

Union presents pay-cutting offer to New Zealand nurses

Tom Peters
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On April 23, the government agency Health New Zealand announced a reworked pay offer for 36,000 nurses, healthcare assistants and midwives, which amounts to a major real wage cut. Members of the NZ Nurses Organisation (NZNO) will vote on the deal between May 11 and 15.

Under the proposed agreement, workers would receive a 2.5 percent pay increase this year and 2 percent next year.

The nurses' last collective agreement expired in October 2024, meaning that their pay has been frozen for 18 months, during which period official inflation was 5 percent. Annual inflation is now projected to reach 4.8 percent or more this year due to the criminal US-Israeli war against Iran, which has disrupted oil and fertilizer supplies.

In March, NZ's petrol prices increased 18.6 percent and diesel by 42.6 percent, driving up prices for food and other essentials. Electricity prices rose by 12 percent last year and are forecast to go up another 8 percent this year.

In other words, after a real pay cut of 5 percent in the past year-and-a-half, Health NZ is demanding that workers accept, at best, half the rate of inflation this year. This deal will drive thousands of workers and their families into poverty. It is a sellout stitched up between the union bureaucracy and the government, which workers should decisively reject.

A "No" vote is only the first step. Healthcare workers must mobilise with other workers in an industrial and political struggle against the National Party-led coalition government's ruthless austerity measures, which build upon attacks by the previous Labour government and are bound up with the bipartisan agenda to double military spending and prepare the country for war.

This fight requires a rank-and-file rebellion against the union bureaucracy, which is enforcing the state's attacks. Workers must build new organisations that they control: rank-and-file workplace committees, independent of the union bureaucracy and all the capitalist parties, including Labour and its allies.

More than 100,000 nurses, doctors and other healthcare workers, as well as teachers, held a mass strike on October 23 last year—New Zealand's biggest strike since 1979. Since then, however, the unions have systematically demobilised workers, refused to call any further mass strikes, and isolated each section of the workforce in order to convince workers that they have no alternative but to accept a major reduction in wages.

The offer to NZNO members is modelled on similar pay cuts accepted in recent months by the primary and secondary teacher unions, and by the Public Service Association (PSA) on 12,300 allied health workers. These agreements have set a precedent for ongoing attacks on workers across the country, as the ruling class insists that the working class must sacrifice due to the economic crisis exacerbated by the war.

The NZNO leadership cynically claims to be neither for nor against Health NZ's offer. The union's chief executive Paul Goulter declared: "It will now be up to our 36,000... members to decide collectively and democratically whether the offer is good enough or they want to continue campaigning."

In fact, the union apparatus is not neutral; it is portraying the government's offer in the best possible light in order to pressure workers to accept a historic attack on their wages and conditions.

A summary distributed by the NZNO falsely states that the new offer contains "important" steps to address disastrous understaffing in hospitals, which has led to overcrowded and unsafe conditions and long waiting

times for surgery.

The union claims that the deal “guarantees” that the methodology used to calculate the necessary minimum staffing in hospital wards—known as Care Capacity Demand Management (CCDM)—“will not be discontinued or changed without NZNO’s agreement.” Given that CCDM is routinely ignored by hospital management due to the lack of staff, this “guarantee” is practically meaningless.

The NZNO also touts Health NZ’s pledge to work with the union “to research the use of [staffing] ratios.” It says this will provide evidence to support “culturally appropriate ratios as a minimum threshold alongside CCDM.” While this proposed “research” will provide work for NZNO’s well-paid officials, it does not commit the government to any action to address nurses’ longstanding demands for mandatory minimum staffing levels.

Like the betrayals by the teacher unions and the PSA, the position of the NZNO confirms the warning made by the Socialist Equality Group (SEG) and the WSWS during last October’s strike: that the union bureaucracy did not represent the interests of workers and that it would sell out their struggles.

The union officialdom is a privileged, upper middle class layer, which supports capitalism. Its role is to suppress opposition to the demands of big business and the state for austerity and militarisation.

On social media the NZNO peddles the illusion that the Labour Party will fix the healthcare crisis if it wins the November election. It has reposted statements by Labour MP Phil Twyford criticising hospital understaffing.

This is another fraud. Labour has no real disagreement with the assault on public services. It will not reverse the current government’s budget cuts. The 2017–2023 Labour-led government starved schools and hospitals of funds and oversaw an historic transfer of wealth to the super-rich. The NZNO played a key role in enforcing Labour’s austerity in sellout deals imposed after the 2018, 2021 and 2023 nurses’ strikes.

Labour and the PSA openly support the militarisation of the country in preparation to join US-led imperialist wars, above all against China—which will be funded with even deeper cuts to health, education and social programs.

Healthcare workers must draw decisive political

lessons from the decades of attacks by successive governments, enforced by the unions. In opposition to all the capitalist parties, the unions and their pseudo-left allies, the SEG calls on workers to fight for a socialist and internationalist program.

Rank-and-file committees must be organised in hospitals, schools and other workplaces to discuss and formulate demands which address the urgent needs of workers—not what the government and the unions claim is “affordable” or “realistic.”

Workers must reject the lie that there is no money for vital social programs. They should demand an end to all military spending, and for the tens of billions of dollars controlled by the corporate and financial elite to be expropriated to fund the vast expansion of schools, hospitals, housing and other vital infrastructure, and eliminate poverty and inequality.

To build a powerful movement against austerity and war, rank-and-file committees must break the isolation imposed on workers by the union apparatus by linking up struggles across different industries and internationally. The International Workers’ Alliance of Rank-and-File Committees, established by the Trotskyist movement, provides the mechanism for NZ workers to forge links with those in Australia, the US and other countries, who face the same assault on jobs and living standards and are being driven into struggle.

We urge nurses and healthcare workers to contact the SEG to discuss the way forward in this struggle.



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