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Nurse salary claim on the way: Funding worries as focus shifts from pay parity to equity



Fiona Cassie

fcassie@nzdoctor.co.nz



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5 minutes to Read



A pay equity claim is to be lodged shortly to address the historical undervaluation of primary care nurses, recognising the profession's predominantly female make up [Image: Popartic or iStock]

It was a bruising year for practice nurses and their employers, with parity funding falling far short of expectations. Next year will bring a pay equity claim. **Fiona Cassie** reports

A pay equity claim for practice nurses is on the way in the wake of this year's failed hopes of practices being funded to offer nurses pay parity with their hospital counterparts.

Practices' eventual share of the controversial \$200 million pay "disparities" fund fell far short of closing the pay gap with Te Whatu Ora nurses. That pay gap widened even further as the Government funded a \$4 billion pay equity settlement for hospital nurses (see Panel 1).

The result was surveys showing many practices and urgent-care centres facing nursing shortages, cutting back services and risking financial sustainability by digging into their own funds to match hospital pay rates.

The NZNO, aware of nurses' frustration at the "too hard, too slow" process of chasing pay parity through bargaining and lobbying, is now aiming to lodge a pay equity claim by the end of the year with all practices and urgent-care centres that employ NZNO members (see Panel 2).

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Two similar nurses' pay equity claims have already been lodged with Plunket and the country's hospices, says NZNO industrial services manager Glenda Alexander.

But with 500-plus employers involved, the primary care claim is more complex, says Ms Alexander, and the union has been working closely with the General Practice Leaders Forum and related parties as it moves closer towards lodging the claim and initiating the job and pay comparison process.

She says practice leaders have been supportive to date as they think it's "fair and reasonable that their nurses get paid for the worth of their work" as hospital nurses do.

"The big question on people's lips, though, is will the outcome of the claims be fully funded?" She says that's unclear as there hasn't yet been time to talk with the Coalition Government.

"But the [amended] Equal Pay Act 1972 puts that [responsibility] onto the State to ensure that gender discrimination is something that's not allowed to continue," Ms Alexander says.

Scrapping the Fair Pay Agreement legislation is on the Coalition Government's 100-day plan, but neither of the coalition agreements makes mention of pay equity. During the election campaign, National responded to a PSA question on whether it would "ensure sufficient funding to public-sector and funded employers to meet pay equity claims" by saying: "National will progress pay equity claims and, of course, provide funding for any that are settled."

At the first mooted of the pay equity claim in August, General Practice Owners Association chief executive Mark Liddle said pay equity, if fully funded, would likely be supported, but financially pressured practices' ability to increase nurses' pay was directly reliant on additional funding.

In an emailed response to *New Zealand Doctor Rata Aotearoa*, Green Cross Health general manager medical Wayne Woolrich says that the pay equity process is one "we are prepared to participate in, and we support any process that will enable new sustainable government funding to eliminate the pay gap between primary and Te Whatu Ora nurses".

Tāmaki Health chief executive Lloyd McCann says his organisation hasn't had a formal approach from NZNO yet but "was happy and keen" to be part of discussions as, on principle, "we're very supportive of the pay equity agenda".

"Obviously, really, the devil is in the detail and, ultimately, it comes back down to a funding for primary care question." Because, he says, the financial sustainability of the primary care sector is "questionable at best".

ProCare general manager people and culture Matt Prestwood says some practices are concerned about the process, and he has been working with General Practice NZ on an FAQ document responding to some of the most common concerns and questions about being part of a pay equity claim.

Michael McIlhone, a national primary care nursing leader spokesperson, says frustrated primary care nurses have felt left behind in the past and welcome the NZNO focus on the pay equity claim. Mr McIlhone says staff turnover due to the pay gap has put “huge pressure” on primary care, and nurses shouldn’t be forced to select jobs “by ‘I’ve got to put food on the table’, because that’s what we are hearing”.

Panel 1: Pay parity timeline

November 2022:

Controversially excluded

- General practice controversially excluded from the first round of \$200-million-a-year government fund for nurse “pay parity” with Te Whatu Ora nurses.

March 2023: Gap grows

- Pay deal gap between practice nurses and Te Whatu Ora nurses with the same experience grows to \$20,000 after the rollout of a \$540 million interim pay-equity settlement for hospital nurses.

May 2023: Included but short-changed

- Health minister Ayesha Verrall announces general practices are eligible for a \$31 million share of the \$200 million fund for “pay disparities” increases but not pay parity with Te Whatu Ora nurses.

June 2023: Deal to vote

- NZNO and 500-plus general practice employers agree to put practice nurse pay deal out to vote. The proposal offers to match 95 per cent of Te

Whatu Ora nurses' March pay rates (top basic-pay step of \$90,500).

July/August 2023: Gap widens again...and again

- Further \$1.5 million boost by the Government sees Te Whatu Ora nurses accept final \$4 billion pay-equity settlement, including a \$15,000 lump sum and an extra 4.5 per cent increase.
- A week later, Te Whatu Ora nurses also vote to accept a new collective agreement that further widens the pay parity gap by bringing their top basic pay step to \$103,630 (\$106,739 in April 2024).
- Practice nurses vote to accept the primary care nurse deal offer, which falls far short of pay parity, in return for NZNO promising to start work "immediately" on a pay equity claim.

September 2023: Pay gap closes doors/cuts services

- The pay parity gap is blamed on Christchurch's 24 Hour Surgery having to close overnight after losing 45 per cent of its nursing staff that year – primarily to higher-paid jobs at Te Whatu Ora.
- Nurse shortages have forced more than 40 per cent of general practices to close or cut back

services, a General Practice NZ survey finds.

Panel 2: Pay equity: What's happening?

- NZNO is to lodge a pay equity claim with every general practice and urgent-care centre with one or more NZNO members.
- Under the updated Equal Pay Act 1972, the pay equity process is separate from collective agreement bargaining and is to address the historic undervaluing of female-dominated work.
- Somewhere between 550 and 600 employers are thought to be involved.
- Most are expected to opt into a multi-employer pay equity process agreement (MEPEPA) to work through the required job and remuneration comparison process.
- The primary care claim will build on the work already done for the NZNO/PSA Te Whatu Ora nurse pay equity settlement.
- Under the act, any eventual settlement would cover only practices named in the claim but would also include non-union nurses at those named practices.
- It is still being clarified whether the Coalition Government will fully fund an agreed settlement.

What to expect in 2024

- › Work to begin on NZNO pay equity claim for its general practice and urgentcare nurse members under the Equal Pay Act 1972.
- › Lobbying of the Coalition Government to commit to funding pay equity settlements for the publicly funded health sector.
- › Separate negotiations to begin again for the sector's largest practice nurse pay deal – the NZNO Primary Health Care MECA (multiemployer collective agreement), which expires on 1 July 2024.

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