

[Date]

Dear [provider name]

## **Funding to address pay disparities in your nursing and kaiāwhina workforces – Variation to your Existing Agreement(s)**

### **Background**

In November 2022 the Government announced that further funding will be made available to address pay disparities in the nursing and kaiāwhina workforces in parts of the health sector, to benefit the people and communities that they provide services to.

This will be achieved by Te Whatu Ora Health New Zealand (**Te Whatu Ora**) and Te Aka Whai Ora the Māori Health Authority (**Te Aka Whai Ora**) increasing the payments they each make to certain health care providers for the provision of health care services, so that this additional funding can be passed on by those providers to increase the salary and wages of their Eligible Workers (as defined in this variation).

As part of the rollout of this additional funding, up to \$40 million will be made available for those providers for the period 1 April to 30 June 2023, and ongoing funding of up to \$200 million will be made available each financial year, as described in this variation.

### **Variation to your Existing Agreement(s)**

You are a provider of health care services to one or both of Te Whatu Ora and Te Aka Whai Ora (each the **Funder**) and employ Eligible Workers to provide such services under your Existing Agreements.

Accordingly, this letter (the **Variation**) varies the terms of each of the Existing Agreement(s) that you hold with the Funder to:

- (a) provide details of the funding that will be paid to you for the period from 1 April 2023 to 30 June 2023 (**Funding**); and
- (b) require you to comply with obligations in respect of that Funding and your Eligible Workers.

### **Term of this Variation**

This Variation starts on 1 April 2023 and continues in respect of each of your Existing Agreement(s) until:

- (a) such time as your Existing Agreement(s) is further varied, or new agreements entered into, to incorporate into the service price the ongoing funding that will be made available to address pay disparities in the nursing and kaiāwhina workforces; or
- (b) the expiry or termination of each such Existing Agreement(s).

### **Key definitions**

For the purposes of this Variation:

**Eligible Worker** means a person:

- (a) employed by you, whether on a permanent, fixed term, or casual basis (to avoid doubt, this excludes contractors and bureau Nurses), as a Nurse or a Kaiāwhina to provide services under one or more of your Existing Agreements; and

- (b) who is not the subject of a pay equity claim under the Equal Pay Act 1972 as at 1 April 2023 (whether or not that claim has been settled prior to 1 April 2023)

**Existing Agreement** means any agreement that the Funder identifies as being an agreement that will be varied in accordance with this Variation

**Kaiāwhina** means a person who you determine has a position description that has 50 percent or more in common with the Te Whatu Ora-employed Health Care Assistant position described in **Schedule 1** to this Variation

**MECA** means the collective agreement between Te Whatu Ora and the New Zealand Nurses Organisation as at 1 April 2023

**Nurse** means an employee working in a nursing role and whose position description or employment agreement or letter of offer requires them to be registered by the Nursing Council of New Zealand, which, to avoid doubt, includes an enrolled nurse

**Relevant Te Whatu Ora Rate**, for each of your Eligible Workers, means the base rate or salary specified in **Schedule 2** to this Variation that the Eligible Worker would receive if they were covered by the MECA, taking into account their role, level of service/experience and performance.

## The Funding

For the period 1 April 2023 to 30 June 2023, in addition to all payments for Services that we are paying you under your Existing Agreement(s), we will pay you **[\$insert]** as a single lump sum payment (subject to any reductions to that amount that a Funder might make if any of your Existing Agreement(s) terminate prior to 30 June 2023). We may also pay you a further payment, which would also be Funding to be used in accordance with (and subject to the terms of) this Variation.

Ongoing funding that will be made available to address pay disparities in the nursing and kaiāwhina workforces will be incorporated into the service price that is paid under Existing Agreement(s), either through variations to those Existing Agreement(s) or by entering into new agreements.

If you stop providing services under any of your Existing Agreement(s) prior to 30 June 2023, we may treat any payments made to you in accordance with this Variation as an over-payment for the purposes of your Existing Agreement(s).

## Your use of the Funding

You must pass through one hundred percent of the Funding paid to you in accordance with this Variation to your Eligible Workers, as follows:

- (a) first, you must use the Funding to increase the base pay rates of your Eligible Workers to 95% of the Relevant Te Whatu Ora Rates (to the extent that can be achieved within the Funding paid to you); and
- (b) second, if any Funding remains unspent after you have complied with the requirement in paragraph (a), you must use one hundred percent of that remaining Funding to increase the rates and allowances of your Eligible Workers (for example, by further increasing base pay rates, or by introducing or increasing penal rates, shift allowances, or overtime rates).

To avoid doubt, the Funder is not liable for any costs that you might incur related to or arising from this Variation that exceed the amount of the Funding.

### **Reporting requirements**

You will be emailed a form that will set out the information that you must provide about your use of the Funding, which may include, but is not limited to, the information specified in **Schedule 3** to this Variation.

You must contact **paydisparities@health.govt.nz** if you have not received the form by 30 June 2023.

You must provide the information described in the form in full and return it to **paydisparities@health.govt.nz** by 31 July 2023.

This requirement survives the termination of this Variation.

### **Review**

The Funder may review your use of the Funding at any time, including to confirm that you have passed through one hundred percent of the Funding to your Eligible Workers in accordance with this Variation. In addition to the reporting requirements specified above, you must provide any information about your use of the Funding that the Funder reasonably requests for the purposes of the review, including, without limitation the base pay rates that you are paying to your Eligible Workers and information about other rates and allowances.

This clause survives the termination of this Variation.

### **Contract and Commercial Law Act 2017**

A person who is not a party to this Variation may not enforce any of the provisions of this Variation. However, to avoid doubt, this does not limit the rights of any person under New Zealand employment law.

### **Other terms of our Existing Agreement(s) are unchanged**

The Funding paid under this Variation is in addition to all other payments made to you under your Existing Agreement(s). Except as set out in this Variation, all other terms and conditions of each Existing Agreement are unchanged.

### **Next steps**

Please indicate your acceptance to each of your Existing Agreements being varied on the terms set out in this letter, by signing two copies of the letter and returning one signed copy to **scannedagreements@health.govt.nz**

Nāku noa, nā

**[Signature block]**

I agree to the variation of my Existing Agreement(s) on the terms set out in this letter.

Signed: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

## **Schedule 1 – Description of the Te Whatu Ora employed Health Care Assistant position**

The MECA describes the employed Health Care Assistant position as

- "Health Care Assistant (HCA)" or "Hospital Aide (HA)" means an employee who is an auxiliary to the nursing team, and is able to perform tasks in their position description relating to patient care and who works under the direction of a registered nurse or midwife.

### **Te Whatu Ora HCA position descriptions**

Te Whatu Ora HCA position descriptions vary by district but generally feature the following requirements

- Work that requires the direction, delegation, and/or supervision of an RN or Clinical Nurse Manager to carry out patient care related tasks
- Supervision may be direct or indirect (supervising professional is in the work area) when undertaking clinical tasks
  - NZQA National Certificate in Health and Wellbeing Level 3 or equivalent qualification (or in training to obtain)
  - Note this is not explicitly the Health Assistant Stream
- Some administration work but Clinical Support is the primary role
- Reports to a Clinical Nurse Manager or Charge Nurse
- An HCA must not make assessments, clinical judgements or decisions in regard to patients

Te Whatu Ora HCA tasks may include:

- Patient care related tasks (patient hygiene, nutrition)
- Patient monitoring (e.g. vital signs, routine blood sugar levels as directed by a health professional)

### **Examples of HCA roles**

#### **Healthcare Assistant – Te Whatu Ora Capital Coast and Hutt Valley Medical Ward**

You will be responsible for caring for a wide range of patients requiring medical care. The Health Care Assistant (HCA) is part of the unregulated health workforce and therefore must always work under direction and/or delegation of a Registered Nurse (RN). The HCA role is task-specific and has defined boundaries.

The HCA is part of a collaborative health care team; they assist the RN to meet the patient/client needs when it is appropriate for the RN to delegate aspects of care to a trained unregulated healthcare role. The HCA contributes to the successful operation of the nursing team.

Required for the role:

- Health care assistants Level 3 NZQA National Certificate Health and Wellbeing or equivalent

#### **Health Care Assistant Second Stage Recovery – Wellington Regional Hospital**

Provide support to the RNs in the Second Stage Recovery Unit, which includes ordering food for patients, making beds, assisting patients to mobilise, assisting patients in the toilet, kitchen duties, restocking, and general tidying. Additionally, you would be required to help out with the IV Access team in PACU (PICC

Service)– learning to open sterile packs, assisting with gowning of staff, restocking and being a support person for patients at the bedside whilst they are getting special IV lines inserted.

Required for the role:

- Level 3 Health and Wellbeing qualification – or enrolled in the Level 3 course

## Schedule 2 – Relevant Te Whatu Ora Rates

The Relevant Te Whatu Ora Rates are:

<b>Enrolled, Obstetric, Karitane Nurses and Nurse Assistants</b>		
Enrolled nurse means a person registered by the Nursing Council of New Zealand as an enrolled nurse under the Health Practitioners Competence Assurance Act 2003		
Karitane nurse means a person who has undergone the course of training and passed the examinations for Karitane nurses conducted by the Royal New Zealand Plunket Society.		
<b>Progression:</b> By annual increment at anniversary date steps 1-4 inclusive.		
	annual base pay rate	hourly base pay rate
Step 1	\$61,146	\$29.31
Step 2	\$63,980	\$30.67
Step 3	\$68,990	\$33.07
Step 4	\$71,300	\$34.18
Step 5 (New)	\$73,609	\$35.29

<b>Registered and Community Nurses</b>		
Registered Nurse means a person registered by the Nursing Council of New Zealand as a Registered Nurse under the Health Practitioners Competence Assurance Act 2003		
Community Nurse means a nurse working in the community, and includes community mental health nurses, district nurses, public health nurses and other nurses designated by a Te Whatu Ora district DHB as a community nurse		
<b>Progression:</b> By annual increment at anniversary date steps 1 to 5 inclusive. Thereafter progression is annual at anniversary date, subject to satisfactory performance which will be assumed to be the case unless the employee is otherwise advised (*)		
	annual base pay rate	hourly base pay rate
Step 1 (New Graduate)	\$66,570	\$31.91
Step 2	\$72,061	\$34.55
Step 3	\$76,554	\$36.70
Step 4	\$80,883	\$38.77
Step 5	\$89,868	\$43.08
Step 6	\$92,563	\$44.37
Step 7	\$95,340	\$45.70

**Designated Senior Nurse**

Senior Nurse means a nurse who is appointed by a Te Whatu Ora district into a designated senior position

**Progression:** Movement through steps in each Designated Senior Nurse grade shall, subject to satisfactory performance, be annual on the anniversary date of appointment to the designated senior position which will be assumed to be the case unless the employee is otherwise advised. Movement across senior salary grades shall only occur with a change in position.

	annual base pay rate	hourly base pay rate
Grade 1 (Formerly grade 3)	\$95,576	\$45.82
	\$99,253	\$47.58
	\$106,016	\$50.82
Grade 2 (Formerly grade 4)	\$101,089	\$48.46
	\$104,765	\$50.22
	\$111,695	\$53.55
Grade 3 (Formerly grade 5)	\$106,601	\$51.10
	\$110,282	\$52.87
	\$117,373	\$56.27
Grade 4 (Formerly grade 6)	\$110,282	\$52.87
	\$113,956	\$54.63
	\$121,161	\$58.08
Grade 5 (Formerly grade 7)	\$113,956	\$54.63
	\$117,632	\$56.39
	\$123,628	\$59.27
Grade 6 (Formerly grade 8)	\$120,028	\$57.54
	\$126,529	\$60.66
	\$133,032	\$63.77
	\$143,718	\$68.90

**Nurse Practitioner**

Nurse Practitioner means a person registered by the Nursing Council of New Zealand as a Nurse Practitioner under the Health Practitioners Competence Assurance Act 2003.

	annual base pay rate	hourly base pay rate
Grade 6 (Formerly grade 8)	\$120,028	\$57.54
	\$126,529	\$60.66
	\$133,032	\$63.77
	\$143,718	\$68.90

**Health Care Assistants and Hospital Aides**

**Progression:** By annual increment at anniversary date steps 1-5 inclusive

	annual base pay rate	hourly base pay rate
Step 1	\$51,770	\$24.82
Step 2	\$55,011	\$26.37
Step 3	\$58,689	\$28.13
Step 4	\$59,748	\$28.64
Step 5	\$61,540	\$29.50



### Schedule 3 – Reporting Requirements

You will be emailed a form that will set out the information that you must provide about your use of the Funding, which may include, but is not limited to, the information specified below.

You must, regardless of how many Eligible Workers you employ:

1. confirm that one hundred percent of the Funding has been passed through to Eligible Workers in accordance with the requirements of this Variation;
2. confirm that the Funding has been used to increase the base pay rates of your Eligible Workers to 95% of the Relevant Te Whatu Ora Rates (to the extent that this could be achieved within the Funding paid to your organisation); and
3. if there was Funding remaining after the base rates of your Eligible Workers were increased to 95% of the Relevant Te Whatu Ora Rates, advise if you used that Funding to:
  - i) further increase base pay rates; or
  - ii) introduce or increase night penal rates
  - iii) introduce or increase weekend penal rates
  - iv) introduce or increase other rates or allowances (you must provide details about this)

In addition to the requirements specified above, if you employ five or more Eligible Workers you must provide the following information:

1. the number of days in your pay period; and
2. headcount, total hours paid and total base pay (excluding allowances, penal rates and overtime) for your Enrolled Nurses, Registered/Community Nurses, Designated Senior Nurses, Nurse practitioners, Registered Nurses in other roles and eligible kaiāwhina for:
  - a. the pay day immediately preceding 28 November 2022;
  - b. the pay day immediately preceding 31 March 2023; and
  - c. the pay day immediately preceding 30 June 2023.