Factsheet: Pay Equity

Background

Members asked for more information about proposed changes to the MECA including on the Pay Equity/Equal Pay process.

Following last year’s pay equity settlement in the aged care and disability sector a mechanism for progressing pay equity claims in the state sector was agreed. It was agreed that public sector unions, including NZNO, could raise pay equity claims in collective bargaining, and these could be addressed using agreed pay equity principles.

What we did

We then raised a claim as part of these DHB MECA negotiations, and this was endorsed by members as a key issue for bargaining. A proposed agreement on the process for pay equity negotiations has been reached and as it is a formal claim in bargaining it is presented to members through the ratification process for the new MECA.

Other options

The alternative option to progressing a pay equity claim through bargaining is for NZNO to lodge a claim with the Employment Relations Authority (ERA) which would be a much slower and complex process than that agreed at negotiations and would not have an agreed implementation date at the outset.

Having a pay equity process agreed through MECA bargaining allows us to set timeframes for any outcome to be introduced.

How would a negotiated pay equity process work?

Our claim for pay equity is complex as it will cover all occupational groups covered by the MECA including Nurse Practitioners, RNs, Midwives, ENs and HCAs. Delegates who have already been endorsed by members onto the negotiating team will continue in their role as representatives of their own occupational group for the pay equity process. A nomination process will take place for groups that still require representation such as Nurse Practitioners.

This is what we have agreed about our pay equity process:

- The Government and DHBs are committed to this process.
- DHBs have agreed in principle with the merit of our claim
  
  This was a big first step in the process, it means that the DHBs have agreed in principle that the work of nurses, HCAs and midwives is predominantly performed by women, has been historically undervalued and subject to systemic undervaluation. This is new territory for us to advance our claim and it is yet to be determined what the value of our claim will be.
- The Terms of Reference for the pay equity negotiation process has been agreed.
- We will begin pay equity discussions as soon as possible after a new MECA is ratified. This is because our claim was tabled at negotiations as the preferred mechanism to other options e.g. a claim in the Employment Relations Authority.
- The Implementation Plan will be developed by November 2019.
- The effective date for the payment of Pay Equity is 31 December 2019.

Negotiating our Pay Equity Outcome

- Your NZNO Negotiation Team will be taking account of the Teachers settlement, the impact of the Care & Support Settlement and other relevant benchmarks for all our occupational groups in an evidenced based approach.
- Members will be kept informed of progress and will need to ratify any Pay Equity outcome.
- We are very confident that our Pay Equity negotiations will deliver further pay increases as of 31 December 2019.