

Will National deliver fair pay for the health and disability frontline, or play the Grinch and delay?

Fair pay for 65,000 workers at the health and disability frontline hangs in the balance as we wait for the new government to take office.

Across the country, care and support workers help hundreds of thousands of disabled, sick, and elderly people to live dignified lives with as much independence as possible. It's hard, physical work that can be emotionally draining as well as tiring.

Most care and support workers, something like 93%, are women, and they have historically been underpaid compared to equivalent male-dominated professions.

So, disability support providers that employ care and support workers, have been keen to participate in a pay equity process with the unions and the government to get them fair pay.

If we can secure pay equity for care and support workers, it not only delivers fairness and better pay for these essential workers so they can live better lives, but it will also help to make the sector a more attractive place to work. We have really struggled in recent years to get the appropriately qualified and skilled workforce to meet the growing need for care and support.

Now, I hear what you're saying: 'if providers want better pay for their workers, why don't they just pay more?'. Would we could. But our funding comes from the government – we can only pay what the government gives us.

Hence, the tripartite pay equity process: employers, unions, and government working out together what equitable pay looks like and how much money the government will give the providers to fund it – with the workers having the ultimate say through ratification of the deal once it's agreed.

There's currently existing legislation in place (from earlier 2017/18 pay equity settlements) while the deal is being worked out to set minimum pay rates – but that is set to expire at the end of the year, and now the process has hit a massive roadblock due to Government officials not following the agreed plan.

It was all going quite well. A six-step process has been established by Cabinet, and the parties (employers and unions) had gone through four steps with everyone agreeing. Essentially, we've worked out what jobs the support and care workers' jobs are comparable to, what their pay is like, and how much of a pay boost our workers should therefore get. Now, it's time for Cabinet to tell the negotiating agencies, led by Te Whatu Ora, that they have a related envelope of money to confirm a deal. With that authorisation in hand, we would be able to finalise the pay boosts, the workers would be able to ratify the agreement, and Bob's your uncle.

But, not so fast. There's a couple of wrinkles. The government needs to provide enough funding for what we call 'sector extension' and 'pass through' costs. 'Sector extension' means covering the whole sector – all 65,000 workers performing the same work and their employers – because technically the claim the unions lodged only covers 15 representative providers (it was easier that way). But we can't have a deal where some providers are funded to pay thousands more a year for the same job than others – the ones left out would be unable to retain or recruit new staff. 'Pass through' means the costs of other workers in our organisations also getting relative boosts. For instance, if there's no funding to increase supervisors' pay, they will end up on lower pay rates than the support and care workers reporting to them, and no one will want to take the promotion.

Put it altogether, and we are talking about more than half a billion dollars a year in extra wages. Sounds like a lot, but there's 65,000 workers.

And the government needs to fund every additional cent. If it doesn't, service providers will face increased wage costs without the money to pay for it. Operating margins are already wafer thin. If they are not fully funded, providers will have to shrink services or close entirely.

And this is where the roadblock has suddenly appeared.

Te Whatu Ora has not done what they should have in relation to the necessary Cabinet paper to identify the required funding for settlement. Reasons provided to the parties remain murky. They then tried to offer a partial deal to give workers within scope of the claim only part of what they're legally entitled to, but that fell over for reasons that, again, remain murky prior to the Election. Te Whatu Ora is now trying to undermine the process steps to-date, and relitigate the previously agreed steps where the parties determined what pay boost the workers are entitled to.

It looks, frankly, like sticker shock. When National agreed to the original pay equity settlements back in 2017/18, it probably didn't realise just how grossly underpaid care and support workers would continue to be six years later. On top of all their existing promises and whatever deals they make with support parties, they also need to ensure more than half a billion dollars a year for pay equity for these essential workers.

This should have been sorted out before the election. I can't understand why Labour Ministers weren't riding their officials hard to have a deal in time to announce before voters entered the polling booths – helping low paid essential workers during the cost of the living crisis, you would think the politics is obvious.

Instead, National will be facing an urgent dilemma at the health and disability frontline. Does it fund the pay equity settlement as a priority, which might mean scaling back its tax cuts to make ends meet; or does it further delay pay equity for 65,000 Kiwis, mostly women, who devote their lives to the care of disabled and elderly people?

Fortunately, it's not really a dilemma at all. National campaigned on boosting funding for the frontline and helping with the cost of living. Funding pay equity for care and support workers does both – and avoids making the new Government the Grinch that stole Christmas for 65,000 workers and their families.

There's really only one choice, and we hope the new Government will move quickly to fully fund pay equity for our workers. They deserve it.

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