

Annual Report 2010–2011

PSA
Te Pūkenga Here Tikanga Mahi

Introduction

This Annual Report is a snapshot of the union's activities for the year. We continue to operate in a political environment that is not only hostile to unions but also unsympathetic to the public sector, seeing it as a drain on the country rather than an investment in our future.

This year also saw the further erosion of worker rights with the passing of employment laws that allow any new worker to be unfairly dismissed within 90 days and restrictions to union access in the workplace.

The Budget, in May, signalled more public sector job cuts and loss of services even though our government debt is one of the lowest in the OECD.

Despite these difficult times, the PSA made considerable progress over a range of areas.

In bargaining we continue to achieve worthwhile settlements for our members. Flowing on from the breakthrough settlement with the Ministry of Justice, last year, we have achieved significant settlements and improvements in pay systems with Inland Revenue and other departments.

In support of our low paid members in disability support we were involved, along with the Service and Food Workers Union, in successful legal proceedings that saw sleepover shifts recognised as work that should be paid at the minimum wage for each hour worked. A resolution of this issue is still some way off as the Government is appealing the case at the Supreme Court.

As a union we remain in good heart. At Annual Members' Meetings this year more than 400 new delegates were elected, evidence of renewed interest in union activism.

Over the past year we have been striving to work more effectively and to exert greater influence with government and employers. A new sector structure, overwhelmingly endorsed by Congress last year, has been implemented and will improve the way we work as an organisation. To guide our progress we have developed a PSA Strategic Plan 2011-2020 with key aspirational goals for the medium term.

We also continue to make progress with our information systems strategic plan. Video conferencing has been installed in all our major offices, allowing for faster and cheaper communications both internally and with outside organisations.

Overshadowing our work this year has been the on-going tragedy of Christchurch. The PSA is doing its best to support our Christchurch members who continue, in difficult circumstances, to demonstrate through their work the critical importance of strong public services.

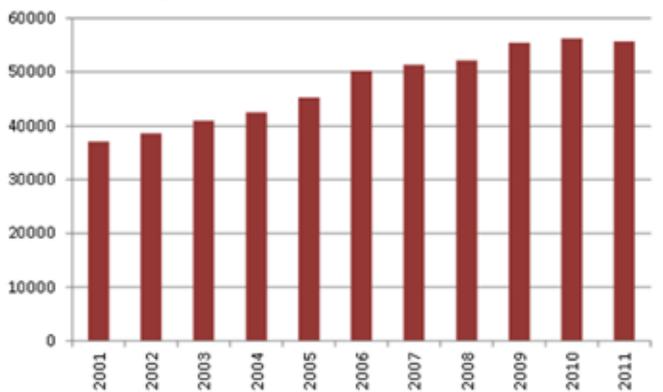
Paula Scholes
PSA President



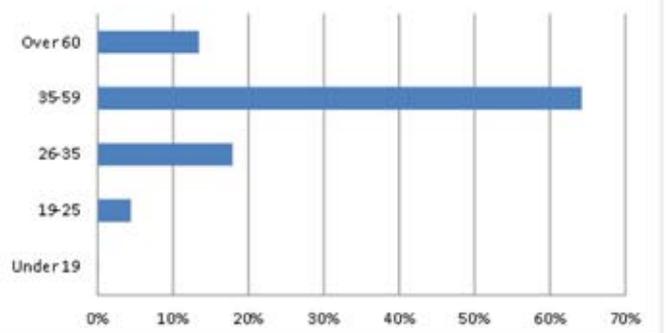
Membership snapshot

The PSA has experienced a decade of steady growth but it was inevitable that the loss of over 2,000 public sector jobs would eventually be reflected in our membership statistics. In June 2011, membership stood at 57618 which represents a 0.98 percent decrease in membership over the year. Māori make up 10 percent of our members and women over two-thirds.

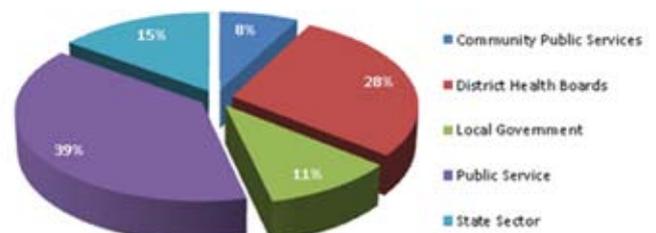
Membership growth 2001-2011



PSA membership: age bands



PSA membership by sector



Networks

The PSA Rules provide for networks to bring together members from different sectors to pursue common objectives. The Women's Network, PSA Youth, PSA Pasefika and Out@Work have been formally recognised by the executive board and there are also networks of members interested in public sector ethics and in sustainability.

Women's Network

Nearly 50 members took part in the first Women's Network meeting held in May which discussed issues such as career progression, pay, bullying and flexible working hours. The meeting was also an opportunity to discuss the findings of the survey of PSA women in the workplace. The survey, carried out by Victoria University of Wellington in association with the PSA, is the most comprehensive study of women in New Zealand's public services to date. The findings will inform the PSA's strategic planning, bargaining strategies and policy development.



PSA Youth

Two young union leaders' workshops were successfully delivered to members in Auckland and Wellington. PSA Youth has its own Facebook page, organises social activities and held a successful logo design competition. The network is campaigning against the introduction of youth rates.

Out@work

PSA Out@work members took part in a two-day conference on human rights, which was part of the Asia Pacific Outgames held in Wellington in March. Over a thousand gay, lesbian, intersex, takataapui, transgender, fa'afafine fa'afine and bisexual people (collectively known as Glittfab) from around the world took part.

Te Rūnanga o Nga Toa Awhina

Te Rūnanga o Nga Toa Awhina, the voice for Māori PSA members, meets three times a year. In July a joint sector hui was held in Auckland. Committee elections were held with some sector positions being contested and all positions filled, an indication of growing interest in, and commitment to, Māori involvement in the union. Key goals for the Rūnanga are to increase participation by Māori members at all levels within the PSA and strengthen our networks through new forms of communication such as social media.

PSA Strategic Plan 2011-2020

A strategic plan has been adopted. It sets out a number of aspirational goals for outcomes for PSA members. In the nine years leading up to 2020 the PSA will be putting in place actions plans to:

- close the gender pay gap within the coverage of the PSA.
- assert influence at national, sector and enterprise levels that comes from a high membership and through collective action (including high density within key organisations), and effective union organisation and advocacy.
- transform our members' workplaces to provide good jobs and improved services in a high trust, high performance workplace culture.
- reform the public sector. The value of public services and publicly funded services will be recognised by the public, political parties, employers and commentators.

Sustainable work systems

Sustainable Work Systems, the PSA's strategy to promote high performance workplaces through union members' involvement in decision-making, is gaining momentum. Successful pilot programmes are underway with Bay of Plenty and Waitemata district health boards and a further pilot is in progress in Counties Manukau district health board. Auckland Council has also signed up to the trial. Resources are now being developed and other public sector employers are being invited to trial the system.

Development Review

Supporting delegates in their role as workplace leaders is a core organising strategy for the PSA. The executive board asked for an external review so that we could identify improvements in delegate and leadership development. Implementation of some enhancements to the current system is now underway. There will be a greater focus on ensuring new delegates receive a consistent induction and orientation to the role, and the training programme will move to a greater mix of ways of delivering training, including online learning.



Bargaining

Continuing budgetary constraints, job cuts and restructuring have created a challenging environment across the public sector. The PSA has still taken a determined approach to bargaining for fair pay and better conditions for members and made significant gains. The Ministry of Justice settlement last year in which we achieved step-based salary progression has influenced similar settlements in other departments and now most of the larger government departments have step-based salary progression within their collective agreements.

The campaign for better pay has been protracted in ACC, where the PSA is seeking facilitated bargaining. At Housing New Zealand Corporation an agreement was finally ratified in April, bringing to an end two years of industrial action.

Steady progress continues to be made in the health sector since multi-employer collective agreements were negotiated for the first time last year. Members in district health boards have agreed on a bargaining framework with other CTU unions representing 45,000 health workers for the next round of negotiations.

In the Community Public Services sector we managed to renew our collective agreements in a difficult bargaining environment where the necessary government funding is restricted. We have made some progress building our membership in some targeted social service providers which should enable us to commence bargaining for new collective agreements.

In local government the most significant settlement was the successful negotiation of a collective agreement to cover our members employed by the new Auckland Council. Part of the settlement involved a commitment of the parties to develop a new pay system and this work is being progressed during the term of the new agreement. Elsewhere in local government collective agreements continued to be renewed, often involving a pay increase in the 2 to 3% range.

Change management

Mergers and restructurings continue to create uncertainty for many workers in the public sector, prompted by the government's announcement of nearly \$1 billion to be cut from public service budgets in the coming years. In local government, a number of authorities are looking at the possibility of merging following the establishment of the Auckland Council. The Local Government Commission has made recommendations on a proposal to merge the Nelson and Tasman councils.

The biggest merger over the past year was the amalgamation of eight Auckland local authorities into a single Auckland Council. The PSA played a pivotal role in the smooth transition to the new council. The Report of the Auckland Transition Authority noted that a "key foundation of the change process was the establishment of a good working relationship between the Transition Agency and the relevant unions, particularly the New Zealand Public Service Association... Overall, the Transition Agency was very impressed with the professionalism shown by the unions and the support they provided to staff during the change process."

Change management continues to be an important focus for the union and the Change Management Toolkit has been substantially revised as an online resource for organisers to support members during the process.

Sector changes

At Congress 2010, delegates voted overwhelmingly to change the sector structure of the PSA to better reflect how the union operates. The new sectors are: public service, district health boards, local government, state sector and community public services. At cross-sector meetings in November sector procedures were drafted. With procedures now confirmed by the Executive Board, new sector committees were set up after the election of committee members in July.

Annual Members' Meetings

Every year PSA members have the opportunity to have their say about how the union is run in their workplace, review progress and plan for the year ahead. This year's meetings were particularly successful with more than 400 new delegates elected in the general biennial delegate elections. In addition to the discussion on workplace issues, members were also briefed on the PSA's campaign for strong public services in the upcoming general election.



Campaigns

PSA election campaign

The PSA is running a strong campaign to stand up for public services and the people who deliver them. We have registered as a third party promoter under the Electoral Act.

The aim of the campaign is to change public opinion about public services and reduce the government mandate for further cuts and asset sales. We aim to create debate about how public services help grow the economy and remind people of what we all stand to lose if the government continues to make cuts.

As part of the campaign, the PSA has been speaking to as many groups and individuals as possible to get our message heard, including at community forums in Auckland, Hamilton, Wellington, Dunedin and Invercargill and other smaller centres.

In April all delegates who signed up at the Working for You website were invited to become active in the union's election campaign. Working for You has now been absorbed into the PSA election campaign. Over 280 Working for You activists have volunteered to work on the election campaign and are taking part in after-hours training workshops. The campaign was officially launched on August 2 and advertisements are currently appearing in magazines, on billboards and at bus stops in Auckland and



Wellington. The campaign is supported by a microsite www.KeepNZworking.co.nz with key facts and stories about PSA members and the important contributions they make.

Up Where We Belong

The PSA continues to campaign for better funding for health and disability services and decent pay for staff in the sector. Together with the Service and Food Workers Union (SFWU), the PSA is actively pursuing ways to get workers paid the minimum wage for sleepover shifts and is negotiating with the government and service providers.

We could have avoided **89,000** leaky homes if we'd used a bit more of **this.**



In all the talk you hear about red tape, it's easy to forget that New Zealand is – according to the World Bank – the third easiest country in the world in which to do business. Sometimes a bit of red tape is just what we need. Deregulation and the erosion of public services invite disasters like leaky homes and finance company collapses. Sensible regulation and strong public services protect businesses and the public alike. When you vote in November, use your voice in support of public services. **Public services keep New Zealand working**

MEMBER OF THE PSA 12 000000 100 0000000

keepnzworking.co.nz



New Zealand's public services are a long way from the flabby over-stuffed myth of popular imagination. Further cuts will damage, not improve efficiency. When you vote in November, use your voice in support of public services. **Public services keep New Zealand working**

MEMBER OF THE PSA 12 000000 100 0000000

keepnzworking.co.nz

Christchurch

The major earthquakes in Christchurch on 4 September 2010 and 22 February 2011 were a tragedy and an on-going disruption of normal life for the people of Canterbury. Many members had damage to their homes and their workplaces were destroyed or declared unsafe, forcing them to work in temporary or makeshift offices. Nevertheless, members in the region responded magnificently to the crisis, keeping public services going in the most trying of circumstances. The PSA office (below) was damaged in the September quake but staff continued to support members by working from home. The office was further damaged in February with the building subsequently being declared unsafe. Our new office has now been opened at 521, Blenheim Road in Sockburn.

The PSA executive set up a hardship fund to the fund to assist Canterbury members who suffered a loss of earnings because of the earthquake. The fund received generous donations from

several overseas unions: the Community and Public Sector Union in Australia, the global union federation Public Services International and the All-Japan Prefectural and Municipal Workers Union (JICHIRO).

Soon after the earthquake, the PSA offered Christchurch members the free use of holiday homes to give them a temporary respite. Many PSA members around the country who had made holiday home bookings generously gave up their bookings to make them available to Christchurch members. The PSA continues to support Christchurch with the offer of half-price stays in holiday homes during non-school holiday periods.

“Members’ Voice”, a new fortnightly email regional newsletter with up-to-date information about workplace changes and issues in the Canterbury area, is proving popular with members.



Left: the building housing the PSA office in Christchurch being demolished. Right: the interior of the PSA office with records and files still on the shelves as the wrecking ball hit.

Legal Representation

The PSA legal team provides legal advice and representation in legal proceedings. While most matters are resolved with the employer or at mediation, below is a snapshot of some cases which have resulted in litigation in the last year.

The Sleepover Case

The PSA, along with the SFWU, was involved in successful legal proceedings that saw sleepover shifts recognised as work that should be paid at the minimum wage for each hour worked. The employers have lodged an appeal with the Supreme Court which will be heard in September 2011.

90 Day Trial Periods

The PSA was successful in winning a case of a worker who was dismissed under the 90 day trial period. The Employment Court ruled that there were grounds for a personal grievance

for unjustified dismissal. This is now the leading judgment on the use of trial periods which continue to be of concern given the removal of personal grievance rights for employees.

NZDF Annual Leave

The PSA successfully won a claim for annual leave to be re-credited for members employed by the New Zealand Defence Force.

Facilitation

The PSA has successfully sought facilitated bargaining through the Employment Relations Authority to assist with bargaining between ACC and the PSA. This is the first attempt by the PSA to gain facilitation to assist in bargaining and will be a useful test of this mechanism where the parties are having serious difficulties in the bargaining.

Communications

The PSA continues to develop its social media tools to get messages to members in new and innovative ways. Our Facebook page is proving popular, and the PSA Youth network has established its own Facebook page. The website continues to be the hub of our electronic communications. Local government members, in particular, are taking advantage of a home page with the latest news and information on their sector.

PSA Submissions

Over the past year the PSA made 12 submissions to select committees on a range of issues, from changes in employment relations to welfare reforms. The full text of PSA submissions can be downloaded from the PSA website.

Centenary Planning

The PSA celebrates its centenary in 2013 and planning is well underway to mark the event in a style that befits this important occasion. An oral history project has begun work and a book based on the oral histories has been commissioned. Artists and designers have been invited to take part in a competition to design and produce a PSA union banner which will be exhibited at the Museum of the City and the Sea in Wellington and later tour to galleries in other centres. Work is also underway in developing an interactive media-rich centenary website which will become a hub for the celebrations.



International

The PSA is an active member of Public Services International (PSI), a global union federation made up of more than 650 trade unions, representing more than 20 million workers who deliver public services.

In March the PSA was host to the PSI Sub-regional Advisory Committee (OSRAC) meeting in Wellington. Representatives from the Cook Islands, Fiji, Papua New Guinea, Samoa, Tonga and Vanuata and Australia attended. The two-day meeting featured a wide range of workshops and presentations from indigenous rights and tax to climate change and quality public services.

This meeting also allowed us to thank our Australian and PSI colleagues in person for their generous donations in support of our Christchurch members affected by the earthquakes.

Operational

Staffing

Currently the PSA employs 131 staff: 121 permanent staff and 10 on fixed terms (for projects and backfilling). Permanent staffing levels have increased by two with the creation of two new organiser positions. There are 87 organising staff and 44 strategy and support staff.

Over the year there were four retirements, four resignations, seven permanent appointments and nine fixed-term appointments.

Membership fees

The PSA executive board is required to review membership fees every two years with the power to make any adjustments to ensure the union maintains services and a sound financial basis. To meet the additional costs of inflation and the GST rise fee, increases of between 10 cents and 60 cents a fortnight were introduced in March 2011. The current fee band is:

| | |
|----------------------|---------------------|
| Under \$17,000 | \$3.70 a fortnight |
| \$16,000 to \$34,000 | \$7.40 a fortnight |
| Over \$34,000 | \$14.80 a fortnight |

Information systems

The PSA has adopted the 2010/2013 information systems strategic plan. A replacement finance, payroll, HR and budgeting system was completed to schedule and went live before the budgeting round at the end of 2010.

The planned video conferencing upgrade has been completed and now all major offices are connected. The video system also links to external organisations and has been successfully used with MSD, MAF, Education and the Health Service.

A new secure network has been implemented allowing members to connect to the internet wirelessly when in PSA offices and a laptop and mobile phone replacement project is currently underway.

Financial

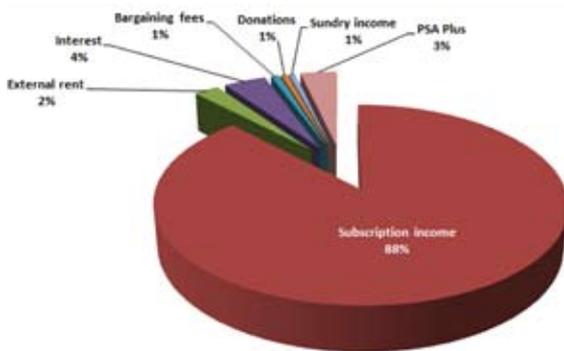
The report of the treasurer and the audited financial statements are published as a separate document.

The treasurer reports that the union is in a sound financial position having a balance sheet where assets are six times greater than its liabilities.

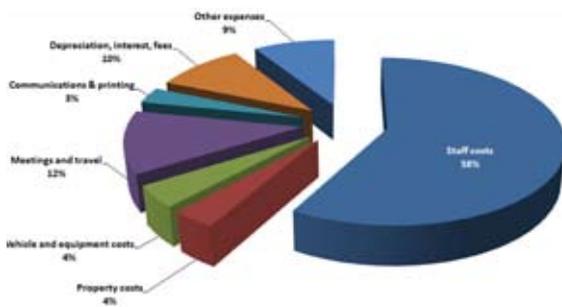
The union's stable membership ensures that the PSA can continue to operate effectively and plan for the future.

In addition to income from membership fees, the union receives revenue from property rentals, interest on investments, PSA plus initiatives and bargaining fees. The recent trend of low interest rates is expected to continue to give modest investment returns in the future.

Income:



Expenditure:



Sustainability

This year, the PSA has refreshed its environmental drive. We have a new list of 10 priorities for the next 12 months, including initiatives like reducing printing, installing more recycling bins and developing an environmental events plan for people organising conferences.

On top of that, the PSA has decided on 10 longer-term initiatives, including improved energy reporting, a capital plan to help us decide on major environmental improvements to buildings, and a new procurement policy setting out the weighting for green measures. In addition, the staff sustainability committee is introducing regular environmental email updates to staff.

The union is seeking long-term reductions in its resource use by making regular use of its teleconferencing facilities, now installed in all its major offices around the country. This year's Annual General Meeting is being conducted by video conferencing.

Resource use

| | 2008 | 2009 | 2010 | 2011 |
|------------------------------|---------|---------|---------|---------|
| Vehicles (litres of fuel) | 91,697 | 90,715 | 94,514 | 85,674 |
| Vehicles (tonnes of CO2-e) | 245 | 243 | 253 | 229 |
| Air travel (tonnes of CO2-e) | 309 | 300 | 264 | 294 |
| Electricity (kWh) | 427,666 | 459,264 | 490,031 | 402,202 |
| Natural gas (M3) | 636 | 8,539 | 10,189 | 9,844 |

Note: 2010 data is for the period 1/4/2009 - 31/03/2010

Financial sustainability

| | 2008 | 2009 | 2010 | 2011 |
|--------------------------------------------------|--------|--------|--------|--------|
| Ratio of reserves to operating cash requirements | 83.96% | 84.35% | 92.78% | 86.35% |
| Ratio of current assets to current liabilities | 6.4:1 | 6.2:1 | 6.4:1 | 6.8:1 |
| Ratio of total assets to total liabilities | 5.4:1 | 5.5:1 | 6.2:1 | 6.1:1 |

Membership sustainability

| | 2009 | 2010 | 2011 |
|-----------------------------------|-------|-------|-------|
| Delegate to member ratio | 1:18 | 1:17 | 1:17 |
| Number of training days delivered | 237 | 192 | 150 |
| Female to male (%): | | | |
| – Members | 69:31 | 69:31 | 69:31 |
| – Delegates | 60:40 | 60:40 | 61:39 |
| – Governance | 48:52 | 41:59 | 49:51 |

Note: Delegate training days for 2010 do not include enterprise specific training. The reduction of delegate training days for 2011 is due to cancellations in Christchurch as a result of the earthquakes.

Staff sustainability

| | 2009 | 2010 | 2011 |
|---------------------------------------------------|------|------|------|
| Staff with a career development plan in place (%) | 61 | 46 | 90 |
| Staff turnover (%) | 6.6 | 3.3 | 7.3 |
| Staff in retirement savings schemes (%) | 82 | 88 | 87 |
| Take-up wellness payment (%) | 77 | 62 | 81 |
| Days lost through sickness (%) | 3.7 | 3.4 | 2.3 |