

## **Information Service Research Report 2018/2**

### **Changes in Primary Teachers' Collective Agreement wage rates over time, compared with average, median and minimum wages from 1998 - 2017**

#### **Purpose**

NZEI Te Riu Roa investigated changes in primary teachers' salary rates over time, and to compare them with the minimum, median and average wage rates of New Zealanders between 1998 - 2017. The resulting comparison between both wages as dollar figures and as ratios are for the purposes of supporting collective agreement negotiation in 2018.

#### **Data Sources**

Primary teacher's salary rates were obtained from the *Primary Teachers' (including Deputy and Assistant Principals and other Unit Holders) Collective Agreement* starting with the 1998 -2001 agreement, through to the recently expired 2016 - 2018 agreement.

Median and average wage data for the June quarter were sourced from *Earnings from wages and salaries and self-employment, by sex, age groups and ethnic groups* downloaded from <http://nzdotstat.stats.govt.nz> on 3 June 2018

Minimum wage data for the period were obtained from the Ministry of Business, Innovation and Employment (MBIE) website on 6 March 2018.

#### **Method**

We transcribed salary data for beginning teachers and top of scale teachers from the collective agreements into a spreadsheet. The "beginning teacher" rate is the starting salary for a teacher with a 4-year qualification. The "top of scale" rate is the top step of the salary scale for a similarly qualified and certificated teacher. Allowances and units were excluded, so that the comparison was made between base salaries, as the other wage and salary data we refer to also exclude any additional remuneration, such as allowances or bonuses.

To enable a direct comparison with weekly median and average wage data, annual salary data from the collective agreement were converted to gross weekly rates by dividing by 52. Minimum (adult) wage data were obtained as hourly rates, so these were converted to a fulltime weekly pay rate by multiplying by 37.5.

We then compared the minimum, median and average wages with the PTCA beginning and top of scale teacher rates, all as gross weekly amounts and calculated a ratio between teachers' weekly payments and the other rates.

## Results

Year	Beginning teacher weekly wage	Top of scale teacher weekly wage	Average Weekly wage	Median weekly wage	Minimum weekly wage
1998	\$ 596.15	\$ 905.77	\$ 560.00	\$ 518.00	\$ 262.50
1999	\$ 634.62	\$ 934.62	\$ 570.00	\$ 520.00	\$ 262.50
2000	\$ 653.85	\$ 967.31	\$ 584.00	\$ 536.00	\$ 283.13
2001	\$ 686.54	\$ 967.31	\$ 609.00	\$ 550.00	\$ 288.75
2002	\$ 696.85	\$ 967.31	\$ 620.00	\$ 566.00	\$ 300.00
2003	\$ 717.75	\$ 1,052.88	\$ 656.00	\$ 587.00	\$ 318.75
2004	\$ 735.69	\$ 1,111.60	\$ 678.00	\$ 606.00	\$ 337.50
2005	\$ 757.77	\$ 1,144.94	\$ 717.00	\$ 639.00	\$ 356.25
2006	\$ 780.50	\$ 1,179.29	\$ 738.00	\$ 671.00	\$ 384.38
2007	\$ 811.71	\$ 1,226.46	\$ 794.00	\$ 710.00	\$ 421.88
2008	\$ 844.17	\$ 1,275.52	\$ 828.00	\$ 730.00	\$ 450.00
2009	\$ 877.94	\$ 1,326.54	\$ 846.00	\$ 760.00	\$ 468.75
2010	\$ 902.08	\$ 1,363.02	\$ 881.00	\$ 778.00	\$ 478.13
2011	\$ 902.08	\$ 1,363.02	\$ 903.00	\$ 800.00	\$ 487.50
2012	\$ 902.08	\$ 1,363.02	\$ 927.00	\$ 806.00	\$ 506.25
2013	\$ 910.19	\$ 1,382.69	\$ 964.00	\$ 845.00	\$ 515.63
2014	\$ 913.83	\$ 1,397.02	\$ 993.00	\$ 863.00	\$ 534.38
2015	\$ 916.58	\$ 1,403.85	\$ 1,021.00	\$ 882.00	\$ 553.13
2016	\$ 934.90	\$ 1,431.92	\$ 1,072.00	\$ 937.00	\$ 571.88
2017	\$ 953.62	\$ 1,460.56	\$ 1,104.00	\$ 959.00	\$ 590.63
Increment 1998 - 2017	60%	61%	97%	85%	125%

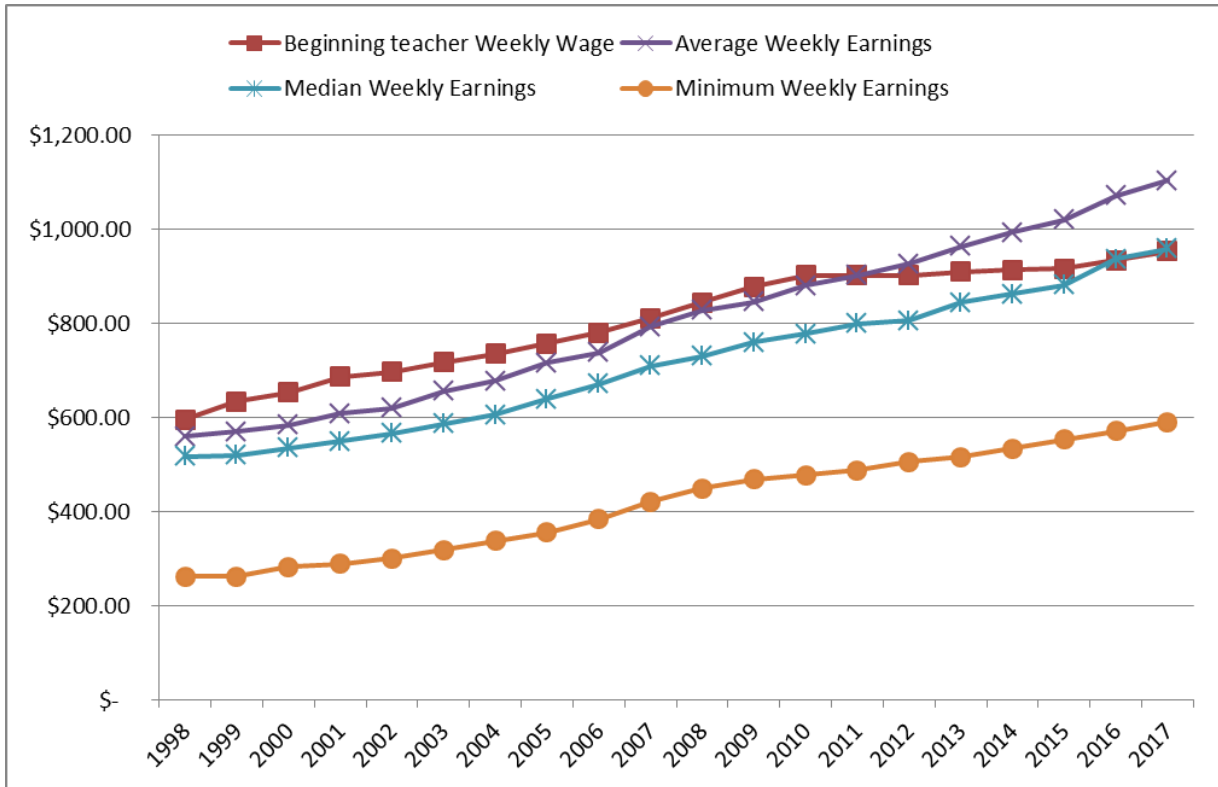
**Table 1 PTCA beginning teacher and top of scale teacher rates compared with average, median and minimum (adult) wages as gross weekly payments 1998 - 2017**

Year	Beginning teacher average wage ratio	Beginning teacher median wage ratio	Beginning teacher minimum wage ratio
1998	1.06	1.15	2.27
1999	1.11	1.22	2.42
2000	1.12	1.22	2.31
2001	1.13	1.25	2.38
2002	1.12	1.23	2.32
2003	1.09	1.22	2.25
2004	1.09	1.21	2.18
2005	1.06	1.19	2.13
2006	1.06	1.16	2.03
2007	1.02	1.14	1.92
2008	1.02	1.16	1.88
2009	1.04	1.16	1.87
2010	1.02	1.16	1.89
2011	1.00	1.13	1.85
2012	0.97	1.12	1.78
2013	0.94	1.08	1.77
2014	0.92	1.06	1.71
2015	0.90	1.04	1.66
2016	0.87	1.00	1.63
2017	0.86	0.99	1.61
% change 1998 - 2017	-19%	-14%	-29%

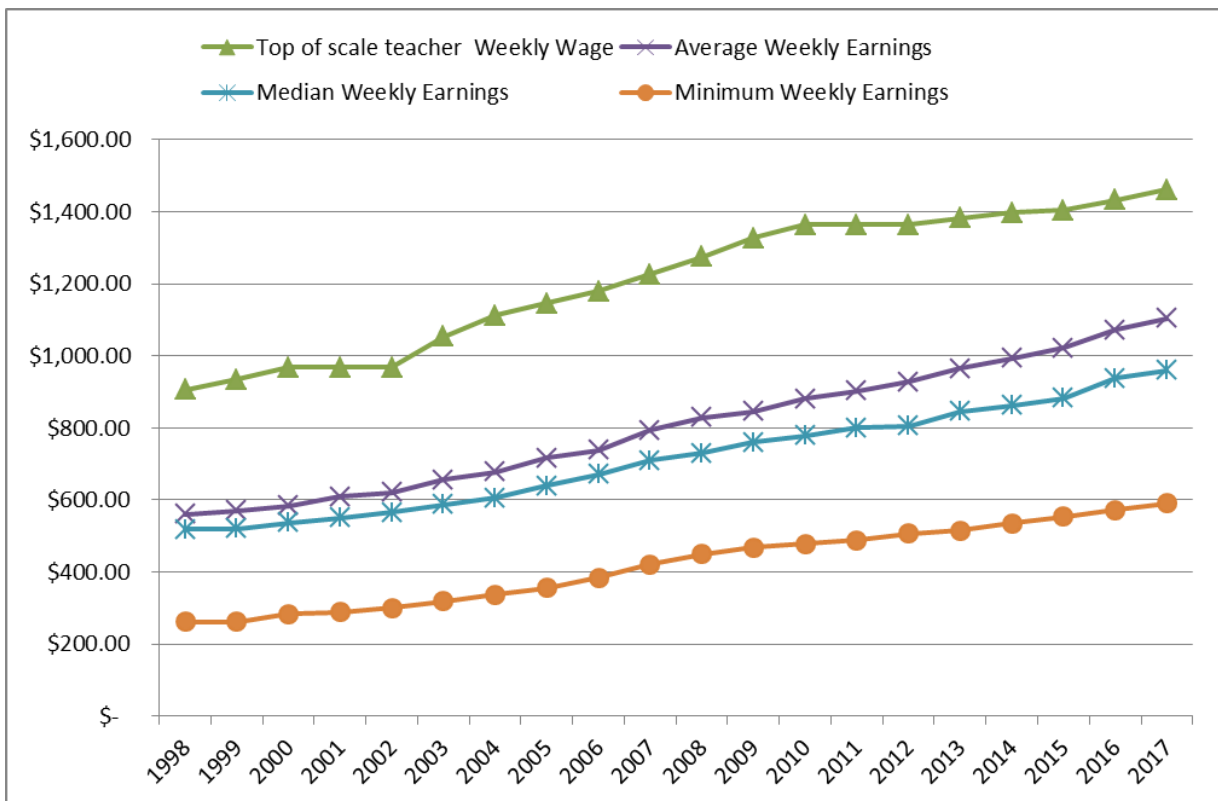
**Table 2 Ratio of the PTCA beginning teacher wage to the average, median and minimum wages 1998 – 2017**

Year	Top of scale teacher average wage ratio	Top of scale teacher median wage ratio	Top of scale teacher minimum wage ratio
1998	1.62	1.75	3.45
1999	1.64	1.80	3.56
2000	1.66	1.80	3.42
2001	1.59	1.76	3.35
2002	1.56	1.71	3.22
2003	1.61	1.79	3.30
2004	1.64	1.83	3.29
2005	1.60	1.79	3.21
2006	1.60	1.76	3.07
2007	1.54	1.73	2.91
2008	1.54	1.75	2.83
2009	1.57	1.75	2.83
2010	1.55	1.75	2.85
2011	1.51	1.70	2.80
2012	1.47	1.69	2.69
2013	1.43	1.64	2.68
2014	1.41	1.62	2.61
2015	1.37	1.59	2.54
2016	1.34	1.53	2.50
2017	1.32	1.52	2.47
% change 1998 - 2017	-18%	-13%	-28%

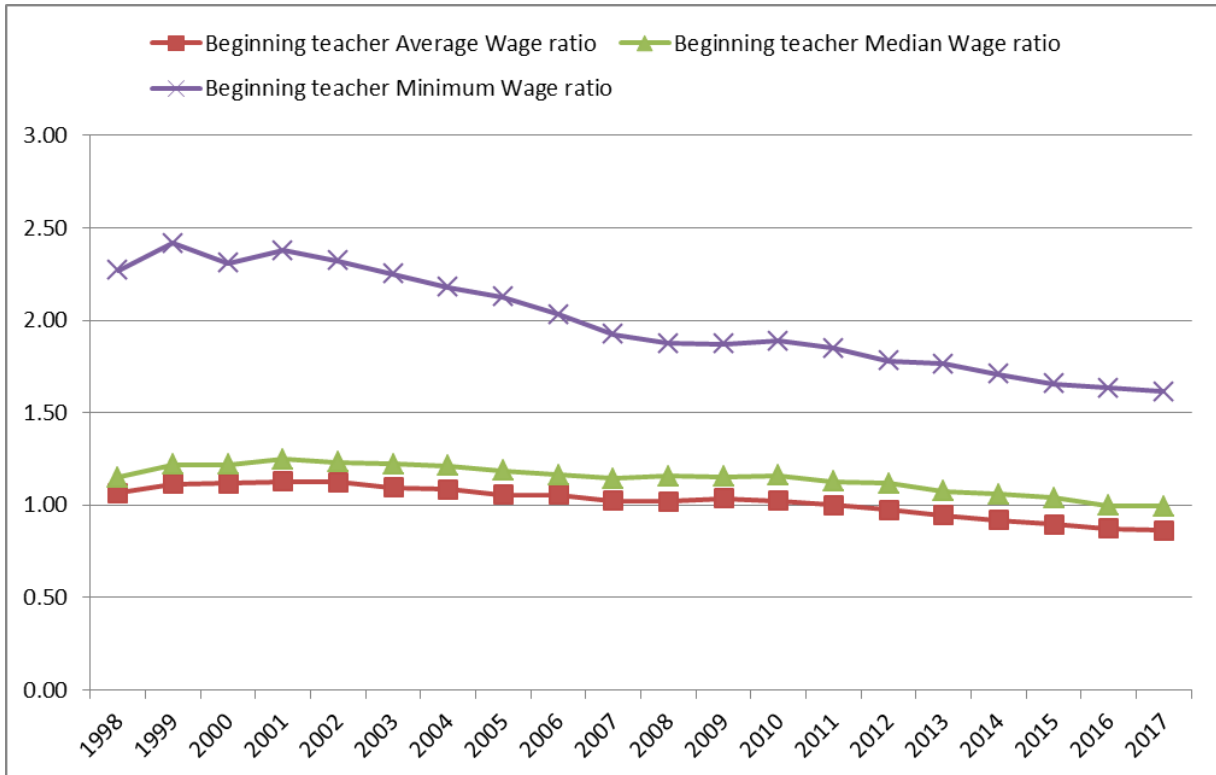
**Table 3 Ratio of the PTCA top of scale teacher salary to the minimum, median and average wages 1998 – 2017**



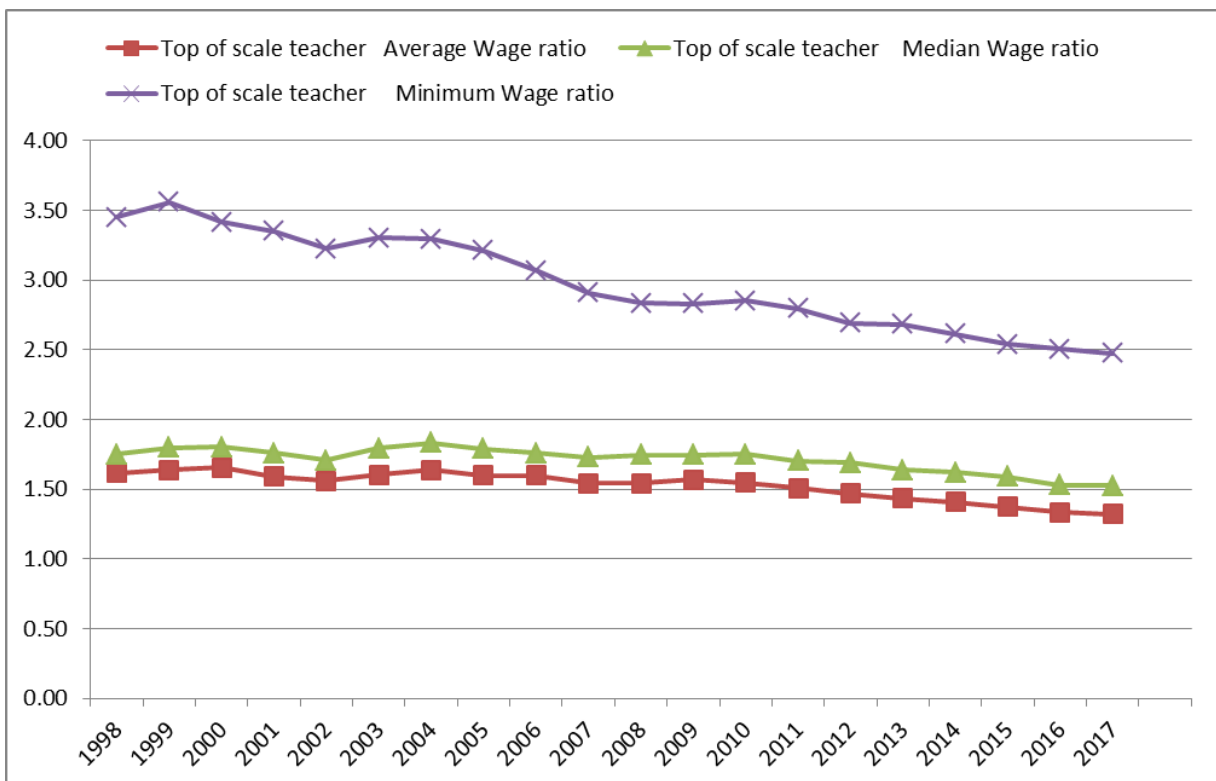
**Figure 1 PTCA beginning teacher compared to the NZ minimum, median and average wages as gross weekly payments 1998 – 2017**



**Figure 2 Ratio of PTCA top of scale teacher compared to the NZ minimum, median and average wages as gross weekly payments 1998 – 2017**



**Figure 3 Ratio of PTCA beginning teacher to NZ minimum, median and average wages 1998 – 2017**



**Figure 4 Ratio of PTCA top of scale Teacher to NZ minimum, median and average wages 1998 – 2017**

## Findings

### Primary teachers' salary increase relative to the minimum, median and average wage (gross weekly payments in NZD)

- The beginning teacher weekly payment has increased from **\$596.15** in 1998, to **\$953.62** in 2017, an increase of **60%** for the period
- The top of scale teacher weekly payment has increased from **\$905.77** in 1998, to **\$1,460.56** in 2017, an increase of **61%** for the period.
- Over the same period, the average wage of **\$560** in 1998 increased by **97%** to **\$1104** in 2017
- The median weekly wage has increased from **\$518.00** in 1998 to **\$959.00** in 2017, an increase of **85%**
- The New Zealand minimum wage went from **\$262.50** in 1998 to **\$590.63** in 2017, an increase of **125%**

### Ratio of primary teachers' salaries to the minimum, median and average wages 1998 – 2017

These ratios are equal to the proportional difference between the teachers' salary rates and the minimum, median and average wages. For example, a ratio of 2.27 between the beginning teacher rate and the minimum wage means that the beginning teacher rate is somewhat more than two times the minimum wage. Conversely, a ratio of 0.86 between the beginning teacher rate and the average wage means that the beginning teacher rate is almost nine-tenths of the average wage rate.

#### *Beginning teacher ratios*

- The ratio of the beginning teacher rate to the average wage in 1998 was **1.06**. By 2017 the ratio has dropped to **0.86**, a reduction of **19%**
- The beginning teacher rate ratio to the median wage was **1.15** in 1998. In 2017 it was **0.99**, a reduction of **14%**
- In 1998, the ratio of the beginning teacher rate to the minimum wage was **2.7**. In 2017, the ratio has decreased to **1.61**, giving an overall decrease in the ratio of **29%**

### *Top of Scale Teacher ratios*

- In 1998, the ratio of the top of scale salary to the average wage was **1.62**. By 2017 the ratio has dropped to **1.32**, a reduction of **18%**
- The ratio of the top of scale salary to the median wage was **1.75** in 1998. In 2017 it was **1.52**, a reduction of **13%**
- The ratio of the top of scale rate to the minimum wage was **3.45** in 1998. By 2017, the ratio has decreased to **2.47**, giving an overall decrease in the ratio of **28%**

### **Acknowledgements**

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