

**IN THE EMPLOYMENT RELATIONS AUTHORITY  
WELLINGTON**

**I TE RATONGA AHUMANA TAIMAHI  
TE WHANGANUI-Ā-TARA ROHE**

[2025] NZERA Recommendation 2

BETWEEN NEW ZEALAND NURSES  
ORGANISATION  
Applicant

AND HEALTH NEW ZEALAND  
Respondent

Members of Authority: Peter van Keulen, Facilitator, with Sarah Kennedy-Martin

Date: 29 April 2025

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**RECOMMENDATION OF THE FACILITATORS**

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**Facilitated bargaining**

[1] The New Zealand Nurses Organisation (NZNO) and Health New Zealand (Health NZ) are bargaining for the renewal of the Health NZ – NZNO Nursing and Midwifery Collective Agreement, 31 March 2023 – 31 October 2024 (the Collective Agreement).

[2] The Authority accepted a reference for facilitation in respect of this bargaining on 25 March 2025.<sup>1</sup> The parties then undertook facilitated bargaining on 31 March 2025, 1 April 2025, 2 April 2025 and 7 April 2025.

[3] The parties have been unable to resolve all the outstanding matters for renewal of the Collective Agreement through facilitation and have requested that we make a written recommendation on outstanding matters.

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<sup>1</sup> *New Zealand Nurses Organisation v Health New Zealand Te Whatu Ora* [2025] NZERA 172.

## **NZNO claims in bargaining**

[4] NZNO advanced 40 claims in bargaining. Whilst there was a large amount of constructive bargaining between the parties over the NZNO claims, by the time the reference for facilitation was accepted there had been some miscommunication and misunderstanding as to progress.

[5] Usefully, facilitation enabled the parties to organise and confirm the status of NZNO's claims. Through this process NZNO's 40 claims were identified as being either agreed, active and the subject of facilitated bargaining, or inactive and being held pending resolution of the active claims.

[6] The parties were then able to advance the bargaining, through facilitation, on the active claims. As a result, they reached agreement on some of the active claims, and they modified their position on many of the balance.

[7] The active claims that were subject of facilitated bargaining and for which agreement was not reached can be categorised into four parts:

- a. Coverage.
- b. Remuneration.
- c. Safe staffing.
- d. Miscellaneous.

[8] We will turn to consider each set of claims, setting out the parties' positions and then providing our recommended resolution.

### **Coverage**

#### *NZNO claims 1- 3*

[9] NZNO claim 1: NZNO seeks to have coverage in the renewed Collective Agreement extended to include senior nursing and midwifery roles that are currently excluded.

[10] NZNO claims 2 and 3: NZNO seeks to have the parties meet during the term of the renewed Collective Agreement to agree a standardized salary scale and job titles for these roles.

[11] NZNO claim 4: this is NZNO's remuneration claim, which is dealt with in the next section, but for clarity, by extending coverage to the senior nursing and midwifery roles the members in those roles would get the increased salary claimed by NZNO.

[12] NZNO's position on coverage is that their members in these senior roles want to be covered by the Collective Agreement, obtaining the benefit of collective bargaining undertaken by NZNO.

#### *Health NZ response*

[13] Health NZ reject these claims insofar as they relate to coverage for the senior nursing and midwifery roles in the renewed Collective Agreement and provide for salary increases from this round of bargaining.

[14] Health NZ is not opposed to the senior nursing and midwifery roles initiating bargaining for a separate collective agreement and this is its preferred position. Health NZ says that the senior roles for which coverage is sought are such that it is not appropriate for them to be covered by the renewed Collective Agreement. This is a point that NZNO does not accept as it points to the collective agreement that Health NZ has with its senior doctors as an example where a single collective agreement covers the whole range of roles within the profession.

[15] Health NZ recognises that remuneration is probably a key driver for this group of NZNO members and advises that it will take steps to ensure a review of remuneration for these roles, which it expects NZNO would be involved in on behalf of its members.. Health NZ offers to provide a side letter to NZNO outlining this.

#### *Our recommendation*

[16] We recommend that NZNO initiate collective bargaining for a new and separate collective agreement to cover its members in senior nursing and midwifery roles that are excluded from coverage under the Collective Agreement. We also recommend that

NZNO participate in the proposed remuneration review for senior nursing and midwifery roles with a view to incorporating agreed remuneration in any new collective agreement.

[17] On this basis we recommend that NZNO withdraws claims 1 – 3.

## **Remuneration**

### *NZNO claims 4, 6, 7 and 21*

[18] NZNO claim 4: NZNO seeks to have cost of living increases made to all salary scales from the expiry of the Collective Agreement. That is increases to all salary scales from 1 November 2024 and 1 November 2025 at a rate that matches the cost of living increases for its members.

[19] NZNO claim 6: NZNO seeks an additional increase to designated senior roles within the Collective Agreement to restore previous relativities and recognise the need to recruit and retain the senior nursing and midwifery workforce for the long term.

[20] NZNO claim 7: NZNO seeks to have an increase of \$2,000 to the top step of the salary scale for Enrolled Nurses, taking effect from 1 January 2025. In advancing this position NZNO state that this was already a compromise position from the original claim which they state would fairly recognise the additional scope of practice for Enrolled Nurses.

[21] NZNO claim 21: NZNO seeks to have KiwiSaver employer contributions increased to 6%.

[22] NZNO's position in respect of remuneration and benefit increases is informed by the ongoing impact of the increase in the cost of living. Simply put, NZNO says remuneration increases should restore the value of pay eroded by high inflation through the term of the Collective Agreement.

[23] NZNO says the best measure for determining the increase in cost of living for its members is the Household Living Cost Price Index (HLPI) and it says that on any measure of HLPI over the past three years the pay increases received by its members,

and now offered for a renewed Collective Agreement, do not match HLPI. Members' pay has been eroded in real terms and the current Health NZ offer does not remedy this.

[24] NZNO notes the potential restrictions imposed by the Government Workforce Policy Statement but submits that the directive does not prevent Health NZ from seeking additional funding to meet its remuneration claims. Its expectation is that Health NZ will do this.

*Health NZ response*

[25] Health NZ has two issues impacting on its response to NZNO's remuneration claims:

- a. Health NZ must reduce its operational expenditure to achieve financial sustainability. Its well-publicised budget overruns must be brought under control, and it is committed to a three-year pathway to achieving a balanced budget for the financial year 26/27.
- b. Health NZ must give effect to the Government Workforce Policy Statement, and this requires it to ensure (amongst other things) that all pay reviews are within its baseline budget and are sustainable, also they must factor in increases in pay progression through salary scales and avoid backdating any components of pay adjustments.

[26] Health NZ emphasises that these two constraints are significant factors that change the bargaining context from previous years; in short Health NZ is absolutely constrained by these factors.

[27] Based on this Health NZ has budgeted an increase in remuneration for nurses that factors in its commitment to FTE requirements (discussed further below) and its overall baseline budget. The Health NZ offer responding to NZNO's remuneration claims is:

- a. A 1% increase to all pay rates in the Collective Agreement effective 1 April 2025.

- b. A \$2,000 increase to step 5 for the Enrolled Nurses salary scale effective from 1 January 2026.
- c. A 1% increase to all pay rates in the renewed Collective Agreement effective 1 April 2026.

*Our recommendation*

[28] At the outset of our consideration on this section of claims we note that considerable information was provided by both parties in support of their positions. We have summarised the respective positions briefly but wish to record that we fully understand the issues and drivers for each party, and we empathise with both.

[29] The economic environment over the past years has compounded the parties' respective positions creating an impossible challenge; the "cost of living crisis" has left employees wanting pay increases that respond to the cost of living increases they have experienced, and the fiscal restraint brought about by the economic environment and the need to "balance the books" has left both private and public employers with limited funds to increase pay.

[30] The position for Health NZ is no different from all government agencies in terms of its requirement to give effect to the Government Workforce Policy Statement and Health NZ must also eliminate its significant deficit, which it is on track to achieve in the three-year time frame.

[31] In this context Health NZ has costed pay increases that take effect 12 months from the previous pay increases nurses received (1 April 2024) and it has factored in the cost of employing the required FTE generated by CCDM; Health NZ formulated its offer on remuneration, based on this. We have no reason to question the economic rationale for Health NZ's offer.

[32] That leaves us in a difficult position. We cannot recommend that Health NZ increase its offer when it does not have the funds to do so thus putting it in breach of the Government Workforce Policy Statement and this would cause it to move backward in its steps to attain financial sustainability, which it is required to achieve.

[33] We could recommend that Health NZ seek further funding. However, there is no rationale that supports this approach – that is, there is no economic benefit or saving achieved with a renewed Collective Agreement that supports further funding for additional increases to remuneration above Health NZ’s baseline budget.

[34] For these reasons we recommend that NZNO accepts Health NZ’s offer on remuneration and it withdraws claims 6 and 21.

### **Safe staffing and commitment to FTE nursing**

[35] This group of claims covers matters relating to the number of nursing and midwifery staff required to be rostered on duty across Health NZ to ensure safe levels of staffing are implemented, expressed as FTE numbers; safe levels being those that protect patient and staff wellbeing. In terms of nurses, the safe staffing FTE numbers are generated through the Care Capacity Demand Management programme (CCDM).

#### *NZNO claim 15*

[36] NZNO want Health NZ to commit to a process (a work programme) that will provide an evidence base from which staff to patient ratios can be established that are culturally appropriate. This programme is to include three phases: (1) research; (2) analysis and determination of possible solution; and (3) progressive implementation.

[37] NZNO sees the use of staff to patient ratios as supplementing CCDM where that programme has shortcomings, additionally noting that a 2022 Ministry of Health review of CCDM identified that CCDM does not recognise Te Tiriti o Waitangi responsibilities toward Māori in its design and outcomes.

[38] NZNO’s current position is that whilst the claim has been accepted in principle by Health NZ the proposed wording for a schedule to the renewed Collective Agreement dealing with the work programme is deficient in its failure to adequately reference research, both internationally and New Zealand based, into the culture component of nursing as that impacts staff to patient ratios. NZNO has put forward revised wording in facilitation.

*Health NZ response*

[39] Health NZ have accepted this claim in principle and the parties have bargained over appropriate wording for the work programme. Health NZ's view is that the draft wording that the parties developed was largely agreed and now, through NZNO revisiting the proposed wording, NZNO is expanding the scope of the programme.

*Our recommendation*

[40] Based on our understanding of the proposed work programme including its purpose we believe both parties interests, in the proposed work programme, are adequately represented and protected by the wording that was presented by Health NZ prior to facilitation, with one addition to part 5 of that wording. That is, additional wording at the end of the paragraph, in red, so that it reads as follows:

5. The purpose of the work programme will be to assess existing evidence on nurse-patient ratios and gather/generate further evidence that may be needed to explore nurse-patient ratios in the Aotearoa-New Zealand and Health NZ context, **with the 2022 Ministry of Health review of CCDM informing that context.**

*NZNO claim 18*

[41] NZNO want Health NZ to provide full time permanent employment to all new nursing graduates.

[42] NZNO say that Health NZ does not train enough nurses to meet the workforce need and projections show that it will not meet this demand in upcoming years. It follows that based on projections of both FTE need and nursing graduates Health NZ can budget for and should employ all nursing graduates. This has a positive effect in terms of Health NZ's commitment to FTE nursing numbers and to training nurses. And NZNO says Health NZ has committed to full employment of nursing graduates in the past.

*Health NZ response*

[43] Health NZ raises several concerns with this claim. Its overriding position is that the claim, if accepted, imposes an obligation on Health NZ that is impracticable

and unworkable. It is impracticable as it creates an open-ended obligation to employ graduate nurses in circumstances where it cannot control the number of graduates, nor can it control the number of vacancies available. It is unworkable as the obligation could cut across the fiscal constraints imposed on it by the Government Workforce Policy Statement and its own steps being taken to achieve financial sustainability.

*Our recommendation*

[44] Whilst Health NZ may have committed to employment all nursing graduates in the past, we understand this was in limited and particular circumstances, and the current circumstances are quite different. Given the constraints imposed on Health NZ identified in the remuneration claims section and open-ended obligation created by this claim we accept that it places Health NZ in a challenging and problematic position.

[45] We also have concerns about whether this obligation, if it was acceptable to Health NZ, would be rightly incorporated into a renewed Collective Agreement as many graduate nurses will not be members of NZNO.

[46] There is no alternative proposal from Health NZ and no compromise that we see that is viable.

[47] We accept that Health NZ cannot agree to this claim, so we recommend that NZNO withdraw this claim. However, we recognise that this is an important issue for nursing generally for many reasons. We recommend that the parties and any other stakeholders engage in further discussion on the role of Health NZ in supporting the training and employment of graduate nurses.

*NZNO claims 19 and 20*

[48] NZNO want Health NZ to immediately recruit and release budget for the roles identified in the CCDM FTE calculation and NZNO want Health NZ to commit to timely recruitment of staff vacancies.

[49] NZNO's claims are informed by ongoing concerns about Health NZ's commitment to the use of CCDM. This arises because of a "pause" that Health NZ activated in respect of ongoing CCDM FTE calculations. NZNO says this pause and

the consequent failure to establish FTE numbers and commence necessary recruitment has undermined the CCDM programme.

[50] NZNO understands that Health NZ's actions were part of an overall change in approach to the process for establishing FTE numbers and commencing necessary recruitment. Health NZ is effecting a change to the process for establishing FTE numbers so that this is done in one window so that all FTE numbers for the upcoming financial year are completed in advance of budget setting, so that the FTE calculations can inform the budget. Once approved in the budget for financial year Health NZ can then commence recruitment for any additional FTE required. NZNO has concerns about Health NZ's ability to establish FTE numbers in time and correctly given the scope of the national requirement and concerns about availability of some of the required inputs into CCDM.

#### *Health NZ response*

[51] Health NZ's position is straight forward. The new process for establishing the required FTE is not a change in its commitment to CCDM it simply makes the whole process more effective and lines up FTE calculations with budgetary approval.

[52] Health NZ is very clear on its ongoing commitment to CCDM and the established FTE numbers. It says the obligations sought from it through these two claims are unnecessary and potentially cut across the credibility and impartiality of the CCDM system.

#### *Our recommendation*

[53] We recommend that Health NZ provide wording, in a side letter, that is responsive to NZNO's claims around safe staffing and the use of CCDM. This side letter should confirm Health NZ's commitment to CCDM and, in particular, to achieving and maintaining FTE numbers generated through CCDM through the new process.

[54] Although not raised in bargaining it is clear to us that communication has broken down over the use of CCDM both in establishing FTE numbers and subsequent recruitment. This is largely due to the "pause" implemented by Health NZ. We

recommend that during the term of the renewed Collective Agreement both parties work together to improving communication over CCDM particularly where issues arise with the establishment of the FTE numbers and the required recruitment.

## **Miscellaneous**

### *NZNO claim 13*

[55] Health NZ has offered nurses a Tikanga Māori Putea allowance consistent with an allowance payable under other collective agreements it is a party to. Health NZ has a standard clause for payment of this allowance as set out in those other collective agreements. NZNO whilst accepting of the allowance wants to review the suitability of the clause over the term of a renewed Collective Agreement and has suggested additional wording to the standard clause committing both parties to a review of the suitability of the clause.

### *Health NZ response*

[56] Health NZ is not opposed to NZNO reviewing the clause and its suitability over the term of a renewed Collective Agreement but will not commit to being a part of any review – from its perspective it has a workable clause that should be included in a renewed Collective Agreement.

### *Our recommendation*

[57] We recommend that NZNO accept the wording offered by Health NZ (i.e., the standard clause) without any reference to further review. And we suggest that NZNO undertake its own review of the operation of the clause over the term of a renewed Collective Agreement and bring any suggested changes to the next round of collective bargaining.

*NZNO claim 32*

[58] NZNO seek a review of the professional development and recognition programme (PDRP) considering:

- a. Extension of PDRP payments for those on the designated senior scale.
- b. National consistency.
- c. The relationship between PDRP and a post graduate qualification allowance.

*Health NZ response*

[59] Health NZ agreed with a review of PDRP but not on the basis sought by NZNO. Health NZ has provided alternative wording referencing a review of PDRP to be included in the terms of settlement.

*Health NZ offer accepted by NZNO*

[60] NZNO has now accepted the wording for the terms of settlement provided by Health NZ.

*NZNO claim 33*

[61] A shift co-ordination allowance was introduced into the Collective Agreement (clause 10.3) in previous collective bargaining. NZNO wishes to:

- a. Provide clarity around when the allowance is payable, by inserting a reference to Enrolled Nurses and removing a reference at clause 10.3.3 to the allowance not being applicable to every ward, department, or service and not for every shift.
- b. Change the amount payable from a shift rate to an hourly rate.

*Health NZ response*

[62] Health NZ has accepted the proposed change to an hourly rate.

[63] Health NZ does not want to reference Enrolled Nurses in clause 10.3 of the Collective Agreement as it says Enrolled Nurses should not be doing shift coordination duties except in exceptional circumstances. It wishes to retain clause 10.3.3.

*Our recommendation*

[64] Having considered the parties' positions our view is that the question of what amounts to shift coordination duties, for which the allowance is payable, is a matter for a policy not the Collective Agreement. If shift coordination duties are then assigned in line with the policy the allowance becomes payable under the Collective Agreement.

[65] In the interim period without a policy Health NZ can (and should) control when a nurse or midwife is assigned shift coordination duties. If the Health NZ position is that Enrolled Nurses should not be doing shift coordination duties, then that is a matter for it to control. If Enrolled Nurses do undertake shift coordination duties, then that must have been authorised by Health NZ and it follows that the shift coordination allowance is payable. It also follows that Health NZ do not need to, and should not, retain a discretion as to payment of the allowance, at clause 10.3.3 – in short Health NZ can control the assignment of duties and if duties are assigned the nurse should receive the allowance.

[66] On this basis we recommend that clause 10.3 be amended to read as follows:

10.3.1 From 1 April 2025 an allowance of \$3.00 per hour will be payable to a registered nurse or registered midwife or enrolled nurse where:

- (i) They are assigned to a shift coordinator role for their ward/department/ or team for the duration of the shift (excluding breaks). With that shift being a period of at least eight hours.
- (ii) They are not in a designated senior nurse / midwife position or receiving a higher duties or other allowance for the shift.
- (iii) The shift coordinator duties may include:
  - (a) Organising resourcing for the current and subsequent shifts
  - (b) Ensuring safe staffing information is collected and inputted appropriately.
  - (c) Supervision of staff.
  - (d) Overall responsibility for patient flow and coordination for the ward/department.
  - (e) Liaising with other wards and departments and duty management teams.

10.3.2 The allowance in 10.3.1 will not be paid where a designated senior nurse is already carrying-out the role and functions of shift coordination.

*NZNO claim 37*

[67] Insertion of He Ara Tapa Tahī and Kahui Kokiri terms of reference into Appendix 1(a) of the renewed Collective Agreement.

[68] Health NZ did not want the actual terms of reference included in the renewed Collective Agreement but accepted a reference to the forums and a link to the terms of reference. This claim is largely agreed on this basis.

[69] However, an issue now arises for the wording for Appendix 1(a) where it refers to the relationship forums operating within Health NZ. NZNO want to refer to the relationship forums in the present tense thus creating an ongoing commitment to the forums – merely stating the forums as being those in place at the time of signing the renewed Collective Agreement means there is no obligation during the term of the Collective Agreement to maintaining the forums.

*Health NZ response*

[70] Health NZ simply wants to reference the relationship forums in operation at the time the renewed Collective Agreement is signed as this is factually correct.

*Our recommendation*

[71] We recommend a compromise here; the relationship forums are listed as current at the time of entering into the renewed Collective Agreement and the parties record their ongoing commitment to those forums operating in line with the terms of reference.

[72] Based on this recommendation the wording of the key line in the proposed appendix 1(a) will read as follows with our recommended addition in red.

At the time of settling this CA, the following relationships operate in Health NZ, **and both parties record their commitment to maintaining the operation of these forums in line with the relevant terms of reference:**

*NZNO claim 39*

[73] A member only payment in recognition of the benefits of the Collective Agreement and arising out of the relationship on which the Collective Agreement is based.

[74] Health NZ has agreed to include a member only benefit expressed as a deferral of three months for any offers for non-members on individual employment agreements based on a renewed Collective Agreement. That is the member only benefit is three months of benefits from a renewed Collective Agreement before non-member colleagues obtain similar benefits.

[75] NZNO now says the three-month period should be extended to reflect the fact that the remuneration offer is low and does not reflect the benefits, for Health NZ, arising out of a renewed Collective Agreement and the relationship on which a renewed Collective Agreement is based.

*Health NZ response*

[76] In short Health NZ says it believed the deferral of any Collective Agreement benefits to non-members by three months was an accepted way of providing a member only benefit and was accepted by NZNO including the time period. Health NZ sees no basis to increase this time period.

*Our recommendation*

[77] NZNO accept Health NZ offer of a three month deferral period for any benefits of a renewed Collective Agreement being offered to non-member.

**Health NZ claim**

[78] During facilitated bargaining Health NZ advanced a claim. This claim is for a new clause 8.1.(d) to the renewed Collective Agreement as follows:

For the avoidance of doubt, compensation for availability not otherwise provided for in this agreement is included in the salary.

[79] This claim arises because Health NZ wants to deal with a new issue it believes has arisen (or will arise) where perioperative staff on an on-call roster remain on duty if an operation runs over their finishing time – in this scenario nurses are paid overtime rates for the extended duty but, in addition they may now seek additional payments for availability relying on ss 67D and 67E of the Employment Relations Act 2000.

[80] The claim clarifies what Health NZ says has been the accepted position – that availability is compensated through the Collective Agreement - evidenced by the fact that these availability claims have not been made previously despite ss 67D and 67E being enacted since 2016.

#### *NZNO response*

[81] This matter relates to a dispute between Health NZ and NZNO and should not be subject of a claim in this round of bargaining.

#### *Our recommendation*

[82] Given the circumstances giving rise to this claim our view is that it is best resolved as a dispute if that is what NZNO wishes to do. Health NZ should withdraw this claim.

#### **Agreed claims**

[83] We understand that NZNO claims 9,10, 12, 14, 24, 27, 30, 35, 36 and 40 are agreed.

#### **Other NZNO claims**

[84] NZNO has advised that it withdraws claims 25 and 38.

[85] NZNO claims 5, 8, 11, 16, 17, 22, 23, 26, 28, 29, 31 and 34 have not been advanced in facilitation and subject to all active claims being agreed these claims should be withdrawn by NZNO.

## **Conclusion and proposed offer**

[86] In conclusion, we recommend that Health NZ present an offer based on the agreed claims, our recommendations and the withdrawal of the balance of NZNO claims. NZNO should then take this offer to ratification on the basis that it represents, in totality, our recommendation for the terms of settling a renewed Collective Agreement.

Peter van Keulen  
Member of the Employment Relations Authority/Facilitator

Sarah Kennedy-Martin  
Member of the Employment Relations Authority