

## Further information about MECA bargaining and pay equity claims

February 2024

### MECA Bargaining

The current Primary HealthCare Multi Employer Collective Agreement, which covers hundreds of primary healthcare employers, will expire on 30 June 2024. This means that NZNO will be initiating bargaining for a new collective agreement, probably around the end of April. It is likely that bargaining will be initiated with the employers currently covered by the agreement, but NZNO may choose to initiate bargaining with employers who are not currently covered also.

If your practice receives a notice initiating bargaining from NZNO, you have statutory obligations under the Employment Relations Act. You must meet to bargain – you can either do this by attending all the meetings in person and participating in the bargaining discussions, or you can appoint a representative, such as the Primary Care Bargaining Collaborative (PCBC), to represent you. If you have a representative, you don't have to attend personally. Employers who are currently party to the MECA will be aware that bargaining can take many days of meetings over many months, sometimes years.

Bargaining requires the union and the employers (and their representatives) to bargain in good faith, to consider and respond to each other's proposals, to continue to discuss other matters even if a deadlock is reached on one or more of the issues, and to conclude a new collective agreement, unless there are genuine reasons not to.

Whether you are represented by the PCBC, or represent yourself, once a settlement is reached, you will need to decide whether you are prepared to be a party to the proposed new collective agreement. If you cannot agree to it, you have the right not to ratify it. If this happens, NZNO has the right to discuss the proposed agreement with you directly to see if they can address your concerns or change your mind. However, the final decision will be yours.

### Pay equity claim

A pay equity claim is an entirely separate and different process. NZNO can commence a pay equity claim with any employer of an NZNO member. Practices who are not party to the MECA but employ someone who is an NZNO member are likely to be included in the pay equity claim. This means there will be a different, and potentially much larger group of employers involved in the pay equity claim.

An employer who has a pay equity claim is obliged under the Equal Pay Act to work through the pay equity process. There are many steps to this, including the employers agreeing on a Multi-Employer Process Agreement with each other (this is an agreement between all the employers on how they will work together on the pay equity claim) and then a bargaining process agreement with NZNO, which is a terms of reference type of document about how the pay equity process will work. The pay equity process itself is a lengthy and time-consuming process. The work of the people covered by the claim is assessed (as is the work of comparators) using a gender-neutral assessment tool to establish whether the work of the claimant employees has been undervalued as a result of being female dominated work. This usually involves a very

detailed interview and assessment process. If undervaluation is established, then the union and employers' bargain over how the undervaluation is to be addressed. Once that process is completed, if undervaluation has been established there will be new pay rates which will go into the PHC MECA for those employers who are party to it but will also cover employers not party to the MECA and will cover employees who are not NZNO members.

### **Comparing collective bargaining and pay equity claims**

As with collective bargaining, employers must engage in the pay equity process, and can be represented in doing so. However, there are some definite differences in the process. Collective bargaining is about negotiation and seeking to convince one other of their position, while pay equity involves the application of a prescribed process which will provide an outcome (a conclusion as to whether the work is undervalued or not), whether the parties are expecting or prepared for that outcome or not.

The two processes can and do happen alongside, but separate from, each other. Thus, employers may be engaging in collective bargaining while a pay equity claim is being worked through. The processes only meet at the end, where the outcome of the pay equity process is incorporated in the MECA, and in the other employment agreements which cover the employees who were covered by the pay equity claim.