



Media release

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Government must back minimum wage boost with funding for disability providers

Today's announcement of a 6% increase in the minimum wage will be a welcome boost for many disability sector workers, but the disability support providers who employ them will need more government funding to make ends meet, says New Zealand Disability Support Network CEO Peter Reynolds.

"Disability support providers are under extraordinary pressure with rising demand for their services, inflation fuelling increased costs, and difficulty finding workers in the tight labour market," says Reynolds.

"Many of our members rely heavily on government funding for the services they provide and it's a constant struggle to get funding levels that accurately reflect the cost of providing the services disabled people and their families need.

"In the Minimum Wage Review, the Ministries of Health and Social Development, as well as ACC, advise that the minimum wage rise will result in extra costs to their third-party providers, and this will mean they have to provide higher levels of funding. ACC alone estimates it will need \$8m in funding for third-party employers, like disability support providers.

"We request that Ministers confirm that government agencies will get the funding they need to pass on to disability support providers facing an increased wage bill. This has not always happened in the past, and providers have found themselves squeezed by the rising wage bill, unable to deliver the services disabled people need.

"The Labour Government has increased the minimum wage by 35% since 2017, and we expect it will continue to do so. For this to be sustainable, the Government needs to ensure that matching increases in disability support funding are forthcoming," says Reynolds.

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