

Hon Chris Hipkins  
Minister for the Public Service

**Extending the benefits of the pay equity settlement for social work in the Funded Sector**

Date of issue: **24 November 2022**

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**Title:** Extending the benefits of the pay equity settlement for social work in the Funded Sector  
**Author:** Public Services Commission

Included in this release is the following document:

- **Cabinet Minute** – SWC-22-MIN-0196 - Extending the benefits of the pay equity settlement for social work in the Funded Sector



# Cabinet Social Wellbeing Committee

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### Extending the Benefits of the Pay Equity Settlement for Social Work in the Funded Sector

Portfolio                      Public Service / Women

On 9 November 2022, the Cabinet Social Wellbeing Committee:

- 1        **noted** that the Funded Framework allows Cabinet to extend the benefit of the settled Non-Government Organisation social worker pay equity claim to employees in the Funded Sector doing the same or substantially similar work if criteria are met;
- 2        **agreed** that all criteria have been met in order for Cabinet to consider extending the benefits, as set out in the submission under SWC-22-SUB-0196;
- 3        **noted** that the Funded sector contains a high proportion of Māori, Pacific and low paid employees;
- 4        **noted** that the benefits of extending the benefits of the pay equity settlement include ensuring workforce stability, improved ability to recruit and retain employees and a reduction in the volume of pay equity claims that would need to be resourced;
- 5        **agreed** to extend the benefits of the settled Non-Government Organisation social worker pay equity claim to those employees in the Funded sector doing the same or substantially similar work;
- 6        **noted** that the work required to implement the extension will be considerable 9(2)(f)(iv) confidentiality of advice  
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- 7        **directed** Public Service chief executives to begin the work required to vary all current funding contracts which support the employment of social workers and those in social work roles to implement the new pay equity rate, including relevant terms and conditions as a minimum;
- 8        **directed** Public Service chief executives of Funding Agencies to work with the Commission and their contracted providers to supply contract data by 28 April 2023 for contracts that fund the employment of social workers and those in social work roles;
- 9        **noted** that the Crown entities Te Whatū Ora – Health New Zealand, Te Aka Whai Ora – Māori Health Authority, and Kainga Ora also have contracts that fund social services in the Funded sector that support the employment of social workers and those in social work roles;


10 **invited** the Minister of Health, as the Minister responsible for Te Whatū Ora and Te Aka Whai Ora, to communicate Cabinet expectations about procurement of social services in the Funded sector that support the employment of social workers and those in social work roles;

11 **invited** the Minister of Housing, as the Minister responsible for Kainga Ora, to communicate Cabinet expectations about procurement of social services in the Funded sector that support the employment of social workers and those in social work roles;

12 **noted** that there are a small number of unregistered professionals currently undertaking work that is the same or substantially similar to social work covered by this extension;

13 **noted** that the Public Service Commission has worked with the Social Workers Registration Board, the Ministry of Social Development, and Te Kahui Kahu to consider any risks to public safety of including these workers in the extension;


14 9(2)(f)(iv) confidentiality of advice




15 **invited** the Minister of Social Development as the Minister responsible for the Social Workers Registration Board to report back to Cabinet on the progress of this work in early 2024;

16 **noted** that Funding Agencies have indicated it is likely they will be unable to absorb all or some of the increased costs of funding the extension of benefits from within their respective baselines;

17 9(2)(f)(iv) confidentiality of advice



18 9(2)(f)(iv) confidentiality of advice



19 **invited** the Minister for the Public Service and the Minister for Women to report back to Cabinet to seek funding to implement the extension once detailed costs per Vote are known;

9(2)(f)(iv) confidentiality of advice

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Rachel Clarke  
Committee Secretary

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**Present:**

Rt Hon Jacinda Ardern  
Hon Grant Robertson  
Hon Dr Megan Woods  
Hon Chris Hipkins  
Hon Carmel Sepuloni (Chair)  
Hon Andrew Little  
Hon Peeni Henare  
Hon Willie Jackson  
Hon Jan Tinetti  
Hon Michael Wood  
Hon Kiri Allan  
Hon Dr Ayesha Verrall  
Hon Priyanca Radhakrishnan  
Hon Aupito William Sio

**Officials present from:**

Office of the Prime Minister  
Office of the Chair  
Officials Committee for SWC