

New Zealand: Union pushes through pay cut for 12,300 health workers

Tom Peters
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The Public Service Association (PSA) has pushed through a wage-cutting agreement covering 12,300 allied health workers in the public sector, including physiotherapists, social workers, anaesthetic technicians, laboratory scientists and other essential healthcare professionals.

The two-year deal, announced on February 25, includes a 2.5 percent pay increase backdated to December 2025, followed by a further 2 percent from December 2026, along with a one-off lump sum payment of just \$500.

This is well below the increase in the cost of living. Annual inflation reached 3.1 percent in the December 2025 quarter and food prices went up 4.6 percent in the year to January.

The PSA, New Zealand's biggest union, recommended that health workers accept the offer. National secretary Fleur Fitzsimons said in a December 22 statement that the government's proposals "don't contain everything we wanted" but were "the best deal we can achieve now."

The union has not revealed how many workers voted for and against the agreement.

Speaking to the *Post* on February 25, Fitzsimons praised the wage-cutting deal, calling it "a reminder that in a health system under significant strain, the workers who keep it running need fair terms and conditions."

The union leader's statement echoed that of Health Minister Simeon Brown, who declared that "this settlement acknowledges [the workers'] important contribution to the healthcare system." Health NZ director Robyn Shearer praised the PSA "for their constructive approach to reaching a settlement."

The agreement actually represents a further escalation of the right-wing National Party-led coalition

government's cuts to the health sector. It will worsen the crisis in public hospitals, which are already dangerously understaffed and unable to meet the needs of the population.

The PSA settlement is similar to a wage-cutting deal imposed on 20,000 secondary school teachers by the Post-Primary Teachers' Association (PPTA) late last year. Both agreements set a benchmark for cuts to wages and conditions across the public and private sector. They demonstrate the role of the union bureaucracy as the enforcer of government austerity and militarism.

Over the past two years the PSA has collaborated with thousands of public sector job cuts and wage freezes or cuts, telling workers they have no alternative but to sacrifice. At the same time the union openly supports the government's plan to double military spending in preparation to join a US-led war against China, an agenda also backed by the opposition Labour Party.

The unions are determined to prevent any repeat of last October's "mega strike" by more than 100,000 workers—including the PSA's allied health workers, alongside teachers, nurses and doctors—in the country's largest industrial action since 1979. The government and the entire political establishment were shaken by this display of the potential power of the working class, which was part of an international resurgence of class struggle, in which health workers are playing a major role.

Public Service and Defence Minister Judith Collins lashed out at striking workers, calling them "cruel" and "disruptive," and falsely claimed that the government had increased their pay in line with inflation. She also attacked workers for supporting the Palestinian people against the US-Israeli genocide.

After the strike, the unions divided up each section of workers and subordinated them to separate negotiations, carried out behind closed doors with the government. The PSA's Fitzsimons stated publicly that she was only asking for a pay rise to match inflation, i.e. a pay freeze. In the end, the bureaucracy accepted less than inflation.

The PSA held a token four-hour strike for allied health workers on November 28, with the aim of letting off steam in order to persuade members that it was impossible to get a better deal from the government.

On January 28, the PSA posted a fawning statement on Facebook praising Collins, who had just announced her retirement. It declared that the PSA "had a constructive relationship with her and we appreciated her respect for the fundamental roles and rights of public servants." This statement was a brazen insult to public sector workers.

The other unions involved in the "mega strike"—New Zealand Nurses Organisation, the Association of Salaried Medical Specialists (the senior doctors' union) and the NZEI (the primary teachers' union)—are continuing negotiations with the government.

More than 35,000 NZEI members voted last December to reject a below-inflation offer presented to them by the union. Meanwhile, about 2,000 firefighters have held numerous one-hour strikes to oppose pay cuts and demand better conditions.

As New Zealand's election approaches in November, the unions will intensify their efforts to shut down workers' struggles and channel anger into support for the Labour Party, with which the unions have close ties. Fitzsimons herself was a Labour councillor in Wellington from 2017 to 2022.

The 2017–2023 Labour government, which included the Greens, enforced effective pay freezes across the public sector, triggering nationwide strikes by teachers and nurses that were sold out by the very same union bureaucrats. Homelessness, child poverty and reliance on food banks all increased under Labour, which also strengthened ties with US imperialism.

The sellouts by the PSA and the PPTA must serve as warnings to the entire working class. The unions ceased to be workers' organisations decades ago: they operate today as instruments of management, suppressing wages and policing the workforce. Their officials enjoy comfortable salaries and careers that depend on

maintaining their role as "responsible" partners of the employers and the state.

During last October's strike, the Socialist Equality Group called on workers to build new organisations—rank-and-file committees in every hospital, clinic and health service—that they themselves control, independent of the corporatist union bureaucracy and the capitalist parties, including Labour and its allies.

These committees must fight to unite all sections of workers in a common struggle against the assault on wages, jobs and public services. They should advance demands that correspond to workers' actual needs: a minimum 30 percent wage increase for all public sector workers, fully funded public healthcare and education, the reversal of all job cuts and an end to the diversion of billions of dollars to militarism and war.

The International Workers Alliance of Rank-and-File Committees provides the mechanism for linking New Zealand workers with those fighting the same battles in Australia, the United States and around the world.

Such a struggle requires a political break from all the parties of big business and the building of a revolutionary party to lead the working class, based on a socialist and internationalist program. We urge workers to contact the Socialist Equality Group to discuss the way forward.



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