

# TEU advisory on collective agreement and employment rights

5 May 2020

Over the last few weeks, a range of comments have been made in the media about measures needed to ensure the financial viability of the sector. In some institutions proposals to cut the pay and/or hours of staff have been advanced. The comments and proposals cut across the employment rights of all working in the tertiary education sector.

**It's important we stand united - tū kotahi, tū kaha - to defend the rights of all workers in tertiary education.**

## **Your rights are in force under COVID-19 conditions**

None of your rights as set out in the Employment Relations Act or in your collective agreements have been waived because of COVID 19. All employers must act in good faith and no changes to your terms and conditions can be implemented without consultation and, in most cases, your agreement.

Please do not feel pressured to make any changes to your terms and conditions of employment, including your pay or hours, and contact your organisers (all details are at [teu.ac.nz](http://teu.ac.nz)) to discuss any concerns you may have.

## **Current position in universities, ITPs and Wānanga**

It is important to note that all public tertiary education institutions continue to be funded directly from the Government and therefore are not eligible for the government wage subsidy scheme. As a result, all members have continued to be paid as normal. For those TEU members working in private training establishments (PTEs), the wage subsidy does apply. Please contact the organising team if you have any issues around pay and conditions – [teu@teu.ac.nz](mailto:teu@teu.ac.nz).

To date in public tertiary education institutions (TEIs) there have been no cuts in hours for permanent staff or fixed-term staff. However, there have been issues about some fixed-term appointments being reviewed and for casual/hourly paid staff's on-going employment and we are assessing their employment rights. If you are currently experiencing issue with your fixed-term or casual/hourly paid appointment contact [teu@teu.ac.nz](mailto:teu@teu.ac.nz)

**Tū Kotahi, Tū Kaha – Standing together**

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While no cuts have occurred, some members, chief executives, and vice chancellors have raised the issue of taking voluntary pay cuts following the announcement that the Prime Minister and State Sector Chief Executives are taking a 20% pay cut.

Some TEIs have released proposals that would affect terms and conditions such as:

- Four day weeks, nine-day fortnights, cuts in casual hours, changes to fixed-term appointments, requests to use annual leave, and calls for voluntary severance or enhanced voluntary retirements.

### Tū Kotahi | Standing together against cuts

We must oppose proposals where an employer seeks to make changes or cuts to members' terms and conditions as we would in any good faith collective bargaining situation. We must stand together because any individual institution's decision to make cuts of any kind would impact the TEU membership nationally.

Branch presidents, local and national reps, and TEU organisers are committed to ensuring that we defend employment rights and conditions across the sector, and they know this is only possible if we have a united position. They need your help to make this happen.

The decision to stand firm is supported by TEU's Branch Presidents who met by zoom last week.

The reasons are:

- **The government has made the commitment to funding and supporting public services** (see more on this with regard to the tertiary education sector below), and to keeping people in public sector jobs;
- **Workloads have increased significantly, not decreased.** Tertiary education staff are working exceptionally hard right now to make sure the sector is operating;
- Any pay cuts or changes to your employment conditions will impact on your entitlements such as annual leave, kiwi saver and redundancy payments;
- **Employment law is in force.** That means institutions must go through a management of change/staffing review process as per the collective agreements and the Employment Relations Act in the future;
- **The demand for staff in TEIs will increase in the coming few years as higher unemployment causes an upsurge in enrolments. It is vital the sector retains capacity and that institutions do not make any employment changes at this stage.** As Education Minister Chris Hipkins told Radio NZ, any measures of this kind would be 'premature'.
- **There is no evidence to support the notion that taking a cut in pay and conditions will ensure the financial health of institutions;** and,
- The State Services Commission has issued guidelines to Crown Entities (which includes public tertiary education institutions) setting out the key principles in the approach to pay restraint and they have clearly stated that *"the voluntary pay reductions agreed by chief executives will not be extended beyond the chief executive level, nor will they be requested of staff below that level"*.

## Stand together against voluntary severance & voluntary retirement

We must also oppose any calls for voluntary severance or voluntary retirement unless these proposals are part of a staffing review/change management process. **There must be a genuine consultation process as per the collective agreements and the Employment Relations Act to determine whether there is a genuine need to reduce staffing positions. Only when that is established will these options apply.**

## A quick overview of the financial position of TEIs

**The government has made funding changes which guarantee institutions their funding for 2020 at the level agreed in the investment plan process.** In normal years if there is under-delivery or underperformance in terms of enrolment and other targets set in an institution's investment plan, institutions have to pay back some of the funding allocated to them under that plan.

**The Tertiary Education Commission has decided there will not be any of these 'clawbacks' in relation to 2020 investment plans.** Clawbacks currently being imposed in relation to 2019 plans will continue – but the funds collected will be re-allocated to tertiary education institutions where they are needed most for survival this year.

**Further, our institutions do not need to meet the 3% surplus required in most years by the government.**

All TEIs have lost revenue from international students and some research funding has stopped which will impact on the current financial position of institutions. However, **institutions have the government's backing and in most cases there are reserves to buffer the revenue losses at this time.**

To ensure we keep you up to date on the financial position of the tertiary education sector, TEU's national president and staff are talking regularly with all Chief Executives and Vice-Chancellors, with the Tertiary Education Commission, and the Minister of Education. We have called for a sector wide plan for ensuring that public tertiary education continues to be able to provide lifelong learning opportunities to all New Zealanders. And we will continue to push for stable funding and a collaborative policy approach to ensure the longer term financial impacts of the COVID-19 pandemic are minimised as much as possible.