



## PSPA: analysis of union-only benefit values

**Date:** 30 November 2022 **Security Level:** SENSITIVE

**Minister:** Hon Chris Hipkins, Minister for the Public Service  
Hon Grant Robertson, Minister of Finance

**Report No:** 2022/0310

**Purpose** This paper responds to your request for information about union-only benefits in the context of a Public Service Pay Adjustment (PSPA) offer.

**What are union only benefits?** Union only benefits in the public service have usually taken one of two forms: a lump sum payment to union members only or remuneration increases being paid earlier to union members.

Other ways union members are supported in the public service can include higher, than the legal minimum, release time for union delegates so that they can undertake union activities, and other sector specific union benefits.

Over time union-only lump sum payments have varied in value reflecting differing economic circumstances, average duration of settlements, and bargaining contexts (for instance, a higher figure may reflect a particular effort in a work programme or the buying out of an entitlement). That said, the overall trend is for them to be of small to modest value and, at times, they have been uncommon.

As shown in the table below (which just shows public service outcomes), fewer collective agreements have settled with high total union-only benefits in recent years. Since pay restraint was introduced in 2020, total benefits below \$500 have been most common. The two large union-only benefits in 2022 were for the Corrections Association of New Zealand and the Public Service Association (PSA) frontline prison staff and reflect a very difficult bargaining round and unusual context.

**Value of benefits over time**

Table 1 Size of total Union only Benefit	Year agreement ratified			
	2019	2020	2021	2022
0	2	3	5	4
0-500	1	6	11	3
500-750	7	5	4	3
750-1000	4	1	0	1
>1000	2	1	0	2

Table 2 shows the annual value of union-only benefits in recent years (annual value is determined by dividing the union-only benefit by the term of ratification in years). Few collective agreements have provided union only benefits with an annual value of \$300 or more in recent years. Under pay restraint annual values of around \$250 are most common. Higher annualised union-only benefits in 2022 were at Customs (which settled with a term of three years, at Department of Corrections as above, and an unusually short collective



agreement at the Ministry for Social Development for managers (the total value was \$150 but the annualised value is above \$300 due to the short term).

Table 2	Year of Ratification			
	2019	2020	2021	2022
Annual value of union only benefit				
0	2	3	5	4
0-150	0	0	1	0
150-300	5	7	13	5
>300	9	6	1	4

Prior to 2018, union-only benefits were infrequent and where they did exist, tended to be a small, delayed pass on. A focus on monetary payments returned in 2018 and as shown above, values rose through to 2020 where they peaked above \$1000 in a small number of cases. As noted in Report 2020/0161<sup>1</sup>, these payments were high and inconsistent with the overall climate of pay restraint. As pay restraint came into play in 2020 the value of union-only benefits corrected back to \$200-\$350 as shown above.

As an example of the change, the collective agreement between the PSA and the Department of Conservation (covering most staff) settled in 2019 with a union only payment of \$1,200 (annual value just over \$600). This was an outlier at the time. When the agreement subsequently settled in 2021 the total value was \$250, and an equivalent annual value of \$150.

The tables show payments made in the core public service only, it should also be noted that a \$1,500 lump sum payment was provided the 2019 sector settlements for teachers and principals.

9(2)(j) prejudice to negotiations  
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This can be done by ensuring that:

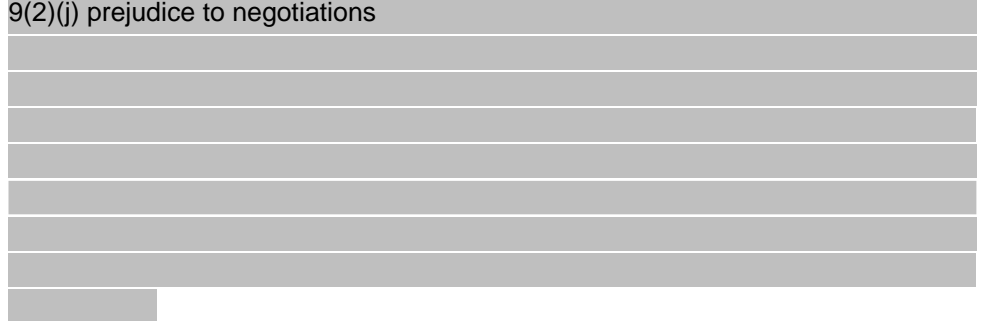
- Any union-only benefit is available to members of all unions and not only those affiliated to the New Zealand Council of Trade Unions' (NZCTU). This has been made clear to unions in the PSPA process and while not its preference, we expect would be accepted by NZCTU affiliates if the rest of the offer meets at least some of their expectations.
- By ensuring that any union-only benefit is carefully worded on the face of the offer and that offers are visible to non-union members. This requirement to include union-only benefits in the collective agreement itself (rather than in the terms of settlement) and to limit them to recognising the benefit of a collective agreement or the benefits arising out of the relationship on which a collective agreement is based is consistent with s9(3) of the ERA.

**Application to the PSPA**

<sup>1</sup> Joint Te Kawa Mataaho / Treasury Report: Update on the Public Service Employment Relations Environment – September 2020 [2020/0161, T2020/3199]



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- 9(2)(j) prejudice to negotiations



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**Manager**

Sarah Borrell, Chief Advisor, Employment Relations Policy, Public Sector Pay Adjustment Taskforce, 9(2)(a) privacy