



30 June 2020

S20.16

Feedback to Ministry for Women on the Equal Pay Amendment Bill – Memo of 25/5/2020

Introduction

- 0.1. The National Council of Women of New Zealand, Te Kaunihera Wahine o Aotearoa (NCWNZ) is an umbrella group representing over 200 organisations affiliated at either national level or to one of our 15 branches. In addition, about 450 people are individual members. Collectively our reach is over 450,000 with many of our membership organisations representing all genders. NCWNZ's vision is a gender equal New Zealand and research shows we will be better off socially and economically if we are gender equal. Through research, discussion and action, NCWNZ in partnership with others, seeks to realise its vision of gender equality because it is a basic human right.
- 0.2. This submission has been prepared by the Carol Beaumont (NCWNZ Board) and Gabriel Brett Kelly (Employment Standing Committee Convenor).

1. Recommended additions to the Bill

- 1.1. NCWNZ and many other civil society groups have previously recommended several very important additions to the Bill which do not appear to have been included. They are:
 - The pressing need for a specialist unit which will support pay equity claimants and assist them in the complex process of investigating possible comparators and comparator pay rates. MBIE is rightly providing support for small businesses; there is no support for potential claimants.
 - The need for employer disclosure of comparator rates. Key Message # 9 refers to employers not being under a legal obligation to disclose possible comparator pay rates. We think this will be a significant block to pay equity. Already state sector employers have refused to disclose; giving private sector employers the option to do so will result in continuing pay inequity. We recommended compulsory disclosure and a trusted third party access approach where there are commercial sensitivities.

- NCWNZ strongly recommends the legislation include pay transparency. We support the Human Rights Commission in seeing pay transparency as a vital base for achieving pay equity in NZ.

2. Feedback on key messages

- 2.1. Key message 5: NCWNZ strongly recommends the legislation include pay transparency. We support the Human Rights Commission in seeing pay transparency as a vital base for achieving pay equity in NZ.
- 2.2. Key message 6: The JWG recommended the five criteria from the Equal Pay Act¹. They are skills, effort, responsibility, service and conditions. It is important that all five are included in the key messages and given equal weighting as claimants are entitled to use all five to argue their pay equity case. Service and conditions need to be included in this paragraph. The comment that the Care and Support Workers settlement used Corrections Officers as a comparator is not accurate. The unions tabled Corrections Officers as a comparator but the JWG could not reach agreement on comparators so settlement was reached without one.
- 2.3. Key message 8: There are also significant benefits to the economy and underpaid workers receiving the full pay rate they are entitled to.
- 2.4. Key message 9: See second bullet point in 'Additions' above.
- 2.5. Key message 10: Should refer to any employee *or group of employees*. Effort, service and conditions need to be included here.
- 2.6. Key message 11: In describing the process it is important to include the ultimate stage of determination by the Employment Authority if a pay equity claim is not resolved by mutual agreement or mediation.

3. Feedback on Appendix Four

- 3.1. **What is pay equity? How is it different from equal pay?** Service, conditions and effort should be included along with skills and responsibilities. As explained above, the JWG did not reach agreement on a comparator for Care and Support Workers.
- 3.2. **How will parties bargain a pay equity claim under the Equal Pay Amendment Bill?** This needs to be clearer that dispute resolution process includes mediation and failing that, determination.
- 3.3. **What is it going to cost?** It needs to be noted that unions and individual workers are familiar with the existing bargaining process as well as employers. Failure to resolve pay inequity is currently costing the average NZ female worker about 10% of her salary.
- 3.4. **Will there be a claim for [insert job title here]?** Any changes to pay will need to be agreed in bargaining by employers and employees *or resolved in the Employment Authority*. We need pay transparency for claimants to be able to assess their particular circumstances and access the process. Many women will also need the support of a government resources unit as recommended above.

¹ Equal Pay Act 1972.

http://www.legislation.govt.nz/act/public/1972/0118/latest/DLM407770.html?search=ta_act_E_ac%40ainf%40anif_an%40bn%40rn_25_a&p=2

4. Conclusion

- 4.1. We would like to thank the Ministry for Women for the opportunity to comment on this draft Amendment Bill. We appreciate being able to contribute an extra gender lens at an early stage in the process, and hope that our feedback will be useful.
- 4.2. Please note that Lisa's name is spelt Lawrence and she is President of the National Council of Women of New Zealand (NCWNZ), not NACEW.

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NCWNZ Board



Gabriel Brett Kelly
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Committee