Health Sector
Relationship Agreement

A tripartite framework for constructive engagement
in the New Zealand Public Health and Disability Sector

14 November 2007
Background

In 2003, the New Zealand Government, the district health boards (DHBs), the New Zealand Council of Trade Unions (NZCTU) and its affiliated health sector unions agreed a framework for tripartite and bipartite engagement in the public health sector. The 2003 framework ("Health Sector Tripartite Steering Group – a Framework for Constructive Engagement") focused on the common interests of the three parties in the delivery of the goals of the New Zealand Health Strategy, healthy workplaces, and an effective public health sector.

A number of important pieces of work were undertaken under the 2003 framework, including the development of a health sector code of good faith (which sits alongside the code that was embedded in legislation in 2004), and the delivery of a series of facilitated workshops at DHBs nationally, aimed at introducing or strengthening local workplace consultative committees.

Major challenges continue to face the public health sector, including the demands on the sector that exceed the available resources. Significant reforms and changes to historic relationships and approaches are likely to be required, to continue to manage these challenges effectively. In light of this, the parties considered it was timely to review the 2003 agreement, to ensure the best framework was in place for assisting the parties to implement change successfully.

The parties’ decision to review the earlier framework was driven by a shared commitment to ensure the public has trust and confidence in their health system. In improving upon the current relationships and approaches, the parties aim to:

- deliver the optimum health outcomes for users of public health and disability services, acknowledging that the available resources are not limitless
- deliver the best possible working environment for those involved in health and disability service delivery
- provide a shared sense of direction and purpose between the parties
- provide a framework for sharing, exploring and addressing common interests and issues, and
- ensure practical work is done, to implement the parties’ goals.

This document is not intended to supersede the code of good faith previously agreed between the parties. This document builds upon the principles, structures and processes of that code and of the 2003 Framework.

This document names the parties to the agreement, identifies their roles in the health sector and outlines the agreement’s scope. This document identifies the principles underpinning the agreement, the parties’ aspirations for the agreement and the practical elements that will be needed to make the parties’ relationships successful. Finally, this document outlines the structural framework supporting the relationships, and the parties’ agreed work plan.

Parties to the Agreement

The parties to this agreement are the Government (the Minister and Ministry of Health), the DHBs, and union parties (the NZCTU, and the health sector unions who are signatory to this agreement). This agreement recognises the roles and accountabilities of the respective parties (which are summarised below). This agreement acknowledges the need for each party to act within the scope of their role.

Government parties
The Minister of Health’s role is to determine the New Zealand Health and Disability Strategies, which provide a framework for the Government’s overall direction and priorities for the health and disability sectors in improving the health of New Zealand’s people and communities. The Minister is
accountable for agreeing with Cabinet the quantum and model for distribution of Vote Health funding, to be approved by Parliament.

The Ministry of Health has a role in advising the Minister on, and implementing health and disability policy. The Ministry also has a role in advising on the allocation of and administering Vote Health funding, and in monitoring the providers of public health and disability services.

**District Health Boards**
The DHBs have accountability, as defined by the legislative framework (including the New Zealand Public Health and Disability Act 2000 and the Crown Entities Act 2004), for the provision of health and disability services to the population of New Zealand.

**Union parties**
The role of the health sector unions is to collectively organise and represent the interests of their members who are employed in the public health and disability sectors. These interests include the achievement of the goals that underpin this agreement.

The NZCTU has a role in facilitating and uniting its affiliated health sector unions, enabling a whole of union voice and activity where appropriate and desirable.

**Good Faith**
The parties and their agents acknowledge their mutual obligations and commit to each other to act in good faith under this agreement.

**Scope of the Agreement**
The scope of this agreement is similar to that of the health sector code of good faith. The agreement applies to the Government, the DHBs, the NZCTU and health sector unions.

The DHBs have an obligation to ensure employer contractors engaged by the DHBs to provide services to those Boards in their provider capacity are aware of and operate in a manner that is consistent with this agreement.

**What underpins the agreement?**
The parties acknowledge that they have common goals and interests and that they will also have goals and interests that differ. The common goals and interests that underpin this agreement are:

1. a goal of improving health outcomes for the New Zealand population, and in reducing health inequalities
2. a shared commitment to delivering a productive, sustainable, responsive, high-performing affordable public health and disability service, in line with the New Zealand Public Health and Disability Act 2000 and the range of health and disability strategies
3. a mutual interest in the provision of good jobs and working environments for all who work in the health and disability sectors
4. respect for each others’ different roles and the respective responsibilities that go with those roles, and
5. a mutual interest in meeting the objectives of the Employment Relations Act 2000 (ERA) through the promotion of collective bargaining and union representation.
The parties are committed to the development of high-performing public health and disability services that are productive, sustainable and responsive, are accessible and affordable, and are appropriately staffed and resourced. Such a public health and disability service is made up of engaged employees who are committed to the goals of their organisations. In such a service, a culture of high trust exists between employers and employees. There are positive, productive workplace relationships and practices including collaborative ways of working, good faith behaviours, timely engagement over issues and employee participation in decision-making.

It is a public health and disability service where unions are actively promoted and recognised including active and visible promotion of the positive role of union delegates by managers at all levels. Comprehensive delegate and management training takes place regularly, to support constructive engagement in the workplace. Delegates have access to facilities to enable them to carry out their roles, and reasonable cover is provided to enable delegates to be released to undertake their duties.

In a high-performing public health and disability service, work is effectively and efficiently designed and meaningfully organised, enhancing overall productivity. Employees have a sense of employment security, recognising that the environment will be constantly changing and evolving. Learning environments are created, innovation is encouraged, and there is investment made in facilities and technology. There is investment in training and development. Career pathways are identifiable within and across the sector and employees’ talent and potential are recognised, developed and fostered.

A high-performing public health and disability service with these characteristics will be an employer of choice, attracting talented and skilled employees, with a commitment to public service.

**Purpose of the Agreement – What the parties aim to achieve**

The parties, in making this agreement, are establishing a formal framework that will strengthen their relationships with each other and will help guide and inform individual and collective decision-making processes. This formal framework will facilitate:

- constructive engagement between the parties, based on good faith principles
- increased engagement between the parties on matters of national substance, including input by all parties into estimating the potential cost and service impact of proposed health and disability policy and into resource allocation deliberations
- the parties’ behaviour being consistent with an interest based partnership relationship rather than an adversarial relationship
- the promotion of shared responsibility for decision-making between the parties within the legislative accountability framework for DHBs, including union participation in the development and improvement of the public health and disability sector on the basis of a mutual interest and desire to enhance the sector’s overall value
- the identification of collective challenges and opportunities
- an operational focus to delivering shared aims

**Practice – what will be needed to make the relationship and agreement work**

The parties agree that regular and structured intentional interaction (both process and project based) is critical to the success of this agreement and the parties’ relationships. The parties also agree that there is a need for transparency of information about financial and economic matters, about the likely impacts of change, and about shared goals for the health sector.

Resources will be required to effect the culture change that will be needed to embed the relationship throughout the health sector, and to implement the agreed work plan. The resources required will include:

- financial resources for the coordination of the various forums (regular and extraordinary), including the establishment of a secretariat that is collectively ‘owned’ by the parties
the development of capacity and capability to enable each party to fully participate in the relationship and to support implementation of agreed projects
− time for full participation in the process by all parties’ representatives (acknowledging the sector’s requirement to maintain levels of service provision)

Resources to coordinate the national forum will be provided by the Ministry of Health. DHBs and unions will resource organisational level activity.

The resources required for new project activity will be scoped and business cases developed. Where the resource requirement is greater than ‘business as usual’, arrangements for resourcing will be agreed by the parties on a project by project basis.

Structures that will support implementation

A framework of tripartite and bipartite structures and processes is required to deliver the intended outcomes of this agreement. This includes the structured engagement of all three parties, as well as formal bipartite relationships between each of the parties. The nature of the engagement between the parties is described below. Many of these structures already exist, and the parties agree that wherever possible, the implementation of this agreement should become business as usual on existing agendas.

**Tripartite Steering Group (all three parties)**
The tripartite group will provide a forum where the parties can discuss and advance common interests and issues concerning health service delivery and can identify and formulate joint plans to deal with their aspirations, challenges and opportunities. The group will be comprised of representatives from the Government, leaders of the NZCTU and health sector unions, and the lead DHB Chairs and CEIs for workforce and employee relations. The chair of the tripartite group will rotate between the parties. The group will seek initial support with facilitation from the Department of Labour Partnership Resource Centre.

The parties will each be responsible for self-regulating their behaviour in the relationship in the first instance, including ensuring congruence between commitments made and actions taken. A dispute resolution process will be developed, to assist the parties where self-regulation and discussion between the involved parties is not successful in resolving relationship issues.

The tripartite group is a leadership forum, mandated by the parties, that provides an environment for the parties to test ideas without obligation, to give direction and shape to tripartite engagement, to monitor progress and to make connections between various initiatives that impact (or have the potential to impact) on the health sector working environment and workforce.

The tripartite group will meet every two months with a focus on contributing to the building and maintenance of public trust and confidence in the public health system.

The tripartite group is responsible for:
− monitoring the state of the tripartite and bipartite relationships between the parties, including an annual review of the health sector relationship agreement
− monitoring the parties’ commonalities and differences; balancing the parties’ individual autonomy with the collective good, in decision-making
− ensuring practical work is done to support the parties’ goals
− agreeing the terms of reference for work projects, and monitoring their implementation
− agreeing how work projects will be resourced at national, regional and local levels
− overseeing the application of the consensus health sector code of good faith

In addition to the regular two-monthly meetings, on an annual basis the parties will have a more substantial meeting, supported by independent information and analysis, for the purpose of discussing priorities and initiatives in the health and disability sector.
**Bipartite Arrangements**

There will be regular contact between the Government, and the NZCTU and health sector unions to enable the NZCTU and unions to give advice on matters as they arise.

There will be regular contact between the Government and the DHBs to facilitate both parties meeting their respective obligations in terms of this agreement. The parties intend the bipartite engagement to enable the Government to clearly articulate its expectations of the DHBs and the DHBs to engage with the Government over these expectations.

There will be regular contact between the DHBs and the health sector unions. The parties aim to establish a unique and sophisticated union-management partnership, based on the respective parties' interests, that sets the standard for the health sector. These partnerships may be formalised through partnership agreements. The parties’ representatives on the tripartite group will promote constructive national, regional and local engagement between DHBs and the union parties to this agreement and will actively support capacity building and the delivery of projects established under the tripartite agreement.

The following diagram illustrates the relationship between the tripartite steering group, formal bipartite agreements between the DHBs and individual unions, and related project work.

**Projects and work plan**

Project work will occur in the work areas identified below. A schedule of agreed projects is attached as Appendix A to this agreement.

Work is already proceeding in some of these areas. This agreement is not intended to supersede or duplicate work that is already being undertaken by the parties. Existing work should proceed in line with established work plans and schedules.

Terms of reference and specific work plans for the new projects outlined below will be agreed by the tripartite steering group as soon as practicable. Work plans will be coordinated with each other, in recognition of the connected nature of much of the project activity.

**Project work areas:**

1. Organisation and work structure
2. Workforce and employment relations
3. Sector performance and productivity

Signatories
Minister of Health
Director-General of Health
President of NZCTU
Chairs of each DHB
Secretary/CE of each union
Appendix A – Agreed Projects

Organisation and work structure

1. Embedding constructive engagement as an enduring approach to public health and disability sector relationships, including:
   - Translating strategic tripartite commitments into work plans that are deliverable at workplace level
   - Reviewing issues arising from the 2007 stock-take of the health sector code of good faith, including a code dispute resolution process
   - Building upon the parties’ previous commitment to train and up-skill participants to make the relationships effective, including a stock-take of current capacity and capability, development of a set of core competencies for delegates and managers, and a plan to develop these competencies within the sector
   - Building on and recognising the bipartite arrangements that currently exist at a local level, and developing these further, where required
   - Developing a programme of events/workshops/forums/case studies/resources to support the parties in implementing projects in the workplace
   - Establishing a resource to assist the parties in implementing this agreement, including the provision of knowledge/information exchange
   - Determining the resources (financial and other) required to achieve the above, and agreeing arrangements for resource provision

2. Developing a tripartite process to enable all parties to provide early input into the development of health and disability policy, including the cost and resources required for policy implementation

3. Development of an agreed dispute resolution process, consisting of a small panel made up of representatives from each of the parties, that convenes on an ‘as required’ basis and adopts a non-adversarial, issues based approach to assisting the parties to resolve relationship issues that the parties have not been able to resolve alone

Workforce and employment relations

4. Introduction of an overarching career framework for the public health and disability sectors

5. The exploration of a single, relativity-based approach to determining common employment conditions in the sector, including the associated structures, processes and approaches to bargaining

6. Improving pay and conditions for low paid workers

7. Exploring the competencies and structures required for leadership within the sector, recognising the need to align the responsibility and accountability of leadership roles

8. Examining the issues around contracting out in the public health sector, including reviewing current processes, procedures and protocols.
Sector performance and productivity

9. Measurably improving productivity in the sector, through the use of the Department of Labour’s seven productivity drivers, including identifying and reducing variation across the sector through the sharing of information and expertise.

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1 The seven productivity drivers are building leadership and management, creating productive workplace cultures, encouraging innovation and the use of technology, investing in people and skills, organising work, networking and collaboration, and measuring what matters.