

# IN PRINCIPLE AGREEMENT

## Librarians and Interpreters Pay Equity Claim

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**This document sets out the agreement in principle, between the parties listed below, to settle the Librarians and Interpreters Pay Equity Claim.**

### **Ratification and approval of the settlement**

The parties acknowledge that this agreement in principle is subject to:

- a) approval of the settlement by Te Whatu Ora;
- b) confirmation from the Central Agencies Governance Group that the proposed settlement (Milestone 6 report) will implement pay equity and is in keeping with the Equal Pay Act 1972; and
- c) approval of the settlement by the Director-General of Health.

**Once the necessary approvals have occurred on the employer side, the following document will form the proposed pay equity claim settlement agreement which will be subject to ratification by Te Whatu Ora employees covered by the pay equity claim.**

**The PSA agrees to seek approval of the proposed settlement agreement from covered employees in accordance with s13ZF of the Equal Pay Act 1972.**



**Margie Apa**

Date: 26 October 2023

For Te Whatu Ora – Health New Zealand



**J. Sue McCullough**

Date: 11 October 2023

For the Public Service Association Te Pūkenga Here Tikanga Mahi

# Pay Equity Claim Settlement Agreement

## Librarians and Interpreters Pay Equity Claim

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### Introduction

1. This Pay Equity Claim Settlement Agreement (“Settlement Agreement”) is a pay equity claim settlement for the purposes of the Equal Pay Act 1972 (“the Act”) and records the agreement reached between Te Whatu Ora – Health New Zealand and the New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi to settle the Librarians and Interpreters Pay Equity Claim (“the Claim”).
2. As a consequence of being covered by this Settlement Agreement, the Collective or Individual Employment Agreement of every employee who is covered by the Librarians and Interpreters Pay Equity Claim Settlement<sup>1</sup> is automatically varied in accordance with section 13ZM of the Act.
3. The date on which this Settlement Agreement is signed by both parties will be the Settlement Date.

### Parties

4. The parties to the Settlement Agreement (“the parties”) are:
  - 4.1. Te Whatu Ora – Health New Zealand (“Te Whatu Ora”); and
  - 4.2. the New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi (“PSA”).

### Background

5. On 18 April 2018, the PSA raised a pay equity claim for Administration and Clerical members employed by Te Whatu Ora (previously District Health Boards (“DHBs”)). The claim letter included a list of the job titles / roles associated with the claim, including Librarians and Interpreters.
6. The parties worked through the assessment process for the Administration and Clerical claim and determined that Librarians and Interpreters do not perform the same or substantially similar work to the other roles covered by the Administration and Clerical Pay Equity Claim.
7. The parties therefore agreed to remove the Librarian and Interpreter roles from the Administration and Clerical Pay Equity Claim, and proceed on the basis that there are two separate claims, one for Administration and Clerical staff and the second for Librarians and Interpreters.
8. The Claim covers the work of Librarians, Sole Charge Librarians, Library Managers, and Interpreters employed by Te Whatu Ora, and the work of employees of Te Whatu Ora

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<sup>1</sup> Covered by the Librarians and Interpreters Pay Equity Claim Settlement, in relation to an employee, means the employee –

- (a) was covered by the Librarians and Interpreters Pay Equity Claim at the time that the claim was settled; or
- (b) has accepted an offer of the benefit of the Librarians and Interpreters Pay Equity Claim Settlement made under section 13ZL(2), (4), or (5) of the Act.



whose work is the same or substantially similar to this work but which is referred to with an alternative title.

9. In July 2022 a Bargaining Process Agreement was agreed for the Librarians and Interpreters Pay Equity Claim (the Claim) and a pay equity assessment process was undertaken which established the existence of sex-based undervaluation.
10. The parties identified and agreed to the comparator occupations listed below, which were used to assess and resolve the Claim.
  - 10.1. The comparator occupations used for Librarian, Sole Charge Librarian, and Library Manager roles:
    - Customs Officer
    - Health & Safety Inspector
    - Senior Management Accountant
  - 10.2. The comparator occupations used for Interpreter roles:
    - Audiometrists
    - Clinical Physiology Technicians
    - Vision Hearing Testers
    - Medical Laboratory Technician
    - Medical Laboratory Technician (Mortuary)
    - Health & Community Workers L1 & 2
    - Hauora Māori Workers L1 & 2
    - Allied, Dental & Public Health Assistants
    - Pharmacy Technicians
11. On 11 October 2023, the parties agreed in-principle to settle the Claim and draft this Settlement Agreement to offer to proposed settlement employees<sup>2</sup> for consideration and mandate as required under s13ZF of the Act for the union to enter into a pay equity claim settlement.

### **Agreed terms of settlement**

12. The parties have agreed the Claim is settled and that the remuneration provided for in this Settlement Agreement does not differentiate between male and female employees in the manner set out in section 2AAC(b) of the Act, and any historical undervaluation is resolved.
13. The purpose of this Settlement Agreement is to:
  - 13.1. settle the Claim and record the agreed outcome of settlement negotiations in writing to fulfil the requirements of sections 2AAC(b) and 13ZH(3) of the Act; and
  - 13.2. record the process for reviewing and maintaining pay equity for employees covered by the Settlement Agreement; and
  - 13.3. detail the frequency of those reviews, which must be aligned with any applicable collective bargaining rounds or if no collective bargaining round applies, at least every three years; and

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<sup>2</sup> Proposed settlement employee means each employee who is covered by the Librarians and Interpreters Pay Equity Claim.



- 13.4. include a summary of the method used to assess the Claim and a description of the comparators that were considered by the parties; and
- 13.5. provide certainty for the parties that this Settlement Agreement is a full and final settlement of all matters relating to the Claim from the date this Settlement Agreement comes into force (section 13ZH of the Act).
14. This Settlement Agreement applies to employees who are covered by the Claim.<sup>3</sup>
15. Additionally, all employees employed by Te Whatu Ora who were not covered by the Claim, but who perform the same, or substantially similar work as the work to which this Settlement Agreement relates, and who are not barred from raising their own claim under the Act, will be offered the full benefit of this Settlement Agreement, in accordance with section 13ZL of the Act.

## Settlement Agreement detail

### Remuneration

16. The parties have reached agreement on new national pay scales for Librarians and Interpreters, informed by the joint pay equity process and agreed through bargaining. The parties agree that the new pay scales do not differentiate between male and female employees in the manner set out in section 2AAC(b) of the Act.
17. The new pay scales are set out in Schedule One and will apply from 1 June 2023.
18. The new pay scales are expressed as a full time forty hours per week salary. Where an employee's normal hours of work are fewer than forty hours per week, the appropriate salary for the employee's hours shall be calculated as a proportion of the forty-hour per week rate.

### Translation to new pay scale

19. The parties have reached agreement on how employees will be translated to the new pay scale from the Settlement Date.
20. For Interpreters, translation will be on the basis of service (time in role), as follows:

Length of service	Translation step
Employed in the role for 0 to 1 year	Step 1
Employed in the role for 1 year +1 day to 2 years	Step 2
Employed in the role for 2 years +1 day to 3 years	Step 3
Employed in the role for 3 years +1 day to 4 years	Step 4
Employed in the role for more than 4 years	Step 5

<sup>3</sup> Covered by the Librarians and Interpreters Pay Equity Claim, in relation to an employee, means the employee –

(a) is covered by the Librarians and Interpreters Pay Equity Claim in accordance with section 13W of the Act; and

(b) has not opted out under section 13Y of the Act.

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21. For Librarian roles, translation will be on the basis of service (time in role), as follows:

21.1. For Librarians:

Length of service	Translation step
Employed in the role for 0 to 1 year	Step 1
Employed in the role for 1 year +1 day to 2 years	Step 2
Employed in the role for 2 years +1 day to 3 years	Step 3
Employed in the role for 3 years +1 day to 4 years	Step 4
Employed in the role for 4 years +1 day to 5 years	Step 5
Employed in the role for 5 years +1 day to 6 years	Step 6
Employed in the role for more than 6 years	Step 7

21.2. For Sole Charge Librarians:

Length of service	Translation step
Employed in the role for 0 to 1 year	Step 1
Employed in the role for 1 years +1 day to 2 years	Step 2
Employed in the role for more than 2 years	Step 3

21.3. For Library Managers:

Length of service	Translation step
Employed in the role for 0 to 1 year	Step 1
Employed in the role for 1 years +1 day to 2 years	Step 2
Employed in the role for more than 2 years	Step 3

22. If an employee is currently paid above the applicable translation step, they will translate to the higher step nearest their current salary rate. If they are currently paid above the top step of the applicable scale, they will retain their current salary rate.

#### Progression

23. Progression through the steps of the applicable new pay scales shall be by way of automatic annual increment.

#### Payment to recognise delay

24. The parties have agreed a lump sum payment of \$10,000 (gross and pro-rated) to acknowledge the delay in reaching settlement, to be paid to each employee covered by this pay equity claim settlement who is employed by Te Whatu Ora in an affected role as at the Settlement Date, or who was employed by Te Whatu Ora in an affected role at any time during the period 1 June 2023 to the Settlement Date. The lump sum payment will be pro-rated by:

24.1. Service across the 12-month period prior to the Settlement Date; and


- 24.2. FTE, based on the greater of contracted FTE as at 1 June 2023, and the actual hours worked (excluding overtime and call back, and up to the equivalent of 1 FTE) for the 12-month period prior to the Settlement Date.
25. For the avoidance of doubt, individuals who undertook a period of casual engagement at any time during the period 1 June 2023 to the Settlement Date are eligible for the lump sum payment which will be pro-rated based on actual hours worked during the 12-month period prior to the Settlement Date.
26. Payment of this lump sum to individuals not currently employed by Te Whatu Ora is conditional upon the individual lodging a completed application for payment in accordance with a process that will be specified by Te Whatu Ora on its website.

## **Implementation**

### Date of settlement

27. This Settlement Agreement will come into effect on the Settlement Date.

### Payment of pay equity rates

28. The new salary scales and the lump sum payment agreed as part of this Settlement Agreement will be implemented by Te Whatu Ora as soon as practicable. The parties acknowledge that there are practical constraints to implementation and understand and accept that implementation cannot be immediate.

## **Review**

29. The parties agree that they will review the remuneration agreed in this Settlement Agreement to ensure that pay equity is maintained in accordance with section 13ZH of the Act.
30. Reviews will apply to all employees in roles covered by this Settlement Agreement. The union agrees that the interests of all employees covered by this Settlement Agreement will be addressed in the review process.
31. The first review will occur no later than two years after the Settlement Date and will be aligned with the collective bargaining round occurring closest to the end of that two-year period.
32. Each subsequent review will occur within three years of the preceding review and will be aligned with the collective bargaining round occurring closest to the end of that three-year period.
33. The process for reviewing the remuneration to ensure pay equity is maintained will be:
- 33.1. The parties will meet six months prior to the expiry of the relevant collective agreement and from time to time thereafter.
- 33.2. The parties will fully cooperate and will address all issues in a timely manner.
- 33.3. The parties will jointly determine the remuneration adjustment (if any) required to ensure pay equity is maintained. The parties may review and analyse any changes in the comparator remuneration that have occurred since the pay equity settlement and/or since the last review, as well as any other matters they consider relevant.



- 33.4. If the parties disagree as to whether an adjustment is required, or agree that an adjustment is required but do not agree as to the value of the adjustment, then the following process will occur:
- a) The parties will provide each other with proposed pay equity rates, along with an explanation as to what is proposed and why.
  - b) The parties will meet promptly to attempt to reach agreement.
  - c) In the event of no agreement, the parties agree to attend mediation in good faith using their best endeavours to resolve the outstanding matters between them. Should mediation not result in an agreement the parties may have recourse to any applicable processes provided by law to resolve their disputes.
- 33.5. Paid time off of no more than 2 hours (at ordinary time rates) shall be allowed for employees to attend meetings to discuss a review. Prior approval for such meetings shall be obtained from management. Such approval shall not be unreasonably withheld.
- 33.6. The employer will cooperate with the union to ensure it has sufficient information to involve all employees in the review process. This may include, to the extent permissible by law: facilitating communications, or sharing information with the union in order to assist the union to involve employees in the process.
34. This review process may be assessed and adjusted by agreement in writing between the parties from time to time.

#### **Union mandate**

35. The PSA confirms that s13ZF(5) of the Act has been complied with prior to signing this Settlement Agreement.

#### **Good Faith**

36. The parties will deal with each other in good faith on all matters under, or associated with, this Settlement Agreement in accordance with section 13C of the Act.

#### **Costs**

37. The parties agree to bear their own costs of negotiating and entering into this Settlement Agreement.

#### **Counterparts and entire agreement**

38. This Settlement Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.
39. This Settlement Agreement is made up of all of its parts including appendices, and supersedes and extinguishes all previous drafts, agreements, arrangements, and understandings between the parties.


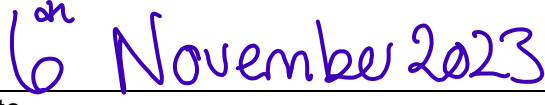


### Legal advice

40. The parties agree they have had the opportunity to seek independent legal advice on the meaning and effect of this Settlement Agreement.

### Signatories

	
<b>Margie Apa</b> Chief Executive of Te Whatu Ora For Te Whatu Ora – Health New Zealand	Date 7 November 2023

	
<b>J. Sue McCullough</b> PSA National Sector Lead - Health For the Public Service Association Te Pūkenga Here Tikanga Mahi	Date



**Schedule One**

**Interpreters' salary scale:**

Step	Rate
Step 5	\$80,193
Step 4	\$76,374
Step 3	\$72,737
Step 2	\$69,273
Step 1	\$65,975

**Librarians' salary scales:**

	Librarian	Sole Charge Librarian	Library Manager
Step 7	\$92,274		
Step 6	\$88,774		
Step 5	\$85,274		
Step 4	\$81,774		
Step 3	\$78,274	Step 3	Step 3
Step 2	\$73,774	Step 2	Step 2
Step 1	\$69,274	Step 1	Step 1