

SEQWATER'S 5 APRIL 2013 SUBMISSION ON LABOUR COSTS ESCALATION

5 April 2013

From: Colin Nicolson
Sent: Friday, 5 April 2013 3:12 PM
To: Angus MacDonald
Cc: Damian Scholz
Subject: Labour Costs Escalation

Hello Angus

Following up from our meeting yesterday, I wish to submit the following points of clarification in regards to labour costs escalation as requested.

1. Both direct labour and indirect labour costs should be escalated at the same rate. Comments made by Seqwater leading to the conclusion that indirect labour costs should be escalated at that same rate as non-labour costs were an oversight and should have clarified the distinction between the two cost types. Seqwater apologises for this oversight and thanks the Authority for bringing the matter to our attention.
2. Seqwater affirms its position that the labour escalation rate should include an allowance for incremental salary progressions. Seqwater's EBA provides for annual progression between pay points within classification levels. This provision can only be changed by a majority vote of staff under the EBA. No such vote has taken place and consequently the provision stands. The EBA is Seqwater's EBA and is not subject to government direction. In addition, the Government has not implemented increment freezes in any certified agreements to date, and the inclusion of increment freezes does not form part of the Governments wages policy.



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