

All District Health Boards

FINAL

The DHBs' Revised Offer to NZNO

In April 2018, the Prime Minister recommended an Independent Panel be established to help the DHBs and NZNO reach an agreement in their negotiations for a new employment agreement. Professor Margaret Wilson was appointed as independent Chair of the Panel, and NZNO and the DHBs both nominated a Panel member.

This document provides an overview of the DHBs' revised offer to NZNO nurses, healthcare assistants and midwives based on the recommendations of the Independent Panel that were received on 21 May 2018. Comments from NZNO regarding the Panel's recommendations (taken directly from the NZNO website on 24 May 2018) are included for information only. The DHBs make no statement on the NZNO's comments.

The DHBs offer means that:

- NZNO members will receive a lump sum payment of \$2000 (pro-rated) on settlement;
- by December 2019 the salary for a registered nurse currently with more than 5 years' experience will increase to \$77,386; and
- by December 2019, the average annual earnings of a fulltime Registered Nurse (including allowances, penal and overtime payments) will be around \$93,000.

Summary of Recommendations

Recommendation 1 - The Parties report six-monthly to Health Sector Relationship Agreement (HSRA) Group on compliance with the significant contractual commitments agreed within their MECA and that the HSRA pro-actively supports the Parties to correct issues of non-compliance.

NZNO Comment	Offer
<i>"The recommended role of the HSRA in compliance was not reflected in NZNO's submission, however, given the HSRA Group is set up as a tripartite forum consisting of representatives from district health boards, unions and senior Ministry of Health officials, we believe there is merit in this recommendation."</i>	The DHBs accept the Panel's recommendation.

Recommendation 2 – The Parties use their best efforts to agree a three-year term to enable the implementation of the changes to workforce planning strategy and priorities recommended in the Report.

NZNO Comment	Offer
<i>"The Panel believes a 2 year term as advocated by NZNO does not provide sufficient time to progress the necessary shift in workforce planning strategy and priorities and risks a re-litigation of the issues in the next negotiations. The Panel acknowledges there remains a lack of agreement by the Parties on the Term of the Agreement."</i>	The DHBs accept the Panel's recommendation and have offered a term to 31 July 2020.

<p><i>The Panel proposes a 3 year term but have not specified the start and expiry dates.</i></p> <p><i>NZNO proposed the term of the MECA expire no later than November 2019. The intention of this four month extension, along with an enhanced pay offer, was to allow time for the Pay Equity process to be completed given there has been a delay in commencing this.</i></p> <p><i>The second DHB offer included a 2 year term.”</i></p>	
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Recommendation 3 – the Parties agree a national framework, to then be applied by each DHB Chief Executive, to review how the nursing perspective can, and does, influence clinical and business decisions within their DHB, initially focussing on nursing workloads, escalation pathways and incident reporting.

NZNO Comment	Offer
<p><i>“NZNO submitted that:</i></p> <p><i>The escalation pathway in the MECA requires diligence and contractual agreements around resourcing and timeframes to ensure that the necessary structure and procedural requirements for each step of this process are in place and functioning so that the new escalation process is effective and does deliver tangible relief for members while CCDM is being progressed.</i></p> <p><i>NZNO advocates for the empowerment of the nursing and midwifery teams in decision making and this recommendation supports this goal.”</i></p>	<p>The DHBs accept the Panel’s recommendation.</p>

Recommendation 4 – Each DHB CEO requires their local CCDM Council to oversee a review of the organisation’s system and current practice for managing situations when the required staffing levels cannot be achieved, and requires their Director of Nursing to work with the CCDM Council to develop and implement, by 31 December 2018, an agreed plan to remedy any shortcomings identified by this review ensuring that the plan includes ongoing monitoring and evaluation of the escalation processes.

NZNO Comment	Offer
<p><i>“This recommendation supports the NZNO approach taken in our submission.”</i></p>	<p>The DHBs accept the Panel’s recommendation.</p>

Recommendation 5 – the NZNO actively works with its members to achieve acceptance that robust, effective management of staff shortages and unmanageable workloads is dependent on staff willingness to work flexibly across clinical areas.

NZNO Comment	Offer
<i>“NZNO indicated in our submission that there needs to be a culture shift in a number of DHBs to establish trust and confidence with our members”</i>	The DHBs accept the Panel’s recommendation.

Recommendation 6 – The Minister of Health sets a clear expectation that DHBs must have sufficient nursing resources to ensure patient and nurse safety, through a Letter of Expectation to each DHB, to be sent as soon as practicable after ratification.

NZNO Comment	Offer
<i>“This recommendation supports the NZNO approach taken in our submission”</i>	The Minister of Health has agreed to this recommendation.

Recommendation 7 – The DHBs receive funding equal to 2% of the total national cost of the DHB employed nursing and midwifery workforce, immediately on ratification of the agreement to ensure DHBs have the nursing workforce capacity to deliver the required patient services. The increase in funding to be allocated to each DHB in accordance with the Population Based Funding Formula.

NZNO Comment	Offer
<p><i>“The Panel’s recommendation of a dedicated 2% of the nursing and midwifery budget to be allocated for safe staffing is significant and not seen previously for nursing and midwifery.</i></p> <p><i>Should DHBs be in the position to offer this recommendation in a revised MECA offer then we expect that this will make a real tangible difference towards safe staffing. We would be vigilant in monitoring that this pool of money is used as intended.”</i></p>	The Ministry of Health has agreed to provide this funding (\$38m) to the DHBs, and to allocate it through the Population Based Funding Formula.

Recommendation 8 – the DHBs, the NZNO and the other participating union, re-affirm their commitment to SSHW and CCDM.

NZNO Comment	Offer
<i>“NZNO has committed to training its own staff and ensuring adequate resourcing to support its teams’ contribution to the implementation of CCDM.”</i>	The DHBs have re-affirmed their commitment to SSHW and CCDM.

Recommendation 9 – The Ministry of Health include in the Operating Policy Framework the requirement that DHBs implement a validated patient acuity system and plan their DHB nursing workforce requirements in line with the CCDM programme methodology.

NZNO Comment	Offer
<p><i>“This recommendation supports the NZNO approach taken in our submission.</i></p> <p><i>It is essential that DHBs and NZNO have contractual agreements supported or mandated by the Ministry of Health that are put in place to ensure that CCDM process will be appropriately funded and resourced rather than being prioritised based on affordability as has been the case previously.”</i></p>	<p>The Ministry of Health has agreed to this recommendation.</p>

Recommendation 10 – The Ministry of Health gives urgent consideration to providing each DHB with funding equivalent to 2 FTEs per 600 FTE nursing staff, dedicated to supporting the ongoing implementation and development of the CCDM programme in line with the DHB’s agreed timeline.

NZNO Comment	Offer
<p><i>“NZNO advocated for adequate CCDM co-ordinator resource to be agreed and implemented in each DHB. This recommendation supports our submission.”</i></p>	<p>The Ministry of Health has agreed to provide this funding to the DHBs.</p>

Recommendation 11 – The Ministry of Health support the SSHW governance group with its monitoring and compliance functions, including supporting remediation of non-compliance.

NZNO Comment	Offer
<p><i>“This recommendation supports the NZNO approach taken in our submission.</i></p> <p><i>See the comments above as per Recommendation 9.”</i></p>	<p>The Ministry of Health and the DHBs accept the Panel’s recommendation.</p>

Recommendation 12 – The DHBs review the resourcing of the SSHW Unit to ensure that national support is available, as DHBs require, for the implementation of patient acuity reporting and the CCDM programme.

NZNO Comment	Offer
<p><i>“NZNO advocated for the need to increase funds and resourcing for CCDM to be achieved. This recommendation supports the need to increase the technical support that the SSHW provides to both DHBs and participating unions for the implementation of CCDM in all DHBs by 2020.”</i></p>	<p>The DHBs accept this recommendation and will commit an additional \$750k to funding the SSHW Unit, to assist with fast-tracking the implementation of CCDM.</p>

Recommendation 13 – The NZNO review their organisational response to CCDM and the resource available to promote and encourage their membership commitment to patient acuity reporting and the CCDM programme.

NZNO Comment	Offer
<p><i>“NZNO has committed to training its own staff and ensuring adequate resourcing to support its teams’ contribution to the implementation of CCDM. We will support the resourcing for training and education of members so that they are better able to fully participate in the programme.”</i></p>	<p>The DHBs accept this recommendation.</p>

Recommendation 14 – The NZNO and each DHB review the effectiveness of the local partnership and commitment to the union’s formal participation in the programme governance and implementation at DHB level.

NZNO Comment	Offer
<p><i>“It is important this does occur in order to progress a number of the recommendations.”</i></p>	<p>The DHBs accept this recommendation.</p>

Recommendation 15 – Lump Sum payment of \$2000 to be paid on ratification to each nurse and midwife covered by the MECA. This payment is recognition of the recent workload difficulties experienced by nurses and midwives. This sum represents the equivalent of 3% of the RN5 Rate (\$66,755) and the equivalent to 2.93% of the average rate of pay of those covered by the NZNO document increase.

Recommendation 16 – 3% increase on all MECA wage rates from 1 June 2018. The date of 1 June is recognition of the SSC policy against back pay.

Recommendation 17 – 3% increase on all MECA wage rates from 1 August 2018 in recognition of the cost of living.

Recommendation 18 – 3% increase on all MECA wage rates from 1 August 2019 in recognition of cost of living.

NZNO Comment	Offer
<p><i>“NZNO strongly advocated for the first pay increase to apply from 1 August 2017 rather than a lump sum payment.</i></p> <p><i>The State Services Commission (SSC) directive to State Sector employers not to provide for back dating of pay increases is referenced in the Panels report as the reason for not recommending back pay.</i></p> <p><i>NZNO acknowledges that the Panels recommendations for pay increases, the lump sum and the term may not be acceptable to members.”</i></p>	<p>The DHBs accept the Panel’s recommendation and have offered:</p> <ul style="list-style-type: none"> – A lump sum payment of \$2000 (pro-rated) to all staff covered by the NZNO MECA. Part time and casual employees will receive the lump sum on the basis of hours worked, to a maximum of 1.0 FTE. – 3% on all rates from 4 June 2018 – 3% on all rates from 6 August 2018 – 3% on all rates from 5 August 2019

Recommendation 19 – The Parties enter negotiations during the term of the Agreement to add two new steps in the Nurses Salary Scale.

Recommendation 20 – Pay Equity negotiations be conducted during the term of the Agreement with a view to concluding the negotiations during the term.

NZNO Comment	Offer
<p><i>“NZNO advocated for an extended scale for all occupational groups and as previously endorsed by members an agreed Pay Equity process. These recommendations do offer opportunities should there be an agreed term.”</i></p>	<p>The DHBs recognise the Panel’s recommendation and the NZNO’s preference for a two-year term.</p> <p>The three-year term enables the DHBs to offer two additional steps on the Registered Nurse scale.</p> <p>RN/M6 - \$72,944 introduced 3 December 2018</p> <p>RN/M7 - \$77,386 introduced 2 December 2019</p> <p>RN/Ms with over 12 months on RN5 will progress on these dates.</p> <p>The DHBs agree to conduct Pay Equity negotiations during the term of the Agreement with a view to concluding the negotiations during the term.</p>

Recommendation 21 – The Parties appear to have reached agreement on the salary increase for Senior Nurses so the Panel makes no specific recommendation.

NZNO Comment	Offer
<p><i>“NZNO members endorsed the need to address a relativity gap for senior nurses and midwives as an issue for the new MECA. This recommendation references this.”</i></p>	<p>The DHBs agree there is a need to increase the relativity gap for senior nurses and midwives. To achieve this, the DHBs have offered:</p> <ul style="list-style-type: none"> – to remove salary grade SN1 from the senior nurse and midwife salary scale, and – to increase grades SN2 to SN8 by a further 1% from 4 June 2018.