



A plan to pay women more

For a fairer society



GREEN PARTY ELECTION PRIORITY



Summary

The Green Party has a plan to ensure that women and their families are treated fairly and paid equally to their male colleagues.

- 1.** Introduce pay transparency, by requiring employers to collect data on what they pay men and women.
- 2.** Make public sector chief executives responsible for achieving pay equity for employees of core Government departments.
- 3.** Amend the equal pay laws, to include agreed principles and an onus on employers to prove they are paying women fairly.
- 4.** Fund an expert body to assist women so all pay equity claims are progressed efficiently.
- 5.** Double the funding for the Ministry for Women to get a better deal for women.
- 6.** Fund social marketing and education aimed at eliminating bias in employment.
- 7.** Ensure the Minister for Women sits in Cabinet, and ensure gender balance amongst Green Party ministers.

Situation

Being underpaid has serious consequences. Over a year or a lifetime, the difference in a woman's ability to participate in society, put a roof over her head, or feed herself and her kids, is profound.

The current gender pay gap for average hourly earnings is 13.1 percent. It is 9.4 percent for median hourly earnings.¹

Having less money makes it harder to pay the bills and, as the majority of sole parents in NZ are women, it makes it harder to ensure children have what they need. An hourly difference really adds up over a week and a month. Finances expand or limit options and send messages about people's relative value in our society.

Male chartered accountants (CAs) earn on average \$45,000 a year more than female CAs. Even when factors such as experience, work hours, and numbers of direct reports are accounted for – that is, to look solely at the impact of gender – the difference is up to 20 percent.² Male engineers' median salary is 18.8 percent more than their female counterparts.³

As a way of measuring the effect of the gender pay gap, the average balances of women members of ANZ's KiwiSaver scheme, the largest in the country, are 19 percent lower than men's. Women have an average \$13,333 in their Kiwisaver, compared to \$16,527 for men. According to ANZ, women are likely to retire with almost \$80,000 less in their KiwiSaver accounts than men.⁴

For Māori women, the gender pay gap is 24.5 percent, and for Pasifika women, it is 26.8 percent.

Definitions: equal pay and pay equity

Equal pay is when men and women get paid the same for doing the same work. This is also known as equal pay for equal work. For example, two police officers of different genders, with the same experience and qualifications, being paid the same salary.

Pay equity is when women in a female-dominated occupation, like nursing, get paid the same as men in a male-dominated occupation, like policing. In this example, it could be decided that the work nurses and police officers do is of equal value. This is also known as equal pay for work of equal value.

The history

The fight for equal pay in Aotearoa New Zealand can be traced back to the suffragists in the 1890s. They realised then that women's freedom required women to have economic independence and for women's work to be properly valued. The National Council of Women and the Public Service Association have been fighting for equal pay for work of equal value for over 100 years. It's a fight that has continued in different guises because the fundamental problem of under-valuing women's work and the day-to-day impacts of having less money persist.

The Equal Pay Act was introduced in 1972 to ensure equal pay in the private sector. Since then, New Zealand has made progress towards fixing the imbalance between men's and women's pay. But the legislation has not delivered the equality that women had hoped for. There was a view that the legislation did not apply to claims for work of equal value, i.e. across different occupations. In 1990, the Labour Government introduced the Employment Equity Act to create a more pro-active framework towards gender pay equality. Sadly, within three months this legislation was repealed by the incoming National Government.

After five years of research and advice to introduce new legislation in 2004, the Labour Government set up a Pay and Employment Equity unit to provide support on establishing pay equity rates. Under its Plans of Action, all government departments, the public health sector, and the public education sector were to undertake pay and employment equity reviews (audits) and develop response plans. In March 2009, two pay investigations were underway for the female-dominated occupation groups of social workers and special education support workers. The new National government discontinued these due to "current economic and fiscal pressures". It then disestablished the Pay and Employment Equity Office.

The Green Party introduced an Equal Pay Amendment Bill to create a mechanism for pay transparency in 2011. This created a lot of public debate and the then-head of the Employers and Manufacturers Association went on record saying women are paid less because they menstruate.⁵ As a result of growing public pressure, the Prime Minister said he would look at pay transparency. After the 2011 election, National decided not to implement pay transparency and voted against the Green Party's Equal Pay Amendment Bill in 2017.

A recent court case has changed the playing field. Kristine Bartlett, a care and support worker, took her employer to court arguing that her industry paid her poorly because she and her co-workers are overwhelmingly women. The Court ruled that they could use the Equal Pay Act to establish equal pay for work of equal value. This was appealed all the way to the Court of Appeal, but Kristine won. As a result, the Government decided to negotiate with Kristine and her union E Tū, with NZNO, and PSA. On 18 April 2017, a settlement offer was made to 55,000 care and support workers to see significant pay increases. This was a result of Equal Pay Act, and showed the law can work.

But it's not over

A Joint Working Group on Pay Equity Principles, made up of government representatives, businesses, and unions, was established in response to Kristine Bartlett's case. The Working Group was able to agree and make recommendations on a way forward in May 2016.

The recommendations of the Joint Working Group provided

- Principles to provide guidance to employers and employees in identifying, assessing and resolving pay equity claims.
- A process for employers and employees to follow to address pay equity, including a bargaining process based on the Employment Relations Act framework.

Many participants expected these principles to be used alongside the existing Equal Pay Act to provide practical guidance to employers and employees to implement pay equity.

Two days later, the Government released a draft of a new Employment (Pay Equity and Equal Pay) Bill. The Bill is incompatible with the recommendations of the Joint Working Group on Pay Equity Principles. It

would replace the current Equal Pay Act under which Kristine Bartlett made her successful claim. National's latest plan will make it harder for women to be paid fairly.

The Government's new Bill will also mean that women seeking pay equity first have to compare their wages with people employed by the same employer. Only if no appropriate comparison can be made can they look for a comparator in a different organisation.

The hierarchy in the Government's Bill would mean comparators would have to be selected as follows:

1. Comparators within the same employer, or if none are appropriate then
2. Comparators from within a similar employer, or if none are appropriate then
3. Comparators from within the same industry/sector, or if none are appropriate then
4. Comparators from a different industry or sector.

In Kristine Bartlett's case, her employer Terranova tried to argue that they could assess whether her pay was fair by starting with males in the same workplace. The Court rejected that argument and ruled that pay equity requires male comparators from jobs and sectors that are clearly unaffected by gender bias; that is, male dominated jobs and sectors. By introducing a hierarchy of comparators, it is much harder for women to have to prove there is no appropriate comparator at each stage. This will potentially introduce a legal nightmare of decisions being challenged and returned at each step.

We can take action to get women paid more, but every step of the way National has prioritised reducing fiscal liability over the rights of New Zealand women to a better deal. When National put out its draft Equal Pay Bill, it was a golden opportunity to introduce practical measures like gender pay transparency to help women get paid more. Instead, National is trying to make it harder for women to be paid fairly.

Solution

The Green Party has a plan to pay women fairly.

1. Pay transparency

The Green Party will require employers to add gender to pay roll data.

At the moment, most women only find out by accident, if at all, if they're being paid less than a male colleague. Seeing the pay difference made clear in black and white will mean employers can change what they have been doing. It also means that women will know when they are being underpaid, and can use that information when negotiating their salary, or to take an equal pay case.

The Green Party will amend section 130 of the Employment Relations Act 2000 to add gender as a pay roll reporting requirement. Employers would need to, on the request of an employee or their union, disclose the aggregated and anonymised data showing the pay and gender for all employees doing the same kind of work. This will help remove the secrecy that has meant some women continue to be underpaid for the valuable work that they do. It will provide greater evidence with which to fight gender pay discrimination in New Zealand. We will maintain strong safeguards to protect privacy and ensure that individual people's pay information is not released publicly.

Norway, Sweden, and Finland have similar provisions for income transparency and are in the top four countries in terms of income equality.

Pay transparency makes a difference.

2. Equal pay for the public sector

The Green Party will ensure concrete progress towards equal pay by showing leadership through the public service. We will make public sector chief executives responsible for achieving equal pay for all employees of core government departments within our first term in government.

The wider public sector and private sector organisations with government contracts will be required to report on their gender pay outcomes, advertise all starting salary bands, and achieve equal pay by 2025, as a condition of their contracts.

Gender pay balance will become a performance expectation for each chief executive across the core state sector. Chief executives will be expected, with unions, to identify female-dominated jobs across the public sector. They will then need to undertake a proactive assessment for the skills, responsibility, experience, and work conditions of every job, and pay women what they would be paid if it was a similar male-dominated role.

At the moment, the Crown Law Office pays men 33 percent more than women. The State Services Commission pays men 22 percent more than women.⁶

The Government can lead the way towards pay equity. Responsibility needs to be within each government ministry. It is a major employer so this will have a huge positive impact on the lives of women.

3. Amend equal pay laws

The Green Party commits to the pay equity principles from the Joint Working Group on Pay Equity Principles. This will ensure that with the Greens in government, there is agreed guidance on identifying, assessing, and resolving pay equity claims. There needs to be a process to follow to address pay equity, including a bargaining process.

We fundamentally disagree with National's proposed Employment (Equal Pay and Pay Equity) Bill. National is creating more hurdles for women to achieve pay equity. The Green Party will update the current Equal Pay Act to incorporate the recommendations of the Joint Working Group.

The Green Party will also add a positive duty on employers to pay women equal pay. The current law contains a right to equal pay but there is no responsibility on employers to ensure that the right is upheld. If a woman asks what her pay is and she sees that there is a difference in pay, then rather than it being her job to prove that she has a case, the duty will be

on the employer to either justify the difference or fix the imbalance. This means that there will be a pro-active lever for implementation of pay equity.

We will also make sure that the legal frameworks ensure equal pay and pay equity claims progress rapidly and cannot be unnecessarily delayed.

4. Fund an expert body to ensure claims progress quickly

The Green Party will establish a much more pro-active focus on women getting paid more, to ensure there is no element of gender discrimination in women's pay. There needs to be better resourcing for more research and investigation into pay equity and equal pay issues.

When a woman wants to take a complaint forward, there should be a transparent and open process where she knows that she will have a fair go at getting a better deal. But the onus can't just be on her to have to make and document a full complaint. There needs to be a more hands-on approach than what we have now. Empowering an expert body to take action to make changes is needed.

This includes providing historical data, establishing appropriate comparators, having a template to conduct a gender pay audit for agencies and businesses, monitoring and support for developing plans to fix imbalances in pay.

Women need to have the ability to easily work out if they are being underpaid, if women in their workplace are being underpaid, or if women within their industry are being underpaid. This information will be more easily accessible to empower women in conversations about pay equity.

This expert body could sit within the Employment Relations Authority, the office of the Equal Employment Opportunities Commissioner, or independently.

5. Double funding for the Ministry for Women

The Green Party will double the Ministry for Women's annual baseline funding from the current \$5.284 million, to \$10 million a year.

The Ministry for Women does important work ensuring improved outcomes for women in New Zealand, and that women's voices are represented in government decisions. Unfortunately, its current funding of just \$5 million a year is not nearly enough to deal with the significant issues facing women in New Zealand, especially pay equity.

The Ministry has four priority areas: more women in education and training; utilising women's skills; more women in leadership; and keeping women free from violence. Its mandate to take action on pay equity has been dampened since National came to power. In 2016, the Ministry for Women removed the economic independence of women as a priority. The Green Party will restore the Ministry's goals that relate to the economy and the workplace.

6. Fund a gender pay equality social marketing campaign

The Green Party will create a fund for public education campaigns on gender pay equality.

Social marketing can be an effective way of supporting widespread behaviour change, such as road safety and smoking.

A new study by researchers at Motu Economic and Public Policy concluded that sexism is to blame for the difference between women and men's pay.⁷ Men and women were statistically indistinguishable in how much value they added to their firms, but the average woman was paid only 84 cents for every \$1 for the average man. The report's lead author, Dr Isabelle Sin, said "If everyone knew, you could see if women were being paid less for doing the job just as well." She also said that the situation could be helped if people were willing to be more open about what they were paid.

Education is clearly still needed to address the ongoing unconscious bias that women experience. This is the bias, perception and attitude of people, including women, in the workforce and the decisions that they make. Greater prominence can be given to the barriers women face, their access to promotion, conditions of work, and ways in which women are funnelled into “traditional women’s work”.

7. Cabinet leadership

The Greens will ensure the Minister for Women always sits in Cabinet, not outside it. Currently, the Minister for Women does not get a seat at the Cabinet table by right, but only if their other portfolios are deemed important enough.

The Green Party is also committed to a gender-balanced Cabinet. While we cannot control the people other parties put forward as ministers, we believe that leading by example and ensuring gender equality at the Cabinet table will stimulate and support a wave of gender equity reforms for women in New Zealand.

Fiscal implications

	Year 1	Year 2	Year 3
Increased Ministry for Women baseline funding	\$5 million	\$5 million	\$5 million
Funding for expert body to progress claims quickly and proactively	\$5 million	\$5 million	\$5 million
Funding for social marketing campaign	\$5 million	\$5 million	\$5 million
Total	\$15 million	\$15 million	\$15 million

We expect public service chief executives to develop budget bids to enable them to deliver equal pay within their departments, once they have done the work to identify what is needed and what can be achieved within existing baseline funding.



Sources

¹ Statistics NZ, Labour Market Statistics, 1 September 2017.

² <http://www.stuff.co.nz/business/85388721/CAANZ-Strength-in-some-numbers-for-women-accountants>

³ <https://www.ipenz.nz/home/news-and-publications/news-article/ipenz-remuneration-survey-2016-strong-salary-growth>

⁴ <http://www.stuff.co.nz/business/89957960/women-face-retirement-savings-battle>

⁵ <http://www.newshub.co.nz/nznews/women-earn-less-due-to-periods--ema-boss-2011062312>

⁶ http://www.ssc.govt.nz/sites/all/files/HRCReport-2016_0.pdf

⁷ <https://motu.nz/about-us/news/sexism-to-blame-for-much-of-gender-wage-gap/>

[www.greens.org.nz/
equal-pay](http://www.greens.org.nz/equal-pay)

 **Green**

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