

14 April 2022

T Barnett
By email: fyi-request-18991-0efaeb74@requests.fyi.org.nz

Ref: H202204652

Tēnā koe T Barnett

Thank you for your email received on 28 March 2022 to the Ministry of Health (the Ministry) about mental health workers' pay with regard to the Support Workers (Pay Equity) Settlement Act 2017 (the Act). I appreciate you taking the time to write.

I acknowledge your concerns about the delay in Mental Health and Addiction (MH&A) support workers being paid in relation to clause 3 of Schedule 2 of the Act. I assure you that MH&A support workers are being, and will continue to be, paid according to the Act.

Statistics New Zealand published LCI data in the first week of August 2021. The Ministry then prepared advice to government to approve the LCI funding increase. Funding was approved to pay support workers LCI-adjusted wages on 20 December 2021. The Ministry and district health boards (DHBs) have been working on implementing this funding for all support workers covered under the Act.

The Ministry sent a letter to all MH&A providers on 11 March 2022. The letter acknowledged that the published LCI figure for the period ending 30 June 2021 showed that the compound average growth rate for the period 1 July 2017 to 30 June 2021 was 2.07 percent. Funding was approved to enable support worker wage rate adjustments to take place from 1 July 2021. In the letter, the Ministry included revised support worker wage rates, which were calculated using the equations set out in clause 3 of Schedule 2 of the Act. The wage rates are listed below:

Pay band	1 July 2021 Year 5 wage rates prior to LCI adjustment	Revised 1 July 2021 Year 5 wage rates after LCI adjustment
L0	\$21.50	\$21.84
L2	\$23.00	\$23.36
L3	\$25.00	\$25.39
L4a	\$26.00	\$26.41
L4b	\$27.00	\$27.43

In the same letter to providers, the Ministry advised that payments should be made by DHBs to providers by the end of March 2022, subject to COVID-19 related delays for DHBs. The Ministry also advised that, once providers have received this funding, they are expected to pay their support workers the LCI wage adjustment cost, backdated to 1 July 2021, as soon as possible.

Unfortunately, COVID-19 delays have impacted on some DHBs' ability to meet the end of March deadline. However, there has recently been more progress, and the Ministry is now expecting payments to be made to all MH&A providers by the week beginning 4 April 2022.

The LCI wage adjustments, backdated to 1 July 2021, will be made to MH&A support workers as soon as their employer is able to do so. Support workers will then be paid the new rates on an ongoing basis.

Thank you again for taking the time to write. I hope this information is useful to you.

Nāku noa, nā

A handwritten signature in blue ink that reads "Clare Perry". The signature is written in a cursive, flowing style.

Clare Perry
Deputy Director-General
Health System Improvement and Innovation