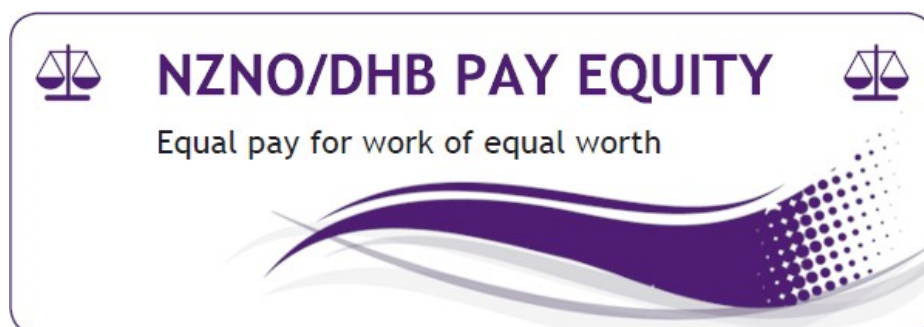


## Pay Equity Settlement Agreement



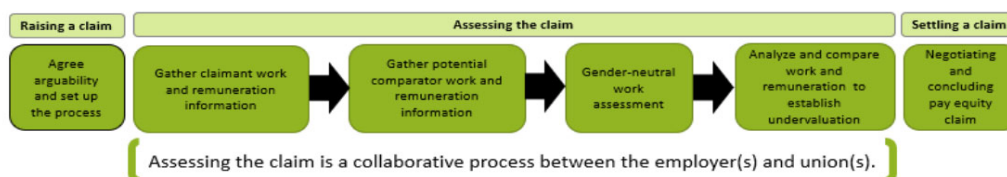
Equal pay for work of equal value or worth has been attempted through various campaigns and changes to the law over many years. While our current pay equity claim was lodged in 2017, equal pay for work of equal value was also a cornerstone of our first NZNO/DHB MECA.

Finally getting recognition in monetary terms for the true skill and expertise required for nursing work that will help to secure the future of the profession and attract people into nursing work. This is good for all of us covered by the claim and also for everybody who depends on the skill and care of nursing staff in the most vulnerable moments of our lives.

## Background

### NZNO Nursing claim

- Lodged in 2017, accepted by DHBs in 2018 as part of the NZNO/DHB MECA settlement.



### Three stages to the pay equity process

- Raising the claim and Setting up the process
- Assessing the claim
- Settling the claim

In 2017 NZNO lodged a pay equity claim on behalf of nurse practitioners, registered nurses, registered midwives, enrolled Nurses, health care assistants/ hospital Aides. The PSA later lodged a claim on behalf of its nurses and mental health assistants. The Equal Pay Act requires consolidation of claims for the same occupation group so the PSA and NZNO worked in collaboration to achieve pay equity for all registered nurses and health care assistants in the public health sector. NZNO and MERAs are working together in progressing pay equity on behalf of DHB employed midwives .

### Setting up the process

NZNO worked with TAS (the DHB's Technical advisory Service) and the two other unions MERAS and PSA on an agreed terms of reference or the "bargaining process" to be used to assess and settle our claim. A separate TOR and process applied for midwives . The DHBs where the job holder interviews would take place were identified and delegates for the NZNO reference group were identified as interviewers and assessors. Delegates were trained alongside NZNO staff for that important roles.

### Assessing the claim

Assessing the claim was the longest stage of the process as involved gathering the claimant (our) data which was done through interviews with the job holders. The interviews were conducted using pay equity assessment tools that have been purposefully developed to be gender-neutral with a wide range of stakeholder being

involved (employers, unions, HR representatives, commercial job evaluation providers). During the assessment stage, once the comparator occupations were agreed they were interviewed about their work and remuneration data was gathered.

The interviews for each occupational group were developed into summary profiles which were then assessed and scored using a gender neutral work assessment tool (EJE). The EJE tool provides a more balanced assessment than the traditional job evaluation tools which value formal qualifications and accountability for money and people. The EJE tool measures those but also skills that have been over looked such as interpersonal skills, services to people and emotional demands.

The parties then worked together to analyse the information to establish the difference in pay between the claimants (us) and the pay of the comparators (the male dominated occupations identified) based on the value of the work performed.

### **Settling the claim**

Once the assessment phase was completed it was agreed the evidence showed undervaluation of nursing. The parties then moved into the *settling a claim* phase of the Pay Equity process “*negotiation and concluding pay equity claim*” on 7 September 2021, while the whole country was in lockdown Level 4. The data shows some roles have been undervalued to a lesser or greater extent, so that is why there is not a standard % increase applied across the scale. The degree of undervaluation is different for each group of members and has been determined by the EJE scores and pay of the closest comparators to each nursing role.

An agreement in principle was reached on 21 December 2022 and since then, the parties have deliberated on the detail of the settlement including the “Review” process which is required by law to maintain the value of the pay equity settlement.

## Reaching a settlement – the tensions in the room

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The Pay Equity Negotiating Team were working under many differing tensions:

- Multiple parties involved (including another union), with their own agendas and timeframes
- Urgency from members to finalise and present an agreement
- The COVID pandemic and the resulting pressures on the health system
- The impending transfer of the DHBs to Health New Zealand
- The urgent need to fully recognise the long standing sex-based injustice.

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In the context of these tensions, this is the settlement agreement that:

- the Pay Equity Negotiating Team is able to present

**and**

- all employees of DHBs covered by the claim can now vote to approve democratically

## The settlement

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- Pay equity rates come into effect on 7 March 2022.
- Members translate to the new pay scales from that point.
- The settlement includes a review process to maintain pay equity.

## The settlement – RN rates and translation

Registered and Community Nurses	MECA rates - September 2021, without the pay equity in advance	Pay equity rate from 7 March 2022
Step 7	\$79,186	\$95,340
Step 6	\$76,932	\$92,563
Step 5	\$74,745	\$89,868
Step 4	\$67,452	\$80,883
Step 3	\$63,938	\$76,554
Step 2	\$60,291	\$72,061
Step 1 (New Graduate)	\$55,834	\$66,570

Community Nurses Current step	Moves to new step	Rate from 7 March 2022
Step 8	→ 7	\$95,340
Step 7		
Step 6	→ 6	\$92,563
Step 5	→ 5	\$89,868
Step 4	→ 4	\$80,883
Step 3	→ 3	\$76,554
Step 2	→ 2	\$72,061
Step 1	→ 1	\$66,570

## The settlement EN rates and translation



Enrolled, Obstetric, Karitane Nurses and Nurse Assistants	MECA rates - September 2021, without the pay equity in advance	Pay equity rate from 7 March 2022
Step 5 (new)	n/a	\$73,609
Step 4	\$58,847	\$71,300
Step 3	\$57,185	\$68,990
Step 2	\$53,133	\$63,980
Step 1	\$50,432	\$61,146

Current step	Moves to new step	Rate from 7 March 2022
Step 5 (new)	*	\$73,609
Step 4	→	\$71,300
Step 3	→	\$68,990
Step 2	→	\$63,980
Step 1	→	\$61,146

**Enrolled nurses** will translate directly across to the equivalent step. Those who have been on step 4 for at least twelve months at the date of settlement, 7 March 2022, will translate to the new step 5.



## The settlement - HCA and Mental Health Assistants rates and translation



Health Care Assistants and Hospital Aides	MECA rates - September 2021, without the pay equity in advance	Pay equity rate from 7 March 2022	Mental Health Assistants	MECA rates - September 2021, without the pay equity in advance	Pay equity rate from 7 March 2022
Step 5	\$49,803	\$61,540	Step 5	\$56,610	\$65,334
Step 4	\$48,405	\$59,748	Step 4	\$55,014	\$63,431
Step 3	\$47,579	\$58,689	Step 3	\$51,705	\$59,487
Step 2	\$44,710	\$55,011	Step 2	\$47,921	\$54,976
Step 1	\$42,182	\$51,770	Step 1	\$44,368	\$50,741

## The settlement – Senior Nurse rates and translation

Designated Senior Nurse Salary Scales	MECA rates - September 2021, without the pay equity in advance	Pay equity rate from 7 March 2022	Designated Senior Nurse Salary Scales	MECA rates - September 2021, without the pay equity in advance	Pay equity rate from 7 March 2022
Grade 1	88,687	\$95,576	Grade 4	102,056	\$110,282
(Formerly grade 3)	92,030	\$99,253	(Formerly grade 6)	105,396	\$113,956
	98,178	\$106,016		111,946	\$121,161
Grade 2	93,699	\$101,089	Grade 5	105,396	\$113,956
(Formerly grade 4)	97,041	\$104,765	(Formerly grade 7)	108,738	\$117,632
	103,341	\$111,695		114,189	\$123,628
Grade 3	98,710	\$106,601	Grade 6	110,916	\$120,028
(Formerly grade 5)	102,056	\$110,282	(Formerly grade 8)	116,826	\$126,529
	108,503	\$117,373		122,738	\$133,032
				132,453	\$143,718

## The settlement – Senior Nurse rates and translation continued

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Designated Senior Nurse Salary Scales	Moves to new grade 1	Rate from 7 March 2022 (new grade 1)
Grade 2 (2021)	→	\$95,576
	→	\$99,253
	→	\$106,016

**Senior nurses** in the removed grade 2, will translate into new grade 1 (previous grade 3).

## Recognition of past work payment

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The settlement also includes a recognition of past work pro-rated payment\* of up to \$10,000, less the payment in advance negotiated in the NZNO/DHB MECA negotiations.

This retrospective payment was grossed up and averaged so that it is received by all. No one will have to repay any over-payment.

Due to the complexities of implementation, the alternative (individualised payments based on hours worked) would have caused delays of up to two years, and the phasing in of the new base rates over time.

\*Note, the term back pay has often been used, but the technical term used in Pay Equity legislation is “recognition of past work payment”.

## The ratification (approval) process – Information provision

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1. Information about the settlement is currently being developed including videos and documents which will all be accessible on the NZNO website.
2. We will hold a briefings for delegates and staff on **Monday 11 April**. These briefings will provide an opportunity for discussion about the settlement and process and a chance to ask questions.
3. The briefings will be recorded and made available for workers covered by the pay equity claim.
4. The information will be released to all employees around the same time as these briefings.

## The ratification (approval) process – Ratification ballot

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1. NZNO is conducting the ballot for all workers covered by the pay equity settlement.
2. We are using Election Runner, the same platform we used during the MECA campaign.
3. The Ballot will open on 20 April and close on 29 April.



## What happens next if the Pay Equity Settlement is approved (ratified)?

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1. NZNO and PSA will sign the Pay Equity Settlement Agreement on behalf of their members.
2. The DHB/NZNO MECA salary scales will be deemed to be varied to reflect the new rates.
3. The new rates will be paid effective from the 7 March 2022 which includes the application of the new rates to shift allowances and penal rates etc.
4. Payments of the new rates will be made as quickly as possible based on the DHB's pay cycles.

## What if the Pay Equity Settlement is not approved (ratified)?

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1. The Pay Equity Settlement including the new rates will go to the Employment Relations Authority for determination on the whole settlement.
2. This will take quite some time and we will likely be ordered to return to negotiations on the whole settlement.
3. If a settlement still cannot be achieved this will extend the timeframe for when members will receive pay equity payments.