

## **Media Release 01-07-2022**

### **Government funding needed to pay for disability worker pay boost**

The disability support provider sector is calling on the government to clarify how much extra funding providers will receive to cover the cost of government-mandated pay rises, says New Zealand Disability Support Network CEO Peter Reynolds.

Last week, Parliament passed the Support Workers (Pay Equity) Settlements Amendment Act, which provided for pay increases for support workers of 3% and allowed for pay equity claims to be made. NZDSN supported this Bill the intention of which was to provide immediate certainty regarding wage rates for support workers and to allow time for the parties to consider and progress a sustainable longer-term solution. However, it is unclear how much extra funding providers will get to cover this cost increase. Providers are dependent on government funding to pay wages and other costs.

"Minister Little told Parliament that the Government will be funding this 3% pay increase for disability workers. But, with one day to go until the new wage rates kick in, providers still don't know what extra funding they will be getting and when," said Mr Reynolds.

"Disability support providers are happy to see the wages of their workers increase, but that can only happen if the government provides the funding to cover the additional cost. If the government funding increase is insufficient, providers will have to make cuts elsewhere, there's simply no slack in the system.

"We don't know when providers will be receiving the additional funding, or how they are meant to cover the funding gap in the meantime. NZDSN is anxious to prevent, as much as possible, a back-pay headache for members, but this now looks inevitable. We also need to ensure that any increase in wage rate is fully funded. Until we are told what the funding rate increase will be, we won't be able to work that out.

"Disability providers need to get extra funding immediately, so they can deliver much-deserved higher wages to disability support workers," said Mr Reynolds.