**Effects of Centralised Wage Bargaining**

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## Introduction

Productivity and sustainability have been buzzwords of the New Zealand political conversation for years. Despite all the talk, however, there is still no consensus on the basic approach needed to create, let alone enhance, productivity and sustainability. The perpetual political contest between regulatory or deregulatory approaches continues as strongly as ever.

New Zealand's previous centre-left Labour-led coalition government exhibited a strong preference for a regulated approach to the economy generally and, in particular, the labour market. It had just begun returning New Zealand to a more centralised way of determining wages and conditions of employment when the present centre-right National-led coalition government was elected in 2023.

Labour's approach was in stark contrast to the prior last National governments which, other than continuing a tradition of adjusting the minimum wage on an annual basis, tended to stay clear of direct intervention in the setting of wages and conditions at any level.

This article looks at the pros and cons of labour market regulation, with specific reference to the effects of centralised versus enterprise level collective bargaining. It suggests that national or industry-based approaches to collective bargaining are more likely to be economically damaging than deregulated or enterprise level approaches. The conclusions therefore support a minimalist approach to labour market regulation.

## A short history[1]

New Zealand's regulation of labour relations dates from 1894, with the introduction of the Industrial Conciliation and Arbitration Act 1894. Since then, New Zealand has experienced several distinct phases of labour relations and related government intervention in the labour market.

Between 1894 and 1987, employment conditions were established through a system of occupationally based awards bargained for at national level. Settlements in award negotiations were supplemented by legislated national wage orders, cost of living increases and the like.

Rising inflation in the late 1970s and early 80s led to the then National government imposing additional regulatory controls, the most extreme of which were the Wage Freeze Regulations 1982, established under the auspices of the Economic Stabilisation Act 1948. As their name suggests, the Wage Freeze Regulations capped wage growth (but not expectations). Upon their removal in 1984, wages increased by an average 20%.

Following New Zealand's near economic collapse in 1983, a landslide victory brought the 3rd Labour government under David Lange to power in 1984.

Under the economic leadership of finance minister Roger Douglas, the government removed the regulatory controls on wages, devalued then floated the New Zealand dollar, revoked controls on interest rates, abolished many indirect taxes, reformed the public and education services and privatised major state enterprises.

In 1987, with the introduction of the Labour Relations Act (LRA), the government began to reform the labour market, including permitting individual employers and unions to engage in enterprise-based bargaining.

[1] A comprehensive history is attached at Appendix 1

Perhaps tired of constant and major reform, New Zealanders elected a National led government in 1990. However, far from slowing the pace of reform, the new government continued Roger Douglas' economic reforms and introduced the most radical change ever to labour relations law.

The Employment Contracts Act 1991 (ECA) did away with national awards and legislative recognition of unions in favour of enterprise level bargaining, with a clear preference for individual employment agreements. Unions lost their unilateral right to bargain collectively.

The National government's tenure was marked by an almost complete absence of labour market regulation. However, after three parliamentary terms, the National party was voted out of power in 1999 to be replaced by the 4th (then 5th)Labour government, a coalition of the Labour, Green and other centre left minor parties.

The ECA was promptly replaced by the Employment Relations Act 2000 (ERA), which reinstated collective bargaining as the preferred form of contractual employment relationship. Unions once again received legislative recognition along with the unilateral right to represent employees in collective bargaining. Union powers to access workplaces and establish collective bargaining were enhanced. With relatively minor tweaks the ERA remains in place today.

In 2022 the Ardern Labour Government introduced the Fair Pay Agreements Act which effectively reinstated the pre-1990 Award system, albeit with a focus on industry or sectoral bargaining as opposed to occupational class bargaining. This was to exist alongside the ERA, with FPA settlements taking precedence where the terms were better than an existing agreement. However, no bargaining had taken place before the repeal of the FPA Act in 2023 by the incoming Luxon-led National/Act/NZ First coalition government.

Since 1999, many aspects of the labour market have been regulated, with particular emphasis on low paid and vulnerable workers. Paid Parental Leave was introduced then enhanced. The minimum adult wage has increased several times. Youth wages were all but abolished in favour of the Adult Minimum Wage, regulation limiting the ability of organisations to contract out the work of vulnerable workers was introduced, minimum holidays entitlements increased from 3 to 4 weeks per annum, and so on. The Working for Families package subsidised family incomes, taking into account numbers of children, while income-based rents for state housing and the government-subsidised KiwiSaver superannuation scheme were also introduced. All represent costs imposed on businesses.

**Collective Bargaining**

As already mentioned, prior to 1990, collective bargaining in New Zealand was based almost exclusively on national occupational awards. These covered mainly trades, technical and transactional jobs as well as lower paid occupations[2]. Managerial and professional jobs were generally subject only to common law.

The introduction of the Labour Relations Act 1987 enabled collective bargaining to occur at enterprise level for the first time, i.e. between one or more unions and only one employer. At the same time the third Labour government initiated and implemented massive changes in the public sector. Part of these changes involved the dismantling of the public service system of national occupational determinations and their replacement by enterprise-level collective agreements covering each department and organisation. The private sector followed suit 3 years later upon the enactment of the Employment Contracts Act.

The ECA replaced the private sector national award system with a system based on free choice of contract form and coverage. Within 2 years all but a handful of nationally based collective agreements had disappeared in favour of enterprise-level collective or individual contracts of employment. The few multi-employer collective contracts that survived were concentrated mainly in the public sector (doctors, nurses, teachers etc). The main private sector exceptions were (and still are) the Metals Agreement and the Plastics Agreement. Today, however, both are tiny vestiges of their award predecessors.

[2] See Appendix 2

The present Employment Relations Act 2000 has maintained the enterprise focus on collective bargaining, which has resulted in minimal change to the level of multi-employer bargaining seen under the Employment Contracts Act.

**Unions were affected too**

The changes wrought by the LRA and the ECA had a profound effect on unions. Overall union membership and the number of unions had been falling since the early 1980s. The decline only accelerated after 1987.

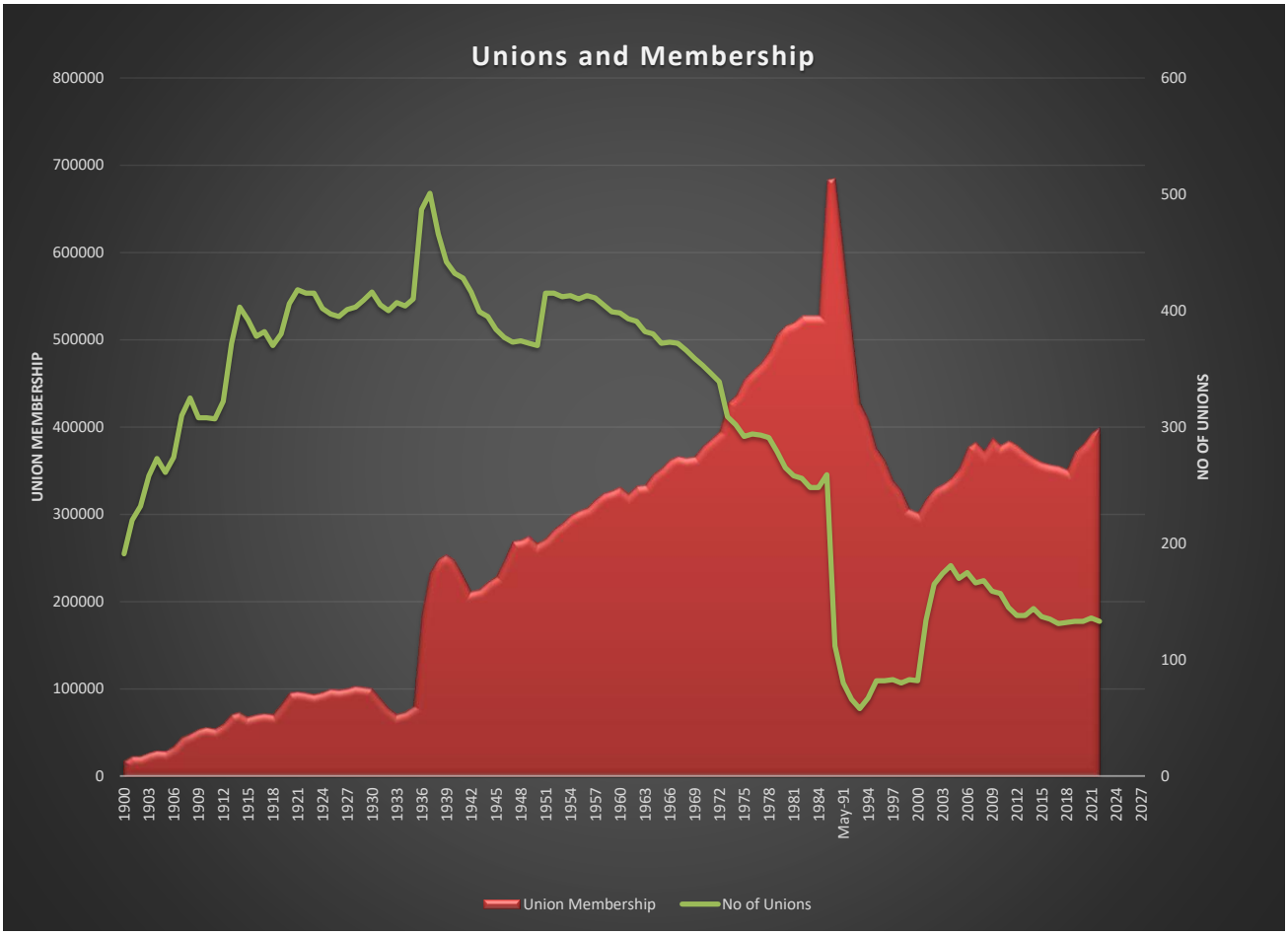
A significant reason for the decline was the sweeping reforms of the global economy created by globalisation. The removal or dilution of trade and tariff barriers and the opening of competition across international boundaries in the early to mid-1980s removed much of the union movement's traditional domestic leverage.

Historically, unions have tended to thrive in protected domestic economies and shrink in open economies. For instance, inside the safety of tariff barriers, employers brought to their knees by strike action could always recover losses by increasing prices since customers had no real choice but to buy local products. However, globalisation meant customers could shop elsewhere, leaving employers in the cold with respect to recovering losses. Thus, traditional strike tactics could easily result in a pyrrhic victory for unions by destroying the company their members were employed by. Due in large part to member perceptions of diminishing value, unions began to decline globally.

In New Zealand, this decline was accelerated by the Labour Relations Act in 1987 through the introduction of the "1000-member rule". Unions had to have at least 1000 financial members before they could be registered. This forced many amalgamations and closures.

Union numbers and membership continued to decline apace after 1991 under the ECA, the fall only being arrested upon the enactment of the ERA in 1999. Reintroduction of legislative recognition of unions and a preference for collective bargaining promptly boosted union recruitment (albeit this was temporary).

This was primarily as a result of the requirement that only union members could be covered by collective agreements. Employees previously covered by collective agreements outside of a union had to find a union to join. Many groups of employees formed their own union rather than join the more traditional mainstream unions affiliated to the New Zealand Council of Trade Unions (NZCTU).



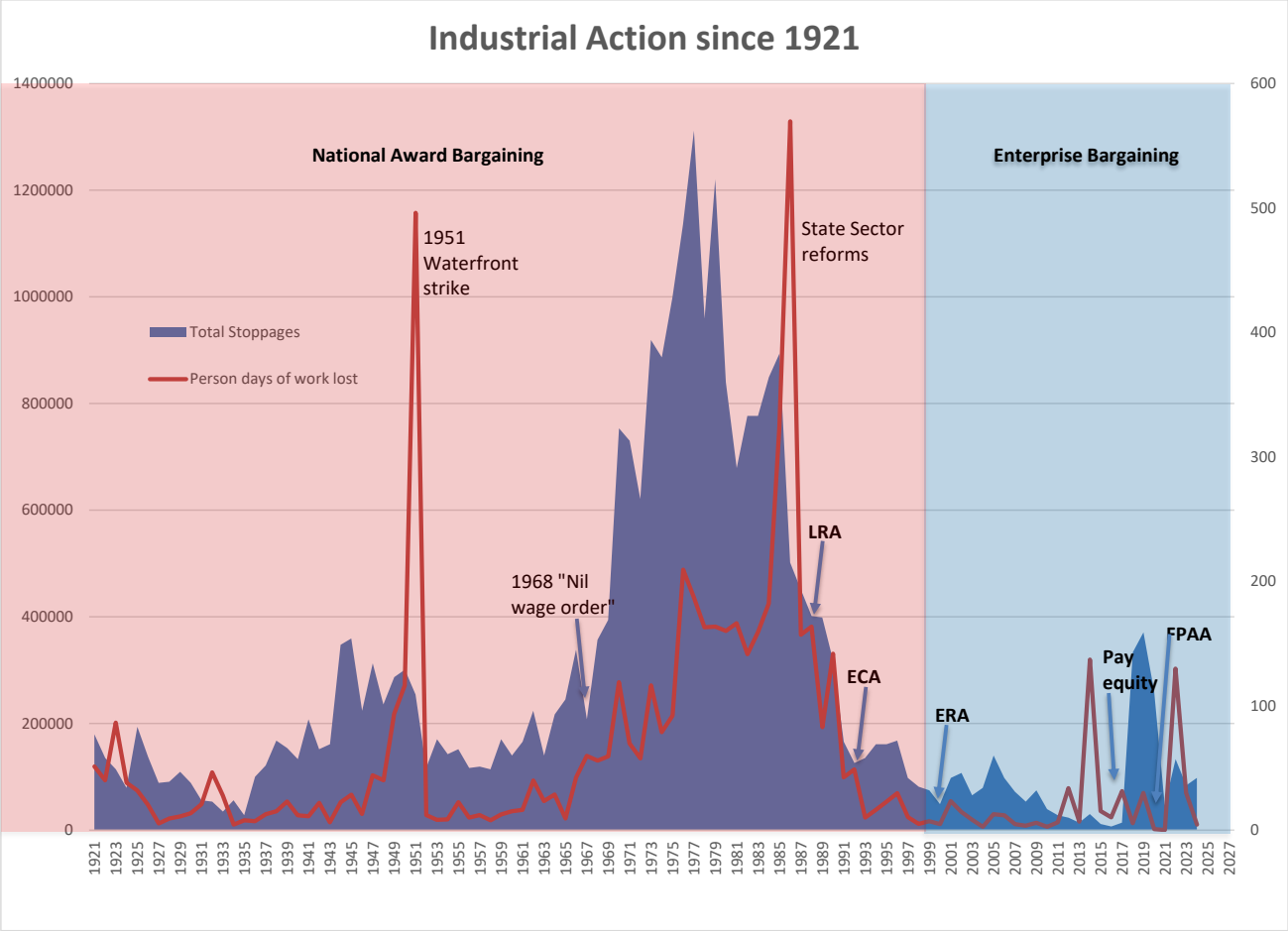

As can be seen in the graph above, union membership increased steadily in numerical terms between 1999 and 2008, then began to decline again, largely as a result of job losses during the Global Financial Crisis. However, overall union density (membership as a percentage of the workforce) declined gradually over the period, mainly as a result of increases in the national workforce in the period prior to the crisis. National union density currently stands at around 14%. This figure on its own is misleading however s it does not show sectoral density. Union density in the public sector is currently around 50% while coverage of the private sector hovers just under 10%. This phenomenon of unions increasingly concentrated in the public service is not unique. Similar proportionate coverage is evident in many countries including Australia, UK, and the USA.

**Strikes**

Strikes were common under the national award system, especially in the 1970s and 80s. The basis for collective bargaining settlements for much of this period was "fair relativity," meaning that once a couple of trend setting wage settlements had been achieved (the chief was the Metal Trades Award), other awards would be negotiated and settled based on a system aimed at preserving the relative value of different occupations with respect to each other.[3] Strikes were caused by not just the quantum of increase or changes to conditions, but arguments over whether traditional relativities were being maintained.

Under the award system unions were restricted in the work they could cover. Demarcation disputes between unions about which had the right to bargain for a given group of workers were also the source of many stoppages, albeit illegal at the time.

[3] Fair relativity was a proxy for the concept of pay equity since the relative "worth" of different occupations was a matter for bargaining in its own right.




The contrast between the profile of strikes under national award bargaining compared is stark. The total number of strikes fell markedly upon the introduction in 1987 of the ability to bargain collectively at enterprise level, and even further when enterprise level bargaining became the norm in 1991.

The number of person days lost over the same period followed an identical path. The exception proving the rule is the obvious spike in 1986, the direct result of massive state sector reforms. Tens of thousands of public servants were made redundant, and all state employment agreements revised. Huge protests took place but faded on completion of the reform implementation process.

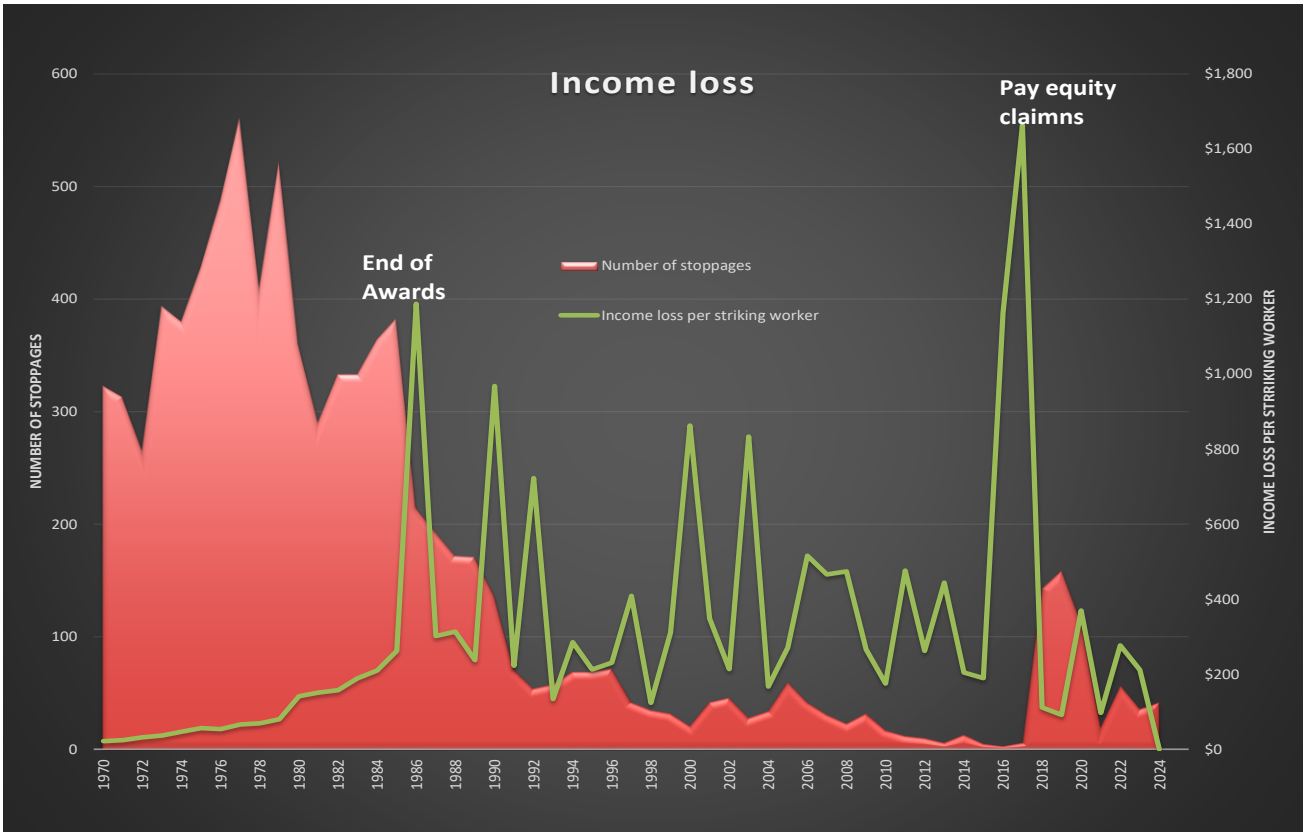
Of significance is the fact that there was no real change in the number of strikes when the union-friendly Employment Relations Act 2000 was introduced, lending support to the view that the form of collective bargaining rather than collective bargaining per se was a significant factor in strikes. In New Zealand, strikes are lawful only if conducted in pursuit of a collective bargaining (and in certain instances for reasons of health and safety). Thus, person days lost as a result of strikes are a proxy indicator of productivity under various forms of collective bargaining (since strikes represent productive work not done).

Lawful strikes can only occur in the context of collective bargaining. It is notable then that the incidences of highest strike activity coincide with multi-employer collective bargaining, including the introduction of pay equity claims in 2018.

**Number of striking workers has dropped too**

As numbers of strikes and person days lost have changed with the shift to enterprise bargaining, so too have the numbers involved in strikes and the income lost by striking employees (employees on strike are not entitled to be paid).

Again, there is a stark contrast between the pre 1987 national award-based collective bargaining era, and the enterprise-focused period following 1987.




This graph depicts average wage or salary loss per person involved in work strikes. Prior to 1987, awards generally covered trades, technical and lower paid occupations. Managerial and professional roles in the private sector were (and still are) almost universally excluded from collective bargaining coverage. Conversely, prior to the reforms of the late 1980s the state sector was almost universally covered (even CEOs) by national level occupationally classified industrial determinations (the state sector equivalent of awards).

As mentioned earlier, today around 50% of state servants are covered by collective agreements, compared with less than 10% of their private sector counterparts. Furthermore, collectively covered public servants include relatively highly paid professions such as policy analysts, teachers, doctors and nurses, whereas private sector collective coverage still tends to reflect the historical coverage of process workers, trades and transaction-based occupations, e.g., bank tellers and shop assistants.

The graph clearly shows the change in the profile of income losses following the introduction of enterprise bargaining in 1987. Under the national award system, relatively lowly-paid employees took frequent strike action. Since the introduction of enterprise level collective bargaining in 1987, the number of strikes dropped drastically but those striking have been relatively higher-paid employees. And these are mainly state sector employees, particularly in the health and education sectors[4].

As can be seen, strike-related income losses begin a cyclic profile around 1987. The peak in 1986 corresponds to the huge state sector reforms plus apparent uncertainty over the effects of the just introduced but not yet effective Labour Relations Act 1987. The next two years were relatively quiet years as the LRA bedded down and collective agreements typically were settled for period of 2-3 years. Wage losses peaked again in 1990 and 1991 with the introduction and settling in period of the ECA, followed by several reasonably

[4] This is derived from an analysis of state sector collective agreement expiry dates, media coverage of state sector industrial disputes together with a breakdown of workplace strikes provided by Statistics New Zealand.

quiet years, again characterised by 2 to 3 year collective agreement terms. The pattern repeats itself with the 1999 introduction of the ERA.

The evident peaks and troughs coincide mainly with periods of state sector collective bargaining, in particular teachers, nurses and doctors. Of note here is the fact that the health and education sectors are largely covered by national industrial agreements (i.e. multi-employer agreements) as opposed to public service colleagues who remain covered mainly by departmental level agreements if not individual agreements.

**What happens when the government imposes cost on the labour market?**

As mentioned at the beginning, to regulate or not to regulate is the pendulum that swings incessantly across debates on how to drive the national economy. Equally important is the nature and intent of regulation. For instance, the Employment Contracts Act 1991 had as its overall objective the creation of efficient labour markets, whereas the present Employment Relations Act 2000 aims to build productive employment relationships. The former looked to the natural behaviour of markets to regulate labour relations, whereas the latter seeks to regulate actual workplace behaviours.

As with collective bargaining, New Zealand has experienced several phases of regulatory oversight of the economy and the labour market. In simple terms, the period 1970 till 1984 saw some of the most intense regulatory activity in New Zealand's history. Conversely, when the 1984 Labour government introduced far reaching (de)regulatory reforms, the frequency and severity of intervention also dropped markedly. The subsequent National government essentially kept its hands off the regulatory levers but, from 2017, the incoming Labour government again increased interventions; higher minimum wages and increased holiday entitlements, new contracting out rules, social assistance packages and so on.

*Measuring the economic cost of centralised bargaining*

In simple terms, when costs are imposed on businesses, particularly those with tight margins, business owners react by, often simultaneously, cutting costs and restructuring debt.

The imposition of costs on business also seems to have an effect on investor perceptions. Faced with adverse financial implications, investors frequently move some or all their investment, preferring to place it, at least temporarily, in safer options, or options with lower costs, such as property or bank deposits. At the same time there is often a delay in (or avoidance of) expanding operations or investing in new capital.

*Restructuring costs*

Typically, businesses attempting to absorb new costs reorganise their operating systems and business structure to maintain profitability, leading often to layoffs and other impacts on employees. Employee reactions often show up in industrial action.

These reactions are typical of most businesses faced with cost increases. Of themselves though, they are not likely to impact significantly at the wider economic level unless the costs driving them are also spread broadly across all sectors of the economy. Here, the question of the bargaining model is crucial. A settlement that cuts across sectors or industries will have a widespread effect and therefore be economically significant.

*Restructuring debt*

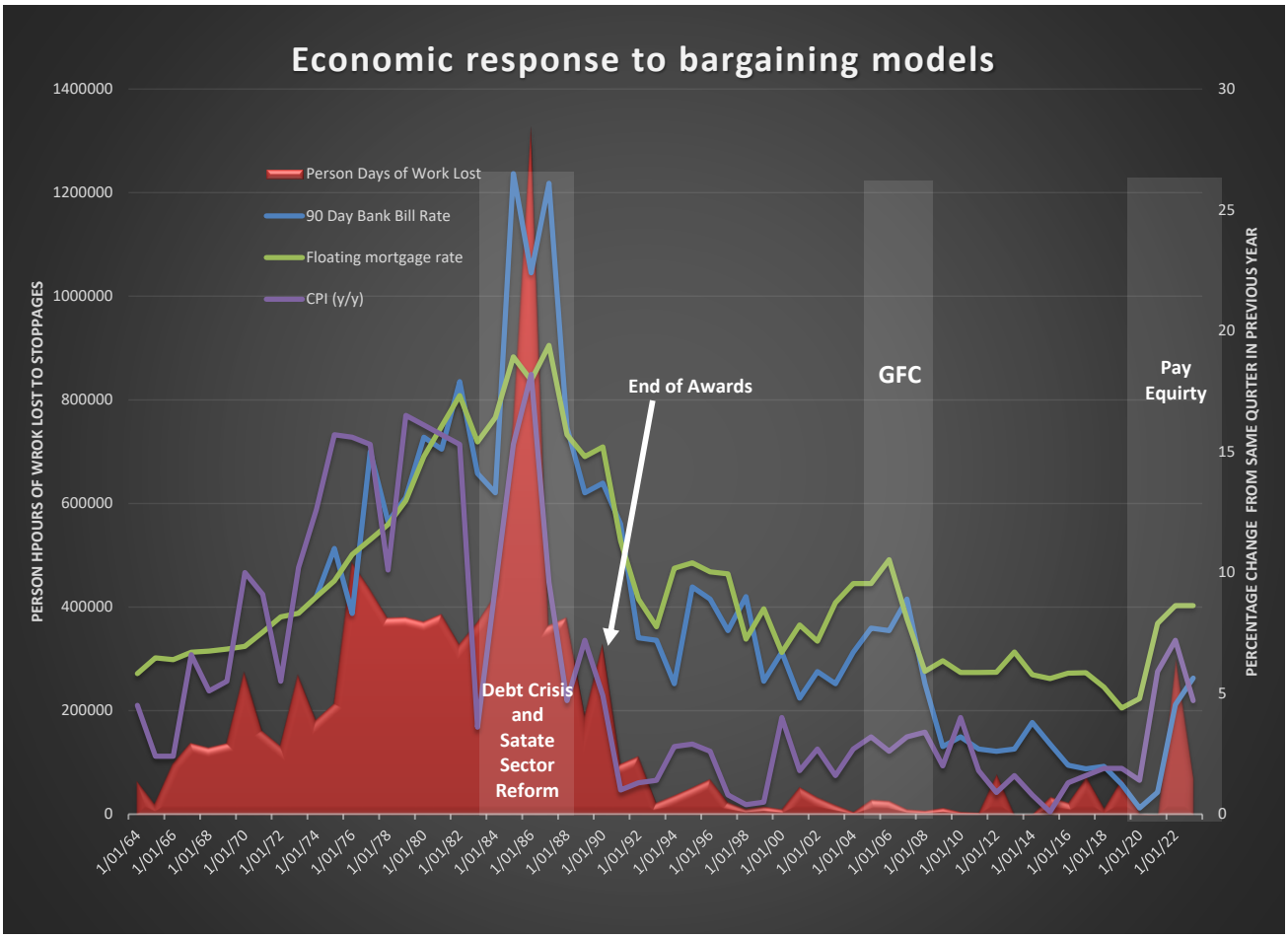
Restructuring cost is often not enough for most businesses facing inescapable cost hikes. The second normal response is to look at ways of beneficially restructuring debt burdens, particularly debt servicing costs.

Small businesses (which make up over 90% of the total number of businesses in New Zealand) suffer comparatively more from the added costs of government labour market intervention due to their, usually, smaller profit margins and relatively lower ability to absorb added cost.

All too often, there is no easy way for small and medium sized businesses to reduce costs. Their only real options are to, either borrow more to pay the increased costs in the short term, or to refinance debt over

longer terms to lower debt servicing costs. One macro effect of such activity occurring concurrently across a broad cross section of the economy is to put pressure on the domestic supply of money, thereby pushing up the price of that money (interest rates). If impacts are felt broadly enough they ultimately also increase inflationary pressure.

Overall, when cost is imposed, businesses take action, and that action shows up in several areas as depicted in the graph below.




What is apparent here is that all four indicators (strikes, bank rates, housing finance and inflation have responded in a similar way to each other when compared to periods in which centralised and decentralised approaches to collective bargaining were prevalent. The most recent evidence of this is in 2022/23, when centralised approaches to pay equity claims overtook the otherwise enterprise-based approach to collective bargaining that is the basic premise of the Employment Relations Act.

Certainly in New Zealand, and perhaps beyond, (particularly) small businesses are unlikely to source their start-up and ongoing capital needs from international finance markets. It is common for small businesses to use their housing as collateral for such needs i.e., they mortgage their house to finance some or all of their business capital needs.

Assuming that a business using housing as capital collateral will seek to refinance the house mortgage (or downsize) as the means of refinancing debt obligations, it is also reasonable to assume that housing activity will respond in much the same way and in the same time frame as bank interest rates, as the graph above tends to confirm. And, if many affected businesses seek the same financing solution, there is a real likelihood of pressure on the economy in general, as suggested by inflation indicators such as the Consumer Price Index.

Put more simply, in New Zealand, periods of centralised bargaining correlate strongly with higher levels of industrial activity, higher finance costs and higher inflation.

**Conclusions**

It is apparent is that New Zealand has experienced significantly different outcomes under the national award-based and the enterprise-based approaches to collective bargaining. Equally apparent is that the period of national award bargaining prior to 1987 resulted in significantly greater industrial disruption and lost productivity than the period of enterprise based collective bargaining since 1987.

The last vestiges of the old national award system (teachers, doctors nurses etc) are generating, through strike action, the greatest single losses both in terms of person days and lost income. So too are strikes over the settlement of pay equity claims, also based on national agreements.

In other words, centralised award-style collective bargaining appears to be demonstrably more damaging to national productivity than enterprise-based bargaining.

From all this, it can be argued that collective bargaining per se is not bad, but national, sectoral or industry approaches have a destabilising effect on the economy and wider market as both the outcomes and any industrial unrest are spread across multiple enterprises and even across sectors and industries. Conversely, enterprise bargaining approaches have a much lower cost from industrial action even following government regulation of the labour market.

ENDS

| **Appendix 1** | |
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| **Major Employment Relations Legislation since 1878.** | |
| **Trade Union Act 1878 ("TUA")** | |
| 1878 | The TUA legitimised membership of trade unions but did not otherwise influence the conduct of collective bargaining (which was almost non-existent at the time). Registration as a trade union gave members the protection afforded by the TUA. |
| **Industrial Conciliation & Arbitration Act 1894 ("IC&A Act")** | |
| 1894 | The first formal industrial relations legislation, the IC&A Act covered only industrial unions of workers and employers that registered under the Act's terms. Nonregistered unions (including trade unions formed under the auspices of the TUA) were not eligible to participate in conciliation or arbitration under the IC&A Acts terms. Registering was voluntary as was union membership. The IC&A Act created and administered industrial awards. Registered organisations were prohibited from striking or locking out, not so unregistered organisations. Bargaining was conducted through Conciliation Boards comprising a Chairman and 3 assessors each for unions and employers. The Board had arbitrative powers and was decisive by majority vote, the chairman having a casting vote. The Arbitration Court, comprising a Supreme Court judge and one assessor each for unions and employers acted as an appellate body for disputed decisions of the Conciliation Board or could act arbitrarily. It was decisive by majority vote. |
| 1905 | Strikes were made illegal while an award was in force. Conciliation Boards became Conciliation Councils with recommendatory powers only. The Chairman had no vote. |
| **Labour Disputes Investigation Act 1913 ("LDIA")** | |
| 1913 | The LDIA provided a system for dispute management where the workers concerned were not bound by an award or industrial agreement. It forbade strikes falling within a 14 day notice period and for ballots to be taken before strike notices could be issued. |
| 1936 | Under the IC&A Amendment Act 1936, union membership was made compulsory by Labour Government. Membership of unions registered under the Trade-unions Act 1908 were recognised as well as those in industrial unions registered under the IC&A Act. |
| 1951 | The IC&A Amendment Act 1951 introduced a requirement for secret ballots to be held before taking strike action. |
| 1954 | The IC&A Amendment Act 1954 removed recognition of unions registered under the Trade Unions Act 1908. Workers could only join IC&A Act registered unions. |
| 1960s | Increasing union deregistration from IC&A Act. Emergence of second tier bargaining and "ruling rates." A corollary was significant increases in industrial action. |
| **Industrial Conciliation and Arbitration Amendment Act 1961** | |
| 1961 | Union membership was made voluntary by the National Government, but this was rendered ineffective by the corollary introduction and wide use of "unqualified preference" clauses in collective agreements, creating many "closed shops". |
| 1968 | "Nil" Wage Order, followed by "unholy alliance" agreement (Employers Federation and Federation of Labour reps outvoted the Arbitration Court judge) for 5% increase. Union confidence in arbitration falls. |
| **Industrial Relations Act 1973 ("IR Act")** | |
| 1973 | The Arbitration Court was replaced with the Industrial Commission and the Industrial Court. The IR Act retained conciliation and arbitration from IC&A Act but introduced voluntary settlements that could be registered with the Industrial Commission. A distinction was drawn between disputes of interest (bargaining), which were heard by the Industrial Commission, and disputes of rights (contractual interpretation and enforcement), heard by the Industrial Court. |

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| 1977 | The IR Amendment Act 1977 replaced the Industrial Commission and Industrial Court with a new Arbitration Court |
| 1983 | The Industrial Relations Amendment Act 1983, introduced by the National Government, provided for voluntary unionism and repealed the ability to use unqualified preference clauses. |
| 1984 | The IR Amendment Act 1984 made arbitration voluntary, placing more emphasis on resolution of issues at the conciliation stage. |
| 1985 | The IR Amendment Act 1985, introduced by the Labour Government, restored compulsory unionism. |
| **Labour Relations Act 1987 ("LR Act")** | |
| 1987 | The LR Act retained the IR Act's provisions for registering unions and rights of access to conciliation. The Arbitration Court was replaced by the Arbitration Commission (for disputes of interest) and Labour Court (for disputes of rights). The LR Act eliminated second tier bargaining by permitting coverage by an award or enterprise agreement, but not both. Bargaining for an enterprise agreement was prohibited while an applicable award was in force. Strikes were permitted during bargaining for an expired document. The 1000 member rule was introduced as a criteria for union registration (making it nearly impossible to form enterprise based unions), which resulted in many smaller unions merging with larger ones. Contestability between unions for coverage of specified work was also introduced. Union membership clauses had to be agreed in bargaining and ballots held before union membership could be considered compulsory. Access to Personal Grievances was extended to cover sexual harassment and governed by union membership instead of (as previously) award coverage. The enforcement role (for ensuring that the Act's provisions were complied with) was transferred from the state to unions. |
| **State Sector Act 1988 ("SSA")** | |
| 1988 | The SSA placed state servants, employers and state sector unions under the aegis of the Labour Relations Act 1987. Public sector employers and unions could however agree to final offer arbitration (provided they also agreed to give up the right to strike or lockout). |
| **Labour Relations Amendment Act 1990 ("LRA")** | |
| 1990 | The LRA permitted employers with 50+ employees (FTE) to ballot to determine whether employees wanted an enterprise agreement instead of award coverage. The provision was never used. |
| **Employment Equity Act 1990 ("EE Act 1990")** | |
| 1990 | Passed by the Labour Government just before the 1990 election the EE Act was repealed immediately afterwards by the incoming National Government and never became effective. |
| **Employment Contracts Act 1991 ("ECA")** | |
| 1991 | The ECA repealed the LRA and removed the award system completely, replacing it with voluntary unionism and voluntary collective bargaining, with an emphasis on enterprise level collective bargaining and an implied preference for individual employment contracts. Registration requirements for unions were removed, as was any requirement for unions to be incorporated societies. Access to final offer arbitration for public sector unions and employers was repealed. The Arbitration Commission and Labour Court were replaced by the Employment Relations Tribunal (having both mediation and arbitrative powers) and the Employment Court (arbitrative only), Neither had wage or conditions fixing powers, thus removing the state from the activity of fixing of wages and conditions of employment (other than through legislation). |
| **Employment Relations Act 1999** | |
| 1999 | Registration requirements for unions were reinstated. Collective bargaining actively promoted. Unions were given monopoly rights over collective bargaining. The Employment Relations Tribunal was replaced by the Mediation Service and the Employment Relations Authority. The Employment Court was retained. None had wage or conditions fixing powers. |

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| 2004 | The Employment Relations Authority given powers to facilitate bargaining and to fix wages and conditions, but the threshold for access to such was set very high. By 2017, few applications for facilitation had been approved and none for wage fixing. Parties to collective bargaining required to settle an agreement unless there were genuine reasons not to (which could not include a simple objection to a collective agreement). Provisions protecting unions from having their bargaining position undermined and permitting unions to charge bargaining fees to non-union members were introduced. Part 6A introduced, dealing with continuity of employment for employees in specified groups (e.g. cleaning) affected by restructuring. |
| 2006 | Part 6A amended to improve information management relating to terms and conditions of employees transferring to a new employer. |
| 2007 | Introduced a protected ability to request flexible working arrangements and established a process for dealing with requests. |
| 2008 | Provision made for grievance free 90-day trial periods to be agreed and inserted in employment agreements. Also established criteria for when rest and meal breaks could be taken. |
| 2010 | Excluded work done by specified roles in the film industry from the definition of employee. Union access to workplaces tightened to require officials to seek permission before entering a workplace. Employers permitted to communicate with employees during periods of collective bargaining. |
| 2012 | Unions required to hold secret ballots before taking strike action. |
| 2014 | Removed specified times for meal breaks and allowed restrictions that are deemed reasonable and necessary having regard to the nature of the work. Extended right to request flexible working arrangements to all employees (no longer confined to those with caring obligations). Removed the requirement to settle a collective agreement unless genuine reasons not to exist. Allowed employers to opt out of a MECA at the start of negotiations. Removed the requirement for new employees to be covered by an applicable collective agreement for the first 30 days of their employment. Ended open-ended strikes or lock-out by requiring notice of end dates and gave employers the power to deduct part of an employee's pay as a response to a partial strike. Exempted companies with less than 20 employees from Part 6A. Also now requires alterations of classes of work covered by Part 6A to be made by statute rather than by regulation. |
| 2015 | Added adverse conduct in relation to health and safety matters to grounds for alleging discrimination. |
| 2016 | Added requirement for availability provisions and guaranteed hours of work to counter use of "zero hours" contracts. Also made provision for banning orders to be made on employers breaching employment standards. |
| 2018 | Freed up union access to workplaces, reimposed the obligation to conclude a collective agreement, and restricted the use of 90 day trial period to businesses with less than 20 employees. |
| 2019 | Introduced ability to take a personal grievance against a controlling third party (e.g. labour hire client) |
| 2023 | Extended the time period within which a personal grievance could be lodged on grounds of sexual harassment. Made 90-day trial periods available to all employers regardless of the number of employees. |
| **Fair Pay Agreements Act 2022** | |
| 2022 | Introduced unilateral ability for unions to initiate barraging for an industry of sector-based agreement. In effect, a reinstatement of the pre 1990 award system Settlements could be imposed by the authorities if agreement not reached. |
| 2023 | FPA Act repealed |

**Appendix 2**

**Occupations covered by Awards 1894 - 1990**

| Occupation | National awards and agreements | District awards and agreements | Composite awards and agreements | Total awards and agreements |
|---|---|---|---|---|
| Clerical workers | 29 | 163 | 34 | 226 |
| Engineering | 14 | 72 | 91 | 177 |
| State workers | 76 | 66 | 4 | 146 |
| Drivers (Motor and horse) | 18 | 45 | 50 | 113 |
| Labourers, gardeners, greenkeepers, nurserymen etc | 16 | 27 | 55 | 98 |
| Electrical workers | 9 | 28 | 49 | 86 |
| Stores and warehouse employees | 17 | 16 | 50 | 83 |
| Engine drivers, firemen etc | 5 | 42 | 16 | 63 |
| Meat, poultry and game processors, packers and preserving | 8 | 47 | 0 | 55 |
| Cleaners, caretakers, lift attendants and watchmen | 3 | 13 | 38 | 54 |
| Hotel, restaurant and club employees | 7 | 13 | 21 | 41 |
| Paint and varnish and related workers | 6 | 3 | 32 | 41 |
| Plumbers | 2 | 9 | 29 | 40 |
| Carpenters and joiners | 0 | 5 | 27 | 32 |
| Merchant service officers | 8 | 15 | 4 | 27 |
| Mine workers | 24 | 0 | 2 | 26 |
| Building tradesmen and related workers | 1 | 3 | 18 | 22 |
| Foodstuffs, chemicals, drugs, toilet preparations and related products makers | 4 | 17 | 0 | 21 |
| Abattoir employees | 0 | 21 | 0 | 21 |
| Timber workers | 4 | 9 | 7 | 20 |
| Coachworkers | 1 | 10 | 9 | 20 |
| Theatres, places of amusement and sports bodies employees | 14 | 1 | 3 | 18 |
| Woollen mills, synthetic fibre and hosiery factories employees | 5 | 10 | 0 | 15 |
| Paper workers | 9 | 0 | 4 | 13 |
| Waterside workers | 5 | 8 | 0 | 13 |

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|---|---|---|---|---|
| Journalists | 2 | 8 | 3 | 13 |
| Marine engineers | 1 | 5 | 7 | 13 |
| Shop employees | 8 | 0 | 4 | 12 |
| Printing trade employees | 3 | 1 | 8 | 12 |
| Brick, tile, clay, pottery and porcelain workers | 9 | 2 | 0 | 11 |
| Soap, candle etc workers | 2 | 9 | 0 | 11 |
| Lime and cement manufacturing workers | 10 | 0 | 0 | 10 |
| Gas workers | 9 | 0 | 1 | 10 |
| Rural workers | 6 | 1 | 3 | 10 |
| Cooks and stewards | 9 | 0 | 0 | 9 |
| Dairy and cheese factories, pasteurising, and bottling factories, and milk roundsmen | 5 | 4 | 0 | 9 |
| Nursing staff (including private hospitals) | 5 | 3 | 1 | 9 |
| Aircraft workers | 4 | 5 | 0 | 9 |
| Seamen and firemen | 4 | 2 | 3 | 9 |
| Pilots (air) | 2 | 7 | 0 | 9 |
| Rubber workers | 3 | 4 | 0 | 7 |
| Fishermen | 1 | 6 | 0 | 7 |
| Brewery workers, malthouse and bottling house workers | 6 | 0 | 0 | 6 |
| Fish trades employees | 6 | 0 | 0 | 6 |
| Tanners and fellmongers | 6 | 0 | 0 | 6 |
| Laundry, dry cleaning and dyeing workers | 5 | 1 | 0 | 6 |
| Public passenger transport workers | 2 | 3 | 1 | 6 |
| Furniture trade employees | 1 | 1 | 4 | 6 |
| Clothing trade employees | 5 | 0 | 0 | 5 |
| Sports goods makers and repairers | 5 | 0 | 0 | 5 |
| Childcare workers | 4 | 1 | 0 | 5 |
| Harbour board employees | 2 | 1 | 2 | 5 |
| Ship builders and repairers | 2 | 1 | 2 | 5 |
| Glassworkers | 4 | 0 | 0 | 4 |
| Firemen | 2 | 2 | 0 | 4 |
| Ice cream factory and frozen products manufacturing employees | 2 | 2 | 0 | 4 |

| | | | | |
|---|---|---|---|---|
| Forestry workers | 1 | 3 | 0 | 4 |
| Bakers and pastry cooks | 3 | 0 | 0 | 3 |
| Bricklayers | 3 | 0 | 0 | 3 |
| Dental employees assistants and technicians | 3 | 0 | 0 | 3 |
| Plasterers | 3 | 0 | 0 | 3 |
| Chemical manure and acid workers | 2 | 1 | 0 | 3 |
| Saddlery and canvas workers | 2 | 0 | 1 | 3 |
| Tobacco workers | 2 | 1 | 0 | 3 |
| Motor mechanics and garage employees | 1 | 2 | 0 | 3 |
| Biscuit and confectionery workers | 2 | 0 | 0 | 2 |
| Concrete and Pumice goods making etc, workers | 2 | 0 | 0 | 2 |
| Footwear workers | 2 | 0 | 0 | 2 |
| Fur workers | 2 | 0 | 0 | 2 |
| Glove workers | 2 | 0 | 0 | 2 |
| Optical dispensers and opticians | 2 | 0 | 0 | 2 |
| Pharmacists assistants (retail) | 2 | 0 | 0 | 2 |
| Photo engravers | 2 | 0 | 0 | 2 |
| Technicians | 2 | 0 | 0 | 2 |
| Umbrella makers | 2 | 0 | 0 | 2 |
| Butchers (Retail Shops) | 1 | 0 | 1 | 2 |
| Aerated Water and Cordial Workers | 1 | 0 | 0 | 1 |
| Brush and broom trade employees | 1 | 0 | 0 | 1 |
| Canister workers | 1 | 0 | 0 | 1 |
| Canvas workers | 1 | 0 | 0 | 1 |
| Coal carbonisation employees | 1 | 0 | 0 | 1 |
| Commercial travellers and sales representatives | 1 | 0 | 0 | 1 |
| Community and voluntary service organisations | 1 | 0 | 0 | 1 |
| Cycle workers | 1 | 0 | 0 | 1 |
| Electrical goods makers | 1 | 0 | 0 | 1 |
| Flax mill employees | 1 | 0 | 0 | 1 |
| Flight services officers | 1 | 0 | 0 | 1 |

| | | | | |
|---|---|---|---|---|
| Flour mill, oatmeal and pearl barley mill employees | 1 | 0 | 0 | 1 |
| Gelatine and glue workers | 1 | 0 | 0 | 1 |
| Grocery and supermarket employees | 1 | 0 | 0 | 1 |
| Hairdressers | 1 | 0 | 0 | 1 |
| Hatters | 1 | 0 | 0 | 1 |
| Herd testers | 1 | 0 | 0 | 1 |
| Hospital domestic employees (private) | 1 | 0 | 0 | 1 |
| Jewellers, watchmakers, engravers and die sinkers | 1 | 0 | 0 | 1 |
| Match factory employees | 1 | 0 | 0 | 1 |
| Musicians | 1 | 0 | 0 | 1 |
| Photographic processing workers | 1 | 0 | 0 | 1 |
| Piano tuners and repairers | 1 | 0 | 0 | 1 |
| Power project employees | 1 | 0 | 0 | 1 |
| Roofing materials (bituminous process) makers | 1 | 0 | 0 | 1 |
| Rope and twine manufacturing workers | 1 | 0 | 0 | 1 |
| Sales advertising representatives | 1 | 0 | 0 | 1 |
| Shearers, shed hands and cooks | 1 | 0 | 0 | 1 |
| Stonemasons | 1 | 0 | 0 | 1 |
| Sugar workers | 1 | 0 | 0 | 1 |
| Tallymen | 1 | 0 | 0 | 1 |
| Threshing, chaffcutting, clover shelling and agricultural contractors employees | 1 | 0 | 0 | 1 |
| Woolscourers | 1 | 0 | 0 | 1 |
| Arts and crafts | 0 | 0 | 1 | 1 |
| Ferry employees | 0 | 0 | 1 | 1 |
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