

Briefing: Amendments to the Equal Pay Act and Impact on the Social Service Sector



Recent significant amendments to the Equal Pay Act, passed under urgency, have a considerable impact on the social service workforce and existing pay equity claims.

Key Changes and Impacts

Discontinuation of Existing Claims:

All pay equity claims raised but not yet settled, including the social service workers claim, are discontinued entirely. The social service workers claim is one of 33 claims underway that have stopped. Progress was being made on the social service workers claim, but it is no longer recognised under the new law and cannot continue.

Review Limitation

Future pay equity settlements cannot include a review provision and a claim cannot be re-raised within ten years of settlement. This affects the social workers settlement, only to the extent that it cannot be reconsidered until 2032. This applies only to the five providers in that specific settlement. The amendments do not clarify the impact on settlements extended to other providers. The social worker settlement is otherwise unaffected and this was confirmed in the debate in Parliament on 7 May 2025.

Restrictions on New Claims:

Raising a new claim for Social Service Workers is unlikely due to changes in the criteria for claims to be accepted and progressed.

- The threshold for a female-dominated group has increased from 60% to 70% of the workforce. While the social service workers claim meets the 70% threshold, its broad scope covering many occupations is unlikely to be acceptable under the new law.
- The basis for progressing a claim is now the 'merit' of the claim, not merely whether it is 'arguable'. This lifts the bar on what claims will be accepted.
- Claims must now cover employees doing the same or similar work, ruling out broad-based claims like the social service workers claim.
- Comparators must be doing work closely related to the claimant, which is highly restrictive in a broadly female workforce like social services and limits the ability to compare to male-dominated occupations.
- It will be easier for an employer to opt out of a multi-employer claim.
- Limitations are imposed on the Employment Relations Authority's ability to make determinations on pay equity matters.

Process of Amendment:

The Amendment Bill was introduced and passed under urgency on 6 and 7 May 2025, respectively, with no consultation beyond selected government agencies and no Select Committee convened. No Regulatory Impact Statement was provided, and the [Cabinet Paper](#) was heavily redacted. This meant there was no opportunity for public comment or to make the impact visible. The transitional provisions apply retrospectively to existing claims. This process has drawn widespread criticism, shared by Te Pai Ora SSPA.

Impact and Next Steps

The impact on the social services sector is considerable, particularly affecting the eight providers named in the original social service workers claim. This occurs during a period of significant funding pressures and uncertainty. Te Pai Ora SSPA is working closely with these providers and the PSA. The pay equity co-ordinator will meet with the PSA to discuss options for raising new claim(s) or broader discussions on the new settings. Te Pai Ora SSPA will keep members informed.