# January 2025 – Update on Pay Equity for Care and Support Workers (CSWs)

The following is an update prepared for peak bodies to share with their members and various stakeholders about ongoing pay equity matters for CSWs. The 4 peak bodies continue to work jointly on pay equity matters, including supporting and working closely alongside named employers in each of the 3 pay equity claims for CSWs.

## Update on Government plans and engagement

We have a new Minister of Health (Hon Simeon Brown) and new Minister for the Public Service (Hon Judith Collins KC) – both of whom will play a key part in the pay equity plans for care and support workers going forward. The Peak Bodies are currently reaching out to both of these Ministers to seek urgent meetings regarding pay equity funding plans, and priority, for our wider sector.

The Peak Bodies also continue to seek effective engagement with Health New Zealand (as lead funder representative) on the Government’s overall plans and intended approach for a sector solution for CSWs.

Following the Government’s new pay equity reset approach announced in May 2024, there is no published process or framework for Government agencies supporting pay equity claims now – it is up to individual funding agencies to determine the best approach in each circumstance. The new reset approach involves the Government considering “a contribution towards pay equity” in each circumstance. At the same time, Health New Zealand confirmed that Cabinet had agreed to a preferred ‘whole of sector’ pay equity funding approach for this CSW workforce.

Cabinet was originally expecting a report back by end October 2024 regarding options for a sector solution and proposed way forward. This timeframe has been pushed out now to March 2025 at the earliest. Health New Zealand has claimed that delays are based on issues around remuneration data received from service providers in September/October 2024. There has been no sector engagement on this, so Peak Bodies are not currently aware of any detailed plans in this regard – but they continue to seek urgent engagement with Margie Apa (Chief Executive) in this regard.

Towards the end of 2024, Health New Zealand have been completing their own review of what they believe constitutes pay equity for CSWs, when developing possible options for the Government to consider in terms of a contribution to funding pay equity for these workers. This means that the Government could end up developing a very different version of what constitutes pay equity compared to the parties in the respective pay equity claims. The Peak Bodies have continued to stress to Health New Zealand that there should be effective consultation with the sector and engagement on these plans before anything is finalised or proposed to Cabinet.

## Update on Claim 1

The Claim 1 employer representatives are currently preparing for an initial hearing on interlocutory matters scheduled in May 2025 in the Employment Relations Authority related to the application for a determination to fix remuneration (filed by the unions in June 2024). The employers do not accept that it is appropriate for the ERA to become involved in the claim process, and they are seeking for the application to not be accepted. That would leave the parties to continue to follow the agreed process and progress the Claim towards settlement, in conjunction with engagement with the Government in relation to related funding.

If the ERA does ultimately consider that the application should proceed, then a substantive hearing will be scheduled – which would not occur for quite some time yet.

## Update on Claims 2 and 3

Plans are progressing for the approximately 270 employers in Claims 2 and 3 – as required under the Equal Pay Act.

A new Project Coordinator (Brenda Pilott) and Pay Equity specialist (Morgan James-Tresidder) have recently started in late January 2025 to assist employer representatives in the work assessment, comparator and undervaluation assessment stages of the Claims. Their assistance will be invaluable, and will assist the claims to progress towards being ready for bargaining/settlement stages.

Plans are currently underway for employee workshops and a related manager survey to be completed in late February/early March for Claim 2 to develop the required work profile and scoring to enable plans to then progress towards comparator and undervaluation analysis. It is anticipated that Claim 3 will complete similar steps in the near future also.

As usual, there is a lot going on right now in the pay equity space – and the Peak Bodies understand that there is a lot of information for everyone to keep up with on top of their already busy workloads. We also want to acknowledge the uncertainties still arising around much of the intended plans for the proposed whole of sector solution. We will certainly endeavour to keep everyone as informed as possible as these plans evolve and continue to develop.

We encourage you to stay in touch with any questions that you may have – we are here to help and support you all. Please don’t hesitate to reach out for any further info or clarification.