

The PSA model pay system

Most pay systems used in the public service, local government and crown entities are inherently unfair and detrimental to performance and productive workplace relationships.

They have been designed to give employers almost total control over pay and to bypass collective bargaining.

By contrast, most union members in the wider state sector collectively bargain their pay. It's fairer and has led to better pay outcomes for public health and education workers.

The PSA model pay system is in tune with our agenda – Democracy at Work – that promotes decent pay, democratic, high-trust workplaces, and a high-performing public sector.

It provides a good framework for collective engagement and effective performance management able to build on individual strengths, give timely feedback, and promote career development.

The principles of a good pay system

It's fair

- Members are comfortable with relative rates of pay between different jobs and the way they are decided.
- Pay increases are collectively negotiated and applied across the scale so everyone benefits.

It's equitable

- Men and women are paid the same for work of equal value.
- The needs of lower paid workers are factored into pay negotiations.
- The gap between the top and bottom rates is not seen as excessive.
- Pay rates do not discriminate on the basis of race, gender or other irrelevant factors.

Employees are valued

- Employees feel fairly paid when they look at the pay for similar jobs elsewhere.
- Costs such as the CPI are taken into account in determining pay increases.
- Pay rates are sufficient to attract and retain staff.

Continued overleaf

The main features – a summary

Pay is collectively bargained

The pay scales and salary progression system are included in the collective agreement and subject to bargaining and ratification by union members.

Market rate surveys

These don't determine pay but may be a source of information which is considered alongside other sources of information such as the Consumer Price Index.

Starting salaries

Starting salaries are equitable and based on clear criteria around the relevant skills, qualifications and experience of new appointees.

Pay bands

Pay bands cluster jobs of similar size and complexity based on the Equitable Job Evaluation System and contain clear progression steps.

Each band overlaps with the next to reflect overlapping skills and responsibilities and encourage movement to higher roles.

Progression

Progression from one step to the next is on an annual basis, subject to satisfactory performance.

Professional development

Appropriate professional development is provided to equip employees to advance through acquiring new skills and competencies.

The principles of a good pay system *continued*

It's transparent

- The way pay is determined and how workers are paid in relation to each other is open and understood.
- Pay is not secret; employees can assess for themselves if they are being paid fairly.
- Pay scales with clear progression steps are collectively negotiated and published in the collective agreement.

Employees have ownership

- Pay is in the collective agreement and only changed with the agreement of union members.

It's sustainable

- The employer can afford it.
- Pay is straightforward and easy to administer; it does not consume hours of time in administration and individual assessments.
- Employees do not spend a lot of time worrying and talking about their pay.

It supports career development

- Individuals can progress within the salary bands.
- It provides for progression to more senior or complex jobs.
- It is supported by professional development to equip staff to apply for more senior or complex jobs.

It provides certainty

- People can see the pay scale, where they fit in it, and how to progress.
- Progression is based on satisfactory performance: employers can't pick or choose who should or should not move to the next step.

More information

Bargaining for decent pay, decent workplaces: the PSA public sector bargaining strategy.

Your right to bargain your pay

Performance pay has had its day

A better and fairer way: common employment provisions

Organising for a democratic workplace

The resources are on the PSA website – www.psa.org.nz

Hard copies are available from the PSA:

Freephone 0508 367 772

Email enquiries@psa.org.nz



To order PSA publications:
Phone 0508 FOR PSA (367 772)
Email enquiries@psa.org.nz

Online www.psa.org.nz/public_sector_bargaining.asp

