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Media Release

NZ Aged Care Association welcomes pay settlement for caregivers

The New Zealand Aged Care Association (NZACA) is delighted that the Government and unions have reached a settlement in the long running caregiver equal pay case. This case has cast a dark shadow of uncertainty across the industry for several years now and a resolution is most welcome.

“We have campaigned for many years on behalf of our caregivers for appropriate funding to pay them for the wonderful job they do looking after New Zealand’s elderly population,” says Simon Wallace, Chief Executive of the NZACA whose 600 members operate more than 90% of the sector’s 38,000 beds.

“This settlement brings our caregivers at least up to parity with their counterparts in public hospitals. The ever widening gap in pay rates that has now been closed has prevailed for nearly 10 years,” Mr Wallace says.

The negotiations were started after Lower Hutt caregiver Kristine Bartlett and her union lodged a claim in 2012 with the Employment Relations Authority alleging Ms Bartlett’s employer was in breach of the Equal Pay Act 1972.

Given the ramifications of the outcome beyond the aged residential care sector, the Government decided to take the case, which was originally between the union and our members as employers, out of the courts in July 2015 and work to reach a negotiated settlement.

“Those negotiations haven’t always been easy but the parties have ultimately achieved an outcome that is down to the goodwill between all the groups involved.

“We must acknowledge Kristine Bartlett for her action in championing the case for caregivers over the past five years. At the same time, we acknowledge NZACA member TerraNova Homes and Care, the rest home that was the subject of the union action. This has been a heavy load for them to carry on the industry’s behalf.

The Government also deserves credit for its willingness to confront this issue and so avoid a lengthy Court case.

“Today’s settlement creates the right pay and conditions for caregivers and is a game changer in a sector that has traditionally struggled to attract New Zealanders into these roles”, Mr Wallace says.

The increase will be effective from 1 July 2017.

End.

For more information

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Key facts and figures

- NZACA is New Zealand’s largest aged residential care membership organisation, with its 600 plus members representing 90% of the sector’s 38,000 beds.
- There are around 670 aged residential care facilities spread around New Zealand. The average aged care residential care home is 57 beds.
- 61% of homes are privately owned, 20% owned by a charitable/religious/welfare organisation and 19% are publicly listed.
- There are around 22,000 caregivers working in aged residential care facilities.