currently voting with their feet and seeking more lucrative career alternatives. The Supply Working Group Report provided comparison data with other professions.

PROFESSION	AVERAGE ANNUAL EARNINGS
Accounting technician	$45,000 – $80,000
Auditor	$55,000 – $100,000+
Bank manager	$55,000 – $100,000+
Financial planners	$35,000 – $100,000+
Loss adjustors	$45,000 – $100,000+
Management accountant	$45,000 – $100,000+
Teacher	$45,000 – $75,000
Educational psychologist	$45,000 – $100,000+
Engineer (chem./elect.)	$45,000 – $100,000+
Environmental engineer	$45,000 – $100,000
Road engineer	$45,000 – $90,000
Elect. engineer technician	$45,000 – $90,000
Environmental scientist	$45,000 – $85,000
Forestry scientist	$45,000 – $55,000
Industrial chemist	$50,000 – $100,000+
Computing services manager	$55,000 – $150,000+
Systems analyst	$50,000 – $100,000+
Computer helpdesk operator	$35,000 – $60,000
Warehouse manager	$35,000 – $55,000
Solicitor	$50,000 – $200,000+
Registered nurse	$65,000 basic (5 years' experience in 2016)[4]

4.8. There are a number of measures that could be used when comparing relativity between teachers' pay and that of other occupations. The table below shows the change in relativity between the top of the basic (TBS) teacher scale with the annualised median weekly income from 2004 to 2016. The relative salary rate in 2004 (the result of the large pay increase we got in the 2001 – 2002 round) reflects the point at which the last big

[4] Secondary Teacher Supply Working Group Report 2016

secondary teacher supply crisis was resolved and supply was sufficient to allow recruitment of additional teachers to provide staffing for roll growth and for the introduction of non-contact time.

TABLE 2: COMPARISON BETWEEN TBS AND ANNUALISED MEDIAN WEEKLY INCOME

[5] YEAR	TBS	ANNUALISED MEDIAN WEEKLY INCOME (WAGE AND SALARY)	RELATIVE TBS
2004	$57,803	$31,928	1.810
2005	$59,537	$33,280	1.789
2006	$61,323	$34,892	1.758
2007	$63,776	$36,920	1.727
2008	$66,327	$37,908	1.750
2009	$68,980	$39,520	1.745
2010	$68,980	$39,884	1.730
2011	$71,000	$39,988	1.776
2012	$71,000	$41,600	1.707
2013	$71,900	$43,472	1.654
2014	$72,645	$44,668	1.626
2015	$73,000	$45,760	1.595
2016	$75,949	$48,048	1.581

4.9. The government statistics from Education Counts show that the reduction in tertiary students completing an initial secondary education qualification, between 2009 and 2015, indicating a major reduction in interest in secondary teaching. When combined with the increases in secondary student rolls that are already happening and will be ongoing for at least nine years, these statistics point to a crash collision of the factors necessary to teacher supply remaining even at the (unsatisfactory) levels that schools are attempting to deal with now.

[5] Chart: PPTA, with top of basic scale rates from relevant collective agreements, median salary data from: Statistics NZ: New Zealand Income Survey – Information releases

TABLE 3: NUMBER OF STUDENTS COMPLETING AN INITIAL (SECONDARY) TEACHER EDUCATION QUALIFICATION FROM 2009 TO 2015

Year	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Students completing	1,200	1,130	1,205	1,055	875	885	775

4.10. Even more stark are the number of students completing secondary teacher education in those subject specialisms which are already under huge pressure.

TABLE 4: STUDENTS COMPLETING SECONDARY TEACHER EDUCATION BY FIELD OF STUDY

Field of study (broad and narrow)	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Natural and Physical Sciences – whole field	135	115	155	125	110	120	95
Mathematical Sciences	30	25	45	25	35	30	20
Physics and Astronomy	10	5	5	5	0	5	5
Chemical Sciences	20	20	20	15	15	15	15
Information Technology	15	5	5	10	5	10	5
Computer Science	5	0	0	5	0	0	0
The totals for *all* fields	1,135	1,065	1,145	1,020	845	860	760[6]

4.11. The statistics from Education Counts also show stark reductions in tertiary students enrolling in initial teaching education, especially when older. The figure below shows reductions of enrolments from all age ranges, but particularly from 25 to 35 and above, eg, less than half the number coming in from the 35 – 44 year range.

[6] Education Counts; Initial Teacher Education statistics

TABLE 5: NUMBER OF DOMESTIC STUDENTS ENROLLED IN INITIAL TEACHER EDUCATION QUALIFICATIONS BY SECTOR (SECONDARY) AND AGE GROUP

Age group	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**% loss overall**
Under 25	900	890	820	820	730	760	660	27%
25-34 years	510	525	470	430	390	355	360	29%
35-44 years	250	225	175	175	140	115	110	56%
45-55 years	135	135	85	95	80	55	50	63%
55 and over	30	20	20	20	15	10	10	67%[7]

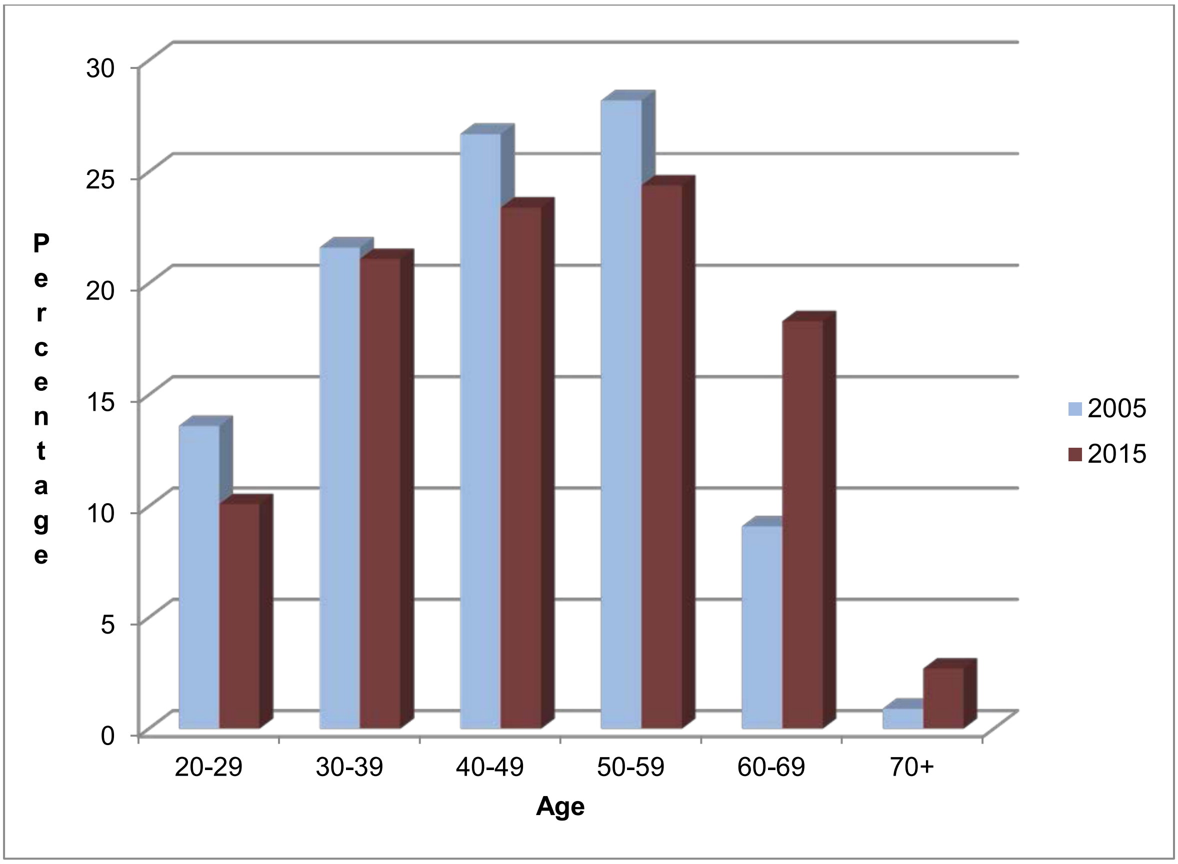
4.12. Similarly many teachers are being attracted out of teaching in early and mid-career because of the low remuneration and the heavy workload. The Supply Working Group found that 40% of beginning teachers leave the state and state integrated system in the first five years of teaching.

4.13. And then there is the issue of the aging workforce, with a large proportion of teachers reaching and exceeding retirement age within the next five to 10 years.

> *"*Like the wider workforce, the proportion of older teachers has increased in recent years. The proportion of secondary teachers over 60 years of age has risen from 10% in 2005 to 21% in 2015, which is now more than double the proportion of teachers under 30 years of age.*"*[8]

[7] Education Counts; Initial Teacher Education statistics
[8] Secondary Teacher Supply Working Group Report 2016

GRAPH 1: AGE DISTRIBUTION OF SECONDARY TEACHERS 2005 AND 2015



4.14. While many older teachers have remained in the workforce for longer due to their reduced savings over the recession, they will be retiring in greater numbers than ever before over the next 10 – 15 years, coinciding dramatically with the years of increased projected student rolls.

4.15. The recommendations of the Supply Working Group cover a range of ideas for recruiting and retaining teachers, tweaks to scholarships and so forth. However, the fundamental issue of teacher base salary pay and value of units and middle management allowances (MMAs) is the elephant in the room that the combined group failed to address.

4.16. While we have kept teachers' salaries on or above the increases in the CPI throughout the recession they have suffered, as all public sector pay increases have, from the State Services Commission's refusal to allow public sector salary settlements to be higher than those of the private sector. This has further weakened the relativity of teachers' salaries compared to the New Zealand median salary – see table in 4.8. For example in 2004 teachers' top of the basic scale (TBS) salary was 1.81 times higher than the annualised median income, and by 2016 this relativity had reduced to 1.58. Had the TBS kept pace with increases in median wage and salary change between 2004 and 2016 it would now be $86,987.

4.17. Also, while we have had some slight increases in a few allowances, we have had no increase in the value of units since 2009 or of MMAs since they were first introduced in 2005.

4.18. If the ministry is serious about alleviating the dramatic teacher shortages from now on, it will have to consider measures to reduce the shortages of today and keep pace with those predicted over the next decade. However it is likely they will continue with their ostrich-like refusal to address the impending crisis unless pressured very strongly by our members, both teachers and principals, and by our allies in the wider community.

4.19. There are, of course, other specific issues that impact on recruitment and retention which will need to be addressed in this round. A major one is the issue of relativity between middle management units and the Within School Teacher (WST) role allowances, both in time and money. We pointed this out repeatedly in the Investing in Educational Success (IES) working groups and in the subsequent negotiations for the allowances of this role and gave prior warning to the ministry that the value and time allowances for units and MMAs would need to be addressed in the collective agreement round after the Community of Learning (CoL) positions have begun to be filled in schools. This round is now before us and this factor will need to be a major part of our claims for it.

5. WORKLOAD

5.1. Increasing workload has been the largest issue of concern expressed by members in recent years. The submission from PPTA to the Workload Working Group summed up the basic issue our members have in regard to teacher workload;

> *When secondary teachers raise issues about their workload they are not complaining about working hard, rather they are referring to excessive demands and unproductive tasks which form an increasingly larger component of their workload. They are frustrated at those factors which they see as either interfering with their ability to perform effectively the core teaching and leadership functions they value or which require them to work extensive hours in order to be able to maintain the same level of effectiveness in their core work with students.*[9]

5.2. Addressing unproductive workload and pressures which get in the way of teachers being able to do their jobs well, without undue stress and impact on their work life balance, cannot be fully addressed by changes to collective agreements. Teachers don’t just want more time to do tasks that they don’t value; they don’t want to do tasks that are unnecessary and unproductive. The workload reduction implementation plan arising from the Workload Working Group is tasked to address many of these issues and we are continuing to meet with the ministry, NZSTA, Education Review Office (ERO) and New Zealand Qualifications Authority (NZQA) to try and do just that. The results in terms of workload reduction remain to be seen and, if they are not, this could form the basis for future bargaining rounds.

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[9] PPTA submission to the Workload Working Party August 2016

5.3. A main finding of the PPTA's workload research over recent years has been that middle leaders are the group of teachers that experience the worst workload pressures. Excessive workload for middle leaders is leading to fewer applicants for middle leadership roles, and burn-out for people in the roles. Schools are having increasing difficulty in filling, and keeping teachers in, middle management positions and this is a prime example of how workload affects supply. Middle leaders clearly require more time to be able to do their jobs effectively than the current one hour non-contact time for each unit.

5.4. Accordingly, the priority for addressing workload issues in this bargaining round is mainly to provide more time to reduce the workload of middle managers.

6. CLAIMS DEVELOPMENT 2018-2019

6.1. It is a hard call urging restraint from members when it comes to claims development and we are already hearing of a number of claims that members, branches or regions are mooting. However, if we are to be serious about fitting claims into an overall industrial strategy we will need to be strategic. We are unlikely to move towards any amelioration in the teacher supply (which of course also affects workload in under-staffed schools) or in teacher workload (which also affects teacher supply as high workloads are off-putting to those considering a teaching career) unless we work towards a focussed and strategic set of claims for the teacher collective bargaining round.

6.2. Accordingly what we are proposing in this paper is that the executive develop a claim to address recruitment and retention (supply) and workload, which draws from the recommendations of the PPTA Workload Taskforce, the Workload Working Group, the Supply Working Group and other strategic claims relevant to workload or supply. These would include the following claims:

6.2.1. As the main driver for recruitment:

1. A significant pay increase
2. An increase to the value of units and middle management allowances
3. A mechanism to address supply issues in areas where the median house price exceeds seven times the top step of the trained teacher base salary scale, or where the school is in a hard to staff district.

6.2.2. As the main driver for retention and for workload:

1. A significant increase to the time allocated to units to address middle management workload
2. A mechanism to address workload for classroom teachers such as a mandatory reduction in maximum average class size
3. Provision for Māori and Pasifika community liaison roles for Māori and Pasifika teachers in those schools with high Māori and Pasifika rolls

6.2.3. Three strategic claims, all of which are also relevant to recruitment and retention of teachers:

1. Having the provision of Education Council practising certificate fees being paid by the ministry as an ongoing provision.

2. Having the Māori Immersion Teacher Allowance (MITA) increased in accordance with the increase reached in the last round for primary and area school teachers.
3. Aligning the dates of future pay increases for area school members with those of secondary members, and providing backpay of the first increase to meet that of STCA members.

6.3. It is critical that members, principals, parents and boards of trustees understand the rationale for the PPTA claim, with its focus on addressing teacher supply and workload. Discussing the shape of the claim with members at the start of 2018 when secondary teacher supply pressures will be in the public eye will facilitate this.

6.4. The process for finalising the claim for the 2018 STCA round will be that the executive will propose a draft claim to recommend to members. Regions will hold paid union meetings (PUMs) in the first term of 2018 to consider this claim. Following the PUMs, branches will hold meetings in the first or early second terms to decide whether they will endorse the executive's claims. At these meetings, members will have an opportunity to propose new minor claims which must be relevant to either teacher supply or workload, and also meet the criteria of being relatively simple to negotiate and not too exorbitant in cost. The executive will then select the most widely held and strategic of the minor claims to develop the final claim.

7. FROM THE CLAIM TO THE SETTLEMENT

7.1. The cost of a claim to seriously address both supply and workload will be very high and members should not underestimate the effort required to achieve significant wins here. The last settlement cost the government around $30-40 million extra in secondary teacher remuneration each year. Pay increases of considerably more than those achieved in the last three rounds, as well as extra non-contact time and other conditions improvements would make the cost of this claim significantly higher – into the hundreds of millions per year. PPTA has achieved wins of this magnitude before, but only after considerable industrial action, including strikes. We will need a strong membership commitment to achieving these claims and a willingness to undertake significant industrial action.

7.2. Like with all wins that PPTA achieves, we are better placed if we are not the only ones making the case for us. At the moment principals and education leaders are talking about the importance of significant improvements to teacher pay and conditions, which is a hopeful sign.

7.3. Messaging for the 2018 - 2019 teacher claims to appeal to the wider public will be very important. Talking about how hard teachers work and how underpaid we are may be unifying for our members, but won't be the sort of message that will appeal widely to the general public. The messages we send to the public will need to be focused on students having great teachers who are properly trained, supported and able to have the time to do their jobs well.