

# NGO Social Work Pay Equity Settlement Extension

Employment Variation to Implement New Terms and Conditions / or alternatively to be used for Employment Agreements for New Employees (from July 2023)

## Explanatory Note

[This template has been developed for employers to implement as a proposed variation to existing employment IEA and CEA terms – or for revised template Employment Agreements for new Employees since July 2023.]

**FOR EXISTING EMPLOYEES:** This template assumes that individual employees have already had their employment varied to implement the pay increase from 1 July 2023, so those individual employees already should know where they fall within the scale – but if not, the variation should confirm this component too. Any proposed individual employment variation needs to go through the usual employment consultation process – with a proposal and consultation, before any changes being confirmed. Similarly, any proposed changes to a Collective Employment Agreement will need to be agreed with the relevant union.]

*The wording highlighted in yellow below should be adapted to suit each organisation.*

## 1 Background/Purpose

- 1.1 In August 2019, The Public Service Association - Te Pūkenga Here Tikanga Mahi (PSA) union raised a pay equity claim under the Equal Pay Act against five NGO employers for employing performing social work (**the claim**). The claim covered four categories of work:
  - Category 1: registered social workers
  - Category 2: registered professionals employed in a social work role
  - Category 3: professionals undertaking work substantially similar to social work
  - Category 4: registered social workers or other registered professionals leading social work practice
- 1.2 Sex-based undervaluation was identified and the claim parties developed and agreed a new pay scale to settle the claim in October 2022 (**the settlement**).
- 1.3 In November 2022, Cabinet agreed to extend the benefits of the settlement to all social workers and those undertaking substantially similar work in community and iwi organisations (**the pay equity extension**). This means that components of the original settlement that correct sex-based undervaluation are made available to social workers and those undertaking substantially similar work in community and iwi organisations. The components are:
  - Introduction of a new step-based pay spine providing annual progression through steps
  - Pay correction - translating employee salaries to the appropriate place on the new pay spine (based on years of experience)
  - Access to a suite of professional support funding

- 1.4 In June 2023 Cabinet further agreed to appropriate funding over four years to 15 government Funding Agencies to implement the new social work pay equity extension, directing funding agencies to update funding contracts with service providers, and to require those employers to implement the new pay equity rates and terms and conditions as a minimum from 1 July 2023.
- 1.5 As the Employer is a service provider who has received funding under the pay equity extension, this agreement implements the related new employment terms and conditions for employees within scope.

**Social Work Pay Equity Remuneration**

- 1.6 **Scope:** Employees performing social work within the following four categories are covered by the pay equity extension, effective 1 July 2023. The categories of work are:
  - Category 1: registered social workers
  - Category 2: registered professionals employed in a social work role
  - Category 3: professionals undertaking work substantially similar to social work
  - Category 4: registered social workers or other registered professionals leading social work practice

**1.7 New Pay Spine:**

Pay Spine			Band 1 Registered or registerable social workers in frontline practice	Band 2 Registered professionals in social work roles	Band 3 Non-registered professionals undertaking work substantially similar to social work	Band 4 Registered social workers leading practice
Step 1		\$58,964.33				
Step 2		\$63,500.52				
Step 3		\$68,037.77	Supported Practice Step	Supported Practice Step		
Step 4		\$74,839.35				
Step 5		\$77,107.21				
Step 6		\$81,642.92				
Step 7		\$86,178.64				
Step 8		\$90,713.36				
Step 9		\$95,250.08				
Step 10		\$102,000.00				
Step 11		\$104,321.51				
Step 12		\$108,857.23				
Step 13		\$113,392.9				
Step 14		\$117,928.6				
Step 15		\$122,464.30				

1.8 **Progression:** The new pay spine sets out annual progression through the steps within the pay spine. The starting step for any employee is determined based on their years of relevant experience within their current category of work. Subsequent progression will occur annually, or earlier as agreed between the employer and employee, aligned to the anniversary date of the employee with the employer. These steps are the minimum level of pay.

1.9 **Professional Support:** Employees within scope will receive access to professional support as follows:

- Any professional registration fees relating to the employee performing their work will be paid by the employer (either directly to the registration body or by reimbursement to the employee);
- All employees performing social work will receive access to professional supervision during paid work time, as required by their role. Supervision may take the form of internal line management supervision, other suitably trained and experienced internal resource or external professional supervision as appropriate and agreed between the employer and the employee.
- The employer will ensure that employees have access to appropriate development pathways to encourage career progression via the training and development policy. The parties agree there is an expectation that the employer will continue to invest in ongoing competency in respect of each employee performing social work.

**Commented [A1]:** Each Employer needs to consider which annual date is appropriate – depending on their internal HR system, and the general approach for employees. Most existing employees will likely have this date set as 1 July each year (given the date of implementation) – but this may not be appropriate for new employees starting on different dates in future. The Settlement is silent in this regard – so it is a practical consideration for each organisation.

#### Future Review

1.10 The parties to the original claim will regularly review the settlement to ensure that pay equity is maintained. This may lead to proposed future changes for the wider sector workforce if the Government determines changes that are required to the related funding and services performed by the employees within scope.