Special MECA Bulletin

Proposed settlement on new national collective agreement (MECA)

The purpose of this Special MECA Bulletin to DHB-employed ASMS members is to explain, clarify and recommend a proposed settlement of the national DHB MECA. The proposed settlement was first agreed as a recommendation by the two respective negotiating teams and then ratified by the DHBs (at a meeting of their chief executives earlier this month).

The ratification of the proposed settlement by the DHB chief executives means that we now have a formal offer from the DHBs to take to a membership vote. Accordingly you are receiving this ballot as part of an indicative ballot of the DHB membership to advise our National Executive as to whether to ratify the proposed settlement or not.

The National Executive recommends the proposed settlement to members and asks you to vote in favour. The results of the ballot will be considered by the National Executive soon after the closure of the ballot in order to assess whether the ballot gives a mandate to accept or reject the proposal. The proposed settlement can be downloaded from the Association’s website www.asms.org.nz. A ‘tracked changes’ version of what the MECA would look like will also be available on the website.

In contrast with the past three MECA negotiations, this has been a relatively short process – nine days of formal negotiations over a three month period. However, this is only part of the process. It also included ‘technical discussions’ between ASMS and DHBs’ representatives last October on non-remuneration issues and some informal discussions concurrently with the formal negotiations.

A modest settlement in difficult times

Although the National Executive is recommending that members ratify the proposed settlement, it is under no illusion that this is a very modest limited settlement and has no desire to oversell it. But it also the best the Executive believes can be achieved in the current difficult environment. Factors behind the Executive’s assessment are:

• The government has done a ‘flip-flop’ on the issue of the vulnerability of the specialist workforce in DHBs. When in opposition and in the first two years of being in office their position was that there was a crisis in hospital specialist staffing levels and it was the Health Minister’s top priority to address. Since then, however, there has been a U-turn with misleading claims of increased hospital doctor numbers, even though the rate of increase of specialists in DHBs in the last four years has not matched the health needs of the population as agreed with DHBs. The government has shown no empathy with the issues faced by our members in trying to meet patients’ needs with insufficient resources. The government has imposed this position on the DHBs.

• The DHBs have adopted very restrictive financial parameters for the negotiations. This has been in two different ways – the cost of the settlement during the term of the new MECA and the ongoing annual cost of the settlement by the time of the end of the term of the settlement. The practical effect of these parameters is that if all the increased cost was spread equally across each of the salary steps the increased salary would be not more than 0.7% per annum.

• There were two possible approaches to overcome this. One approach was limited industrial action at the level of electives. However, the assessment of the Executive, reinforced by discussion among Annual Conference delegates and also at national meetings of ASMS branch presidents and vice presidents, was that there was at most limited support for this form of action. The second approach was to wear the DHBs down by attrition over time but the Executive’s assessment was that while in some circumstances this can bring results this would not be the case on this occasion. A long drawn out negotiation would run the risk of a long period of uncertainty with the possibility of the same or very similar outcome.

• The ASMS’s priority in these negotiations has been to improve the competitiveness of the salary scales, especially the specialist scale.

• There are two main points of vulnerability in the specialist workforce. One is newly trained specialists and the other is those on the top of the scale (or close to it) who are less likely to have dependent family members and are therefore open to opportunities for overseas job offers mid to later career. In the last MECA settlement we focussed on the new specialists by dropping off the bottom three steps (the old Step 4 became the new Step 1). Anecdotal reports suggest that this was useful in recruiting more domestically trained new specialists. On this occasion the National Executive focussed on the upper end of the scale; some members on the top step have not had an increase for several years.
The approach
In light of the above, the approach to reaching the proposed settlement is two-fold:

1. Focussing on the upper end of the specialist scale (including the introduction of a new 13th step) and to a lesser extent the non-specialist medical/dental officer scale. Please note that an estimated 47% of specialists are on the top three steps of the current scale.

2. Obtaining what small increases we can for the rest of the scale.

THE RECOMMENDED SETTLEMENT

The settlement is for a three year term commencing on 1 July this year and expiring on 30 June 2016 although it covers a period of 40 months as the current MECA expired on 28 February.

In summary, the main elements of the changes to salary scales are:

1. The introduction of a new 13th specialist step effective on 1 October. Those who have been on Step 12 for at least 12 months on 1 October will transfer to the new Step 13 (others will advance on their normal annual advancement date). Over the three year period the margin between Steps 12 and 13 will increase from $3,000 to $8,500.

2. There are very small increases to all of the salary steps on 1 October 2013 (except step 12), 1 September 2014 (except steps 10, 11 and 12) and 1 July 2015 (except step 2). The increase is a little higher for those on specialist Step 13.

3. There is a slightly higher increase to the top step of the non-specialist medical/dental officer scale in the third year compared with the other steps.

Some practical examples of increases are:

- A $10,500 increase over the three year period for specialists on Step 12 for at least 12 months as of 1 October this year (between $7,500 and $10,500 for those on Step 12 for less than 12 months).

- Those on specialist Step 11 will over the three year period advance from $199,500 to at least $216,500 (compared with $206,000 if the MECA was unchanged).

- Those on specialist Step 10 will over the three year period advance from $194,250 to $216,500 (compared with $206,000 if the MECA was unchanged).

- Those on specialist Step 9 will over the three year period advance from $189,000 to $208,000 (compared with $206,000 if the MECA was unchanged).

- Those on specialist Step 7 will over the three year period advance from $178,750 to $196,000 (compared with $194,250 if the MECA was unchanged).

- Those on specialist Step 3 will over the three year period advance from $159,000 to $176,000 (compared with $173,500 if the MECA was unchanged).

Other Elements

The other elements of the settlement are few, minor and non-financial (there are no losses of existing conditions), the main ones being:

1. The wording on placement of new appointees on the salary scales progression has been tidied up and made more explicit. Although not necessary it should ensure that the misapplication of placement by the three Auckland DHBs (subsequently corrected) will not be repeated.

2. A provision in the parental leave clause, enabling an SMO returning from parental leave to apply to vary the proportion of full-time employment from which applied before the leave was taken, has been relocated.

3. The sabbatical entitlement wording has been tidied up by removing some duplication that should make the application of the clause easier to understand.

4. A few other small wording changes for greater clarity and to correct minor errors.

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