

**IN THE EMPLOYMENT RELATIONS AUTHORITY
AUCKLAND**

**I TE RATONGA AHUMANA TAIMAHI
TĀMAKI MAKĀURAU ROHE**

[2026] NZERA Recommendation 1
3418145

BETWEEN ASSOCIATION OF
PROFESSIONALS AND
EXECUTIVE EMPLOYEES INC
Applicant

AND MEDLAB CENTRAL LIMITED
AND TLAB LIMITED
Respondent

Member of Authority: Peter van Keulen, Facilitator

Date: 19 February 2026

RECOMMENDATION OF THE FACILITATOR

Facilitated bargaining

[1] The Association of Professionals and Executive Employees Inc (APEX) and Medlab Central Limited and TLab Limited are bargaining for the renewal of a Multi-Employer Collective Employment Agreement which ran for a term 1 February 2024 until 1 October 2024 (the Collective Agreement).

[2] The Authority accepted a reference for facilitation in respect of this bargaining on 31 October 2025.¹

[3] I meet the parties separately on 11 November 2025 and then held facilitated bargaining sessions on 12 and 13 November 2025 and 22 December 2025.

¹ *Association of Professionals and Executive Employees Incorporated v Medlab Central limited & TLab Limited* [2025] NZERA 697.

[4] The parties have been unable to resolve all the outstanding matters for renewal of the Collective Agreement through facilitation and have accepted my suggestion that I make a written recommendation on outstanding matters.

Background to this bargaining

[5] APEX is a union of allied health professionals, including over 1,500 medical laboratory workers and its work covers 10 collective agreements for both the public and private medical laboratories.

[6] Medlab operates medical laboratories in Palmerston North and Whanganui. TLab operates a medical laboratory in Gisborne. Medlab is wholly owned by an Australian company and TLab is owned by Medlab and Health New Zealand, Te Whatu Ora (Health NZ) - each owning 50%.

[7] The other medical laboratories in New Zealand are operated by two groups of companies (Awanui and Pathlab) and by Health NZ across nine districts (former DHB areas) – so, in New Zealand there are three privately operated laboratory businesses and the Health NZ public sector laboratories. The three private laboratory businesses are almost entirely funded by Health NZ.

Outstanding claims in bargaining

Remuneration

[8] In 2023 a pay equity settlement resulted in significant pay increases to public sector laboratory employees. These public sector laboratories pay increases have not been replicated in the private sector laboratories as the three private sector operators were not part of the pay equity claim and the Health NZ funding for the private sector operators has not been increased such that they are able to match the public sector pay rates.

[9] APEX's stated aim is to get its private sector members pay parity with the public sector laboratory employees. The APEX plan, referred to as the "pathway to parity" is premised on obtaining modest pay increases over a three to four year period so that private sector members' pay levels catch up to public sector counterparts.

[10] Medlab and TLab are supportive of APEX's pathway to parity but say any pay increases are dictated by Health NZ funding – in this regard it is a price taker and it passes on the funding it receives for pay under its contract with Health NZ; with that funding only getting a small increase each year as a “cost price adjustment” largely reflecting an inflation increase.

[11] Medlab and TLab also say they will pay market rates. In this regard under the, now expired, Collective Agreement base pay rates on 1 September 2024 were on average 1.5% higher than Awanui and Pathlab rates. However, on 17 July 2025 Awanui base pay rates increased by 6% and on 1 July 2026 there will be a further 3% increase, with the relevant collective due to expire on 30 October 2026. So, private sector market base pay rates (at least in respect of Awanui) are now considerably higher than the rates under the expired Collective Agreement.

[12] Whilst there have been various offers exchanged between APEX and Medlab and TLab for pay increases, they have been unable to reach agreement. Other than any annual pay step movements APEX members have not had a pay rise since 1 September 2024. And APEX members have been undertaking industrial action since February 2025.

[13] From my perspective, when considering any increase in base pay rates for the parties in this collective bargaining, it is constructive to consider this in three parts. First increases to base pay rates at ratification, second any subsequent increases during the term of the renewed Collective Agreement to match market rates and/or to align with the pathway to parity and third any additional movement or payment to reflect the lack of any base pay rise for APEX members since September 2024 and the ongoing industrial action.

[14] First, the current positions of the parties, for pay increases on ratification is that base pay rates should increase to match the Awanui rates. I agree that this is a sensible starting position.

[15] On the second point:

- a. My view is that APEX members should receive a subsequent increase to base pay rates in line with the Awanui increase.

- b. Whilst Medlab and TLab have offered a further increase to base pay rates from 1 September 2026 I firmly believe this pay rise should be in line with the Awanui timing, so effective on 1 July 2026.
- c. APEX have sought to have a shorter period for the term of the renewed Collective Agreement so that an additional base pay rise can be bargained in line with any increases that the renewal of the Awanui collective agreement might bring. I do not consider this is appropriate. I believe any additional base pay rate increases provided for during the term of the renewed Collective Agreement need to be in place for longer than the five months – I believe a term of 12 months from 1 July 2026 is appropriate.
- d. And importantly I believe this extended period warrants an additional increase beyond the Awanui base rates at 1 July 2026. And there remains some merit in having the Medlab and TLab base pay rates ahead of Awanui at least for a short period of time. For these reasons I believe the second base pay rise should be 3.5% on 1 July 2026.

[16] On the third point:

- a. APEX's position has been to add any amount for backdating base pay increases or any lump sum for agreeing the renewed Collective Agreement to base pay rates; so for example in an early offer they sought an additional \$5,000 to base pay rates and in a recent offer they sought an additional base pay step movement for members in lieu of any lump sum.
- b. In contrast Medlab and TLab have considered a lump sum to be appropriate but have only offered modest amounts in line with the Awanui lump sum payments.
- c. My view is a lump sum is appropriate rather than an additional payment to base pay or a movement in base pay steps; in this regard I accept the Medlab and TLab position that it cannot afford the ongoing uplift to wages that an additional base pay rate increase would bring. Considering the expectations of APEX and considering Medlab and TLab's financial position - as shared with me in facilitation, including amounts they have indicated they could offer for a lump

sum - I consider a significant lump sum is not only warranted it can be met by Medlab and TLab. I believe \$4,000 to be appropriate.²

[17] So, my recommendation on remuneration is:

- a. An increase to base pay rates to match the Awanui rates, at ratification.
- b. A 3.5% increase from 1 July 2026 until 30 June 2027 – so a term for a renewed Collective Agreement from ratification until 30 June 2027.
- c. A lump sum payment of \$4,000, subject to conditions as set out.

[18] I accept that my recommendation on remuneration exceeds the amounts Medlab and TLab have stated to me that they can afford and equally the amounts are less than what APEX believe are warranted, particularly if the pathway to parity is to be successful. However, I believe my recommendation is appropriate and can be achieved by Medlab and TLab and should be acceptable to APEX and its members.

Clauses 1.1 and 1.2 of the Collective Agreement

[19] Medlab and TLab wish to amend clauses 1.1 and 1.2 of the Collective Agreement to reflect the pending changes to ss 63, 63A and 63B of the Employment Relations Act 2000.

[20] Given that the Employment Relations Amendment Bill has now passed its third reading and royal assent will follow Medlab and TLab's proposed changes to clauses 1.1 and 1.2 of the Collective Agreement are appropriate. Therefore I recommend that:

- a. Clause 1.1 of the Collective Agreement be replaced with:

The parties agree that the employer will inform the employee of the collective employment agreement and provide a copy of the agreement, but the employee will no longer be subject to its terms unless they become a member of the Union.

- b. Clause 1.2 of the Collective Agreement be revoked.

² This will have conditions imposed on it - the lump sum payment is only made to APEX members who were members at 1 October 2024 and are still members at ratification; it will be made on a pro rata basis for part time employees; and will not be paid to casual employees.

Schedule C

[21] For completeness I record here that at the commencement of facilitated bargaining the claim in respect of Schedule C of the Collective Agreement had not been agreed. I understand that after work done in facilitation this has now been agreed, and a recommendation is not required.

Conclusion and proposed offer

[22] In conclusion, I recommend that Medlab and TLab present an offer based on the agreed claims and my recommendations. APEX should then take this offer to ratification on the basis that it represents, in totality, my recommendation for the terms of settling a renewed Collective Agreement.

Peter van Keulen
Member of the Employment Relations Authority