

PSA Pay and Employment Equity Agenda

Foreword

“The advancement of women and the achievement of equality between women and men are a matter of Human Rights and a condition for social justice, and should not be seen in isolation as a women’s issue. Empowerment of women and equality between women and men are prerequisites for achieving political, social, economic and environmental security among all peoples”

– United Nations, 4th World Conference on Women, Beijing, September 1995.

Equal pay for work of equal value has become a hot issue for governments and unions, both internationally and in New Zealand.

This is an issue for women in particular but it is also an issue for Maori and Pacific workers and for those with disabilities. To reflect these wider concerns, the PSA has developed this pay and employment equity policy.

The goal of pay and employment equity is part of our bargaining strategy. Through our partnership agreement with government, the PSA is advocating a five-year time span for achieving agreed goals in pay and employment equity by the year 2008. We propose that progress is assessed in 2005 to coincide with the New Zealand report to the UN World Conference on Women plus 10.

The PSA will be seeking political and state sector support for the issue and recognition of the social and economic benefits of pay and employment equity.

It is the strongly held view of the PSA that New Zealand should maintain an ongoing plan of activities around pay and employment equity. Once again we can lead the world in social democracy, as we did when New Zealand women were the first in the world to get the vote.

Pay and employment equity is now firmly on the agenda. It’s time!



PSA Pay and Employment Equity Agenda

Introduction

Scope of this paper

The scope of this paper is pay and employment equity (PAEE). The PSA defines this as a systemic approach to identifying and removing the causes of inequitable pay and employment opportunities, and for delivering equal pay for work of equal value. For definitions of these and related terms, see page 3.

The aim of this document is strategic. It provides a basis for discussion about policy development on PAEE issues of concern to the PSA. Information provided in this document will be useful when considering what might be the best way to progress PAEE issues for 2003 and beyond to 2008. It describes an agenda through which the PSA can formulate a plan of action to deliver PAEE across the PSA membership and the public sector.

A key theme through the document is that action is required on a wide set of policy agendas and PAEE needs to be mainstreamed into the whole of the public sector infrastructure: government, union and employer policy-making, implementation and evaluation activities. Another key theme of particular importance for the PSA is how PAEE considerations are integrated with the Partnership for Quality strategic approach and incorporated into the PSA's partnership agreement with the Government.

This document begins by outlining the context in which we are working when progressing PAEE issues of concern to us. It then discusses in more detail how we can use a PAEE framework to develop a PSA approach to PAEE that works best for a diverse membership, many of whom may experience pay and employment discrimination in different ways.



A broad agenda

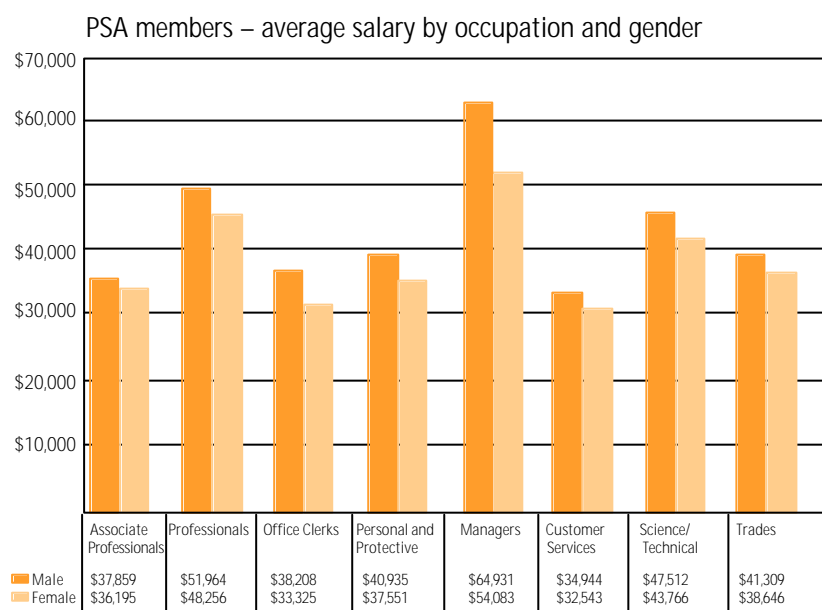
Pay and employment equity is a social policy issue as well as a human rights and employment issue that feeds into a much broader policy agenda including:

- equal pay for work of equal value
- work/life balance
- poverty eradication
- retirement security
- workforce development including skill shortages, recruitment and retention issues
- rebuilding the capability and capacity of the state sector to deliver quality public services, *and*
- growing an inclusive economy and society.

PSA Pay and Employment Equity Agenda

Current state of play

It is clear from the research and statistics that gender is the main contributor to pay and employment inequity. Other factors cannot be ignored, particularly ethnicity



Source: HR Capability Survey of Public Service Departments 2001



Definitions

- **Equal pay**
 Women and men are paid the same for doing the same job.
- **Gender pay gap**
 The difference between what women earn on average and what men earn on average.
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 Women get the same pay as men for doing a job that is comparable in terms of skills, training, responsibilities etc.
- **Job evaluation**
 A tool to measure job size (skills, demands, responsibilities etc) enabling comparisons to be made between different jobs.
- **Pay equity**
 Women and men have the same average pay.
- **Pay and employment equity**
 Systemic approach to identify and remove the causes of inequitable pay and employment opportunities.

Factors contributing to the gender pay gap

The Department of Labour and the Ministry of Women's Affairs in New Zealand, and the Equal Pay Task Force in Britain, all identify three factors as the main contributors to the gender pay gap.

Discrimination which results in a tendency for:

- women to be placed lower on salary scales
- women to be paid less through bonuses and other salary enhancements
- less value being attached to women's jobs and skills.

Occupational segregation which entrenches discrimination and results in:

- jobs done largely by women are paid less than jobs done largely by men
- skills and attributes regarded as inherently female (eg caring and nursing, working with young children) are valued less.



PSA Pay and Employment Equity Agenda

Gender-linked expectations and the unequal impact of family responsibilities which can lead to:

- women earning less because they are in part-time or casual work
- women more likely to break their careers to care for children and other family members
- women less likely to hold leadership and management positions.

It is clear from the research and statistics that gender is the main contributor to pay and employment inequity. Other factors cannot be ignored, however, particularly ethnicity: Maori and Pacific Island men are on lower average pay rates than Pakeha women, for instance. However, the effect of gender continues with Maori and Pacific Island women on even lower rates than their male counterparts (see page 6). Disability is another area where the evidence points to discrimination in pay and employment.

Consequences of pay and employment inequity

The consequences of pay and employment inequities are far-reaching with high costs for individuals and for society.

For women, the costs can include:

- financial insecurity which may contribute to child poverty
- lowered expectations
- fewer resources to invest in training and lifelong learning
- impoverished retirement.

For employers, the costs can include:

- failure to attract and retain the best person for the job
- wasted staff potential
- less motivated staff.

For government, the costs can include:

- a reduced tax take
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Facts about pay

- Women earn 84% of men's average ordinary time hourly earnings.
- The median income of men working full-time is \$35,000 compared with \$28,900 for women.
- Where women and men work in the same occupation, women on average earn less than men.
- Maori and Pacific people's women generally earn less than other women.
- 56% of public service employees are women (mostly 25-45 years of age).
- Women in the public service are twice as likely as men to earn less than \$30,000, while men are three times more likely to earn over \$80,000.
- More than half of women earn less than \$15,000.
- Of the 18.6 percent of the population who earn more than \$40,000, seven out of ten are men.
- Women are concentrated in fewer jobs than men. The most common jobs for women are: sales assistant, general clerk, secretary, nurse, primary teacher, cleaner, caregiver, information clerk/receptionist, accounts clerk, and retail manager.
- The higher the proportion of women in an occupation, the lower the average pay.

Initiatives to achieve pay and employment equity

A wide-ranging response, with respective roles for government, unions and employers, is necessary to address pay inequities.

The PSA is looking at possible policy initiatives to achieve pay equity in New Zealand. These initiatives are primarily concerned with reducing the gender pay gap (women currently earn 84% of the average hourly earnings of males), although it is now recognised that an ethnicity pay gap also exists in New Zealand.

A number of Government policy initiatives are also underway:

- The **Ministry of Women's Affairs** discussion document *Next Steps Towards Pay Equity* looks at one aspect of pay equity – equal pay for work of equal value, and the kinds of policy mechanisms that are available such as pay reviews, gender neutral job evaluations, occupational comparisons across the labour market.
- The **Department of Labour** is currently looking at pay equity policies in other countries to help inform policy development from an employment relations perspective. This work ties into the review of the Employment Relations Act that is underway.
- The introduction of **paid parental leave** and childcare initiatives intended to minimise the income effects of time away from work due to childbirth and parenting.
- The amendments to the **Human Rights Act** that provide for the creation of an Equal Employment Opportunities Commissioner with a brief to look at pay equity issues within a human rights framework.

Pay equity will not be achieved through any single initiative. A wide-ranging response that entails the respective roles of government, unions and employers, is necessary to address pay inequities. For this reason, such policy initiatives as mentioned above, feed into a much broader policy agenda including: work/life balance; poverty eradication; retirement security; workforce development including skill shortages; recruitment and retention issues; rebuilding the capability and capacity of the state sector; and growing an inclusive economy and society.

The PSA, in its submission to the Ministry of Women's Affairs, argues that PAEE is a social and economic policy issue as much as a human rights and employment relations issue. The Ministry of Social Development report, *New Zealand Living Standards 2000*, indicates that low pay has to be addressed to improve the living standards of women, Maori, Pacific peoples and children.



Barriers to equity

The Equal Pay Task Force (UK 2002) identified the barriers to closing the gender pay gap as:

- Lack of commitment from government, unions and employers.
- Lack of awareness and understanding of the issue.
- Cumbersome, time-consuming equal pay legislation.
- Lack of expertise in addressing the problem.
- Lack of transparency and accountability for implementing equal pay.
- Social and economic policy measures that have failed to keep pace with women's changing place in the labour market.

PSA Pay and Employment Equity Agenda

Central role of the PSA

The PSA, as the public service union in a partnership agreement with Government, has the opportunity to take a strategic approach to pay equity across the wider public service and state sector.

As New Zealand's public service union, the PSA has a particular place in achieving PAEE. The state directly employs a vast number of people, many of whom are Maori and Pacific peoples. The state is the biggest employer of women in New Zealand, made 'bigger' when 'contracting out' puts the state in a position of being an 'indirect employer' of workers, such as home care workers.

There are strong connections to be made with other state sector unions in education and health. PSA also shares key aspects of PAEE with other unions such as workers who rely on the minimum wage and occupations where implementing comparable worth strategies might be difficult.

Many groups of PSA members could benefit from an analysis of their pay and conditions from the perspective of equal pay for work of equal value. Some experience lower levels of pay because their work is:

- in women-dominated occupations such as social work, nursing and education;
- seen as technical, not professional, such as technicians, call centre workers and field workers;
- seen as domestic or care-based, such as homecare workers, and therefore 'easy' and an extension of women's social role; and
- less likely to be in senior positions (the EEO perspective on pay differentials).

Partnership Agreement

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- **The Public Service Tripartite Forum** provides an opportunity for discussion on the bargaining parameters covering central government and how these could be used to provide chief executives with guidance on pay equity as an objective of Government. Other opportunities apply in the health and community sectors – for example, the Health Tripartite Forum.



Causes of gender pay gap

The main factors contributing to the gender pay gap are:

- **Discrimination**
Women do less well in the pay and employment stakes simply because they are women.
- **Occupational segregation**
Women's skills are often undervalued so jobs done largely by women tend to be paid less well than jobs done mainly by men.
- **Gender-linked expectations**
Women are more likely to break their employment or take on part-time work in order to care for children and elders; and less likely to hold management and leadership positions.

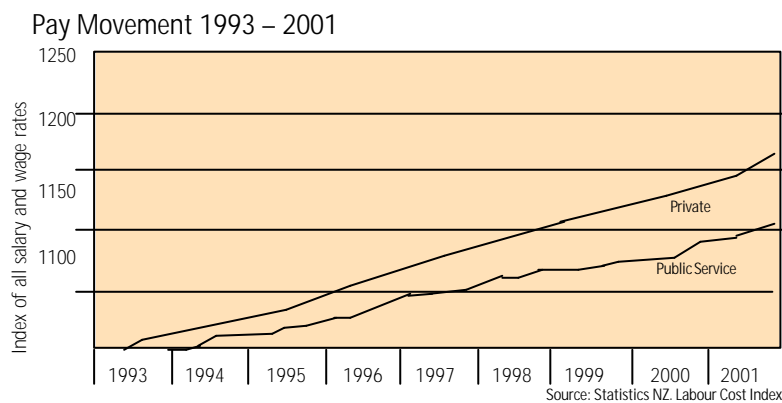


PSA Pay and Employment Equity Agenda

- The **Review of the Centre**, commissioned by Government in 2001, identified the need for an overarching human resource framework of standards, principles and processes governing the remuneration and employment conditions of State sector employees. It is anticipated that such a framework will specifically include pay equity and a fair balance between work and home.

Traditionally the public service has provided benchmarks for the wider state sector and for the private sector in terms of pay and employment policies and practices. As far as pay rates are concerned this is no longer the case: public service pay rates have not kept pace with those in the private sector. For example, pharmacists are now more lucratively employed in the private sector, making it difficult to attract qualified pharmacists for essential hospital work. The graph below shows the movement of pay rates in the public and private sectors since 1993.

This issue of falling public service rates has to be addressed but in the meantime it does not preclude the public service from setting a standard and taking a leadership role as a good employer in promoting a pay and employment equity agenda. For this reason, our approach to bargaining in the public service needs to incorporate a strategic approach to pay equity so that PAEE for all our members (and for all New Zealanders) is realised.



The pay ladder

Average hourly rate for:

Pakeha male	=	\$18.51
Pakeha female	=	\$15.27
Maori male	=	\$14.09
Pacific male	=	\$13.67
Maori female	=	\$13.07
Pacific female	=	\$12.45

Income Survey June 2002



PSA Pay and Employment Equity Agenda

Setting a target

The PSA could lead the world in achieving pay and employment equity.

In our submission to the Ministry of Women's Affairs, the PSA expressed the belief that Government and the PSA could lead the world in achieving pay and employment equity within the public sector in the space of five years. Is this a realistic target for the public sector given tight budget constraints?

Three facts need to be borne in mind. First, the current 16 percent gender pay gap is an average figure. In other words, we are not talking about a 16 percent increase for all women public servants.

Second, pay and employment equity has to be set in the context of falling public sector pay rates in comparison with those of the private sector. This gap is becoming an increasingly untenable barrier to the recruitment and retention of quality staff. It must be addressed by Government, sooner rather than later.

Third, PAEE has to be seen in the context of devolved bargaining. There is no longer a centralised approach to pay fixing in the public service; solutions need to be tailored to the different needs and situations of different organisations.

Mounting pressure from both employers who are losing or failing to attract good staff, and employees who are under-paid, underlines the need for a significant injection of additional funding to enable the public sector to compete in the job market. But rather than this being used to further entrench existing inequities, the PSA would regard it as an opportunity to redress discrimination in pay and employment.

Through the Partnership for Quality Agreement between the PSA and the Government, there is a mechanism for identifying and pursuing agreed policy goals. These could include:

- addressing the issues that contribute to the pay gap in the public service and targeting specific areas where we can make the most difference;
- increasing the diversity of people across occupations and roles within the State sector to reduce occupational "ghettoising";
- a set of standards to promote pay and employment equity;
- a menu of employment practices that address the increasing tension between paid employment and life outside work.

There are forums within the public sector to develop these goals; others may be necessary. For example, a Pay and Employment Equity Advisory Service to develop agreed goals and oversee and promote the implementation of pay equity.



History of pay equity

- 1893** Women win the right to vote. Suffragettes target equal pay as the next battle.
- 1913** PSA formed and adopts an equal pay policy within its first year.
- 1919** ILO Constitution includes "equal remuneration for work of equal value".
- 1936** First minimum wage for women – at 47% of the male rate.
- 1949** Equal pay declared a human right by the UN.
- 1956** PSA wins test case on equal pay and promotion for women.
- 1960** Parliament passes Equal Pay Act for public servants.
- 1972** Equal Pay Act for the private sector.
- 1983** New Zealand ratifies 1951 ILO convention for equal pay for work of equal value.
- 1990** Labour Government introduces Employment Equity Act for equal pay for work of equal value. Repealed by National in December 1990.
- 1991** Employment Contracts Act passed. Progress on equal pay stalled.
- 2000** Employment Relations Act promotes collective bargaining.
- 2002** EEO Commissioner established.
- 2003** PSA launches Pay and Employment Equity Agenda to achieve equal pay for work of equal value. It's Time!



PSA Pay and Employment Equity Agenda

Pay equity and the PSA bargaining strategy

The effective implementation of a bargaining strategy requires consistent application across the public service.

Bargaining is central to the PSA organising approach. It provides a good opportunity to practise and improve engagement with employers in a collective setting and it is an important opportunity to build union organisation.

The PSA's approach to bargaining requires constant fine-tuning and adjustment to ensure that it is consistent with the union's goals and appropriate for the particular environmental factors we find ourselves in from time to time.

The PSA 'Bargaining For Quality' approach emphasises the need to build capacity and capability, to remain fixed on Partnership for Quality in style and outcomes and to work hard on ensuring that the PSA achieves improvements to terms and conditions of employment.

An effective implementation of a bargaining strategy requires consistent application across the public service.

While there won't be a return to annual general adjustments, occupational determinations and a single public service employer, the public service will become more centralised. There will be more cross-agency co-ordination and co-operation. The PSA will reflect this and be able to adopt a more co-ordinated and consistent approach when we engage with employers.

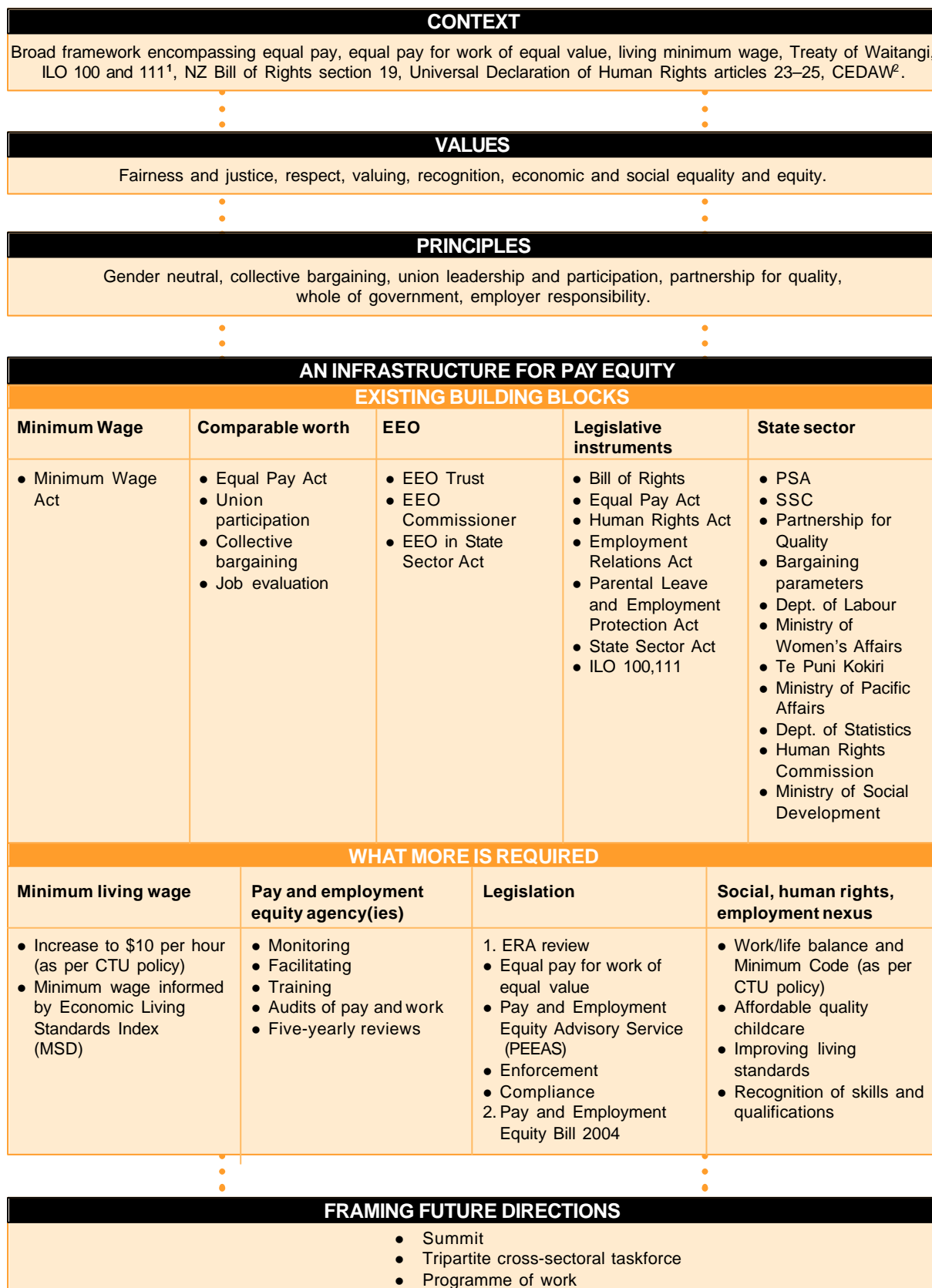
Our bargaining goals include:

- a centrally-developed human resource framework with common principles and standards applying across the State sector
- improved remuneration negotiated through collective bargaining
- pay equity as part of pay negotiation
- employer-assisted retirement savings
- a healthy balance between work and other aspects of life.



PSA Pay and Employment Equity Agenda

A framework for pay and employment equity



¹ ILO Conventions: 100 Equal Remuneration; 111 Discrimination in Employment and Occupation.

² Convention on the Elimination of All Forms of Discrimination Against Women

PSA Pay and Employment Equity Agenda

A PSA framework for pay and employment equity

A pay and employment equity framework is a tool for mapping the kinds of connections that currently exist or might exist and their deployment in shaping a strategic menu for us to tackle pay discrimination, experienced in different ways.

The PSA pay and employment equity framework comes from our recognition that a step-by-step approach to a multi-faceted problem such as pay disparity must also be recognised as an interconnected approach, not only for Government, but for the PSA as well. Further, such a recognition means addressing different needs that must be met if pay and employment equity for all PSA members is to be realised and sustained.



Context

A whole-of-government approach is central to public sector thinking and to building a public sector infrastructure able to support pay and employment equity. A PAEE framework is a tool for identifying and mapping the kinds of connections that currently exist or might exist and use them to shape a strategic menu for us to tackle various types of pay discrimination.

The previous page sets out the generic PAEE framework the PSA tabled with the Ministry of Women's Affairs as part of its submission on the Ministry's discussion document. This framework is something the PSA can use (and continue to develop) for our planning and policy purposes to advance pay and employment equity from a public sector perspective.

Essentially, this framework allows for the collection of understandings from PSA sector perspectives about what is in place that might be useful in some way, and what other things might be useful, but do not appear to be present, particularly at the levels of sectors and workplaces. Sector perspectives will assist the PSA to work out where it has existing capability and knowledge to progress PAEE issues and where it needs to develop its infrastructure and knowledge in order to engage effectively with any new systems to be put in place.

Values

The Bill of Rights Act, alongside the Treaty of Waitangi, offers a statement of what, to date, our society regards as fundamental rights and freedoms enjoyed by New Zealanders. We should not overlook the significance of such statements



PSA Pay and Employment Equity Agenda

expressed in New Zealand statute, as well as in the Declaration of Human Rights and international conventions. In a similar vein, nor should the PSA overlook the significance of its collective values and objects alongside those expressed in statute. These need to be expressed so that principles important to the PSA come to the fore. What values are particular to the PSA and need to be explicit in a PAEE framework?

Principles

Partnership for Quality is the overall principle that guides the work of the PSA. It encompasses the specific principles that have been developed by the PSA for achieving pay and employment equity. These include:

- a planned approach
- a timeframe
- the central role of collective bargaining
- acknowledgement of the respective roles of unions, employers and government.



PSA Pay and Employment Equity Agenda

Framing future directions

Taskforce

The PSA proposes the establishment of a Taskforce to advise Government on the development of a national plan for an effective and enduring pay and employment equity system by 2008.

Summit

The PSA supports the CTU proposal for a Summit in 2003 on pay and employment equity.



Employment Relations Act

The current legislative framework lacks specific policy on equal pay for work of equal value. There is also a lack of consistency that leads the PSA to propose amendments to the Employment Relations Act, such as:

- The inclusion of a statement in accord with the Bill of Rights Act which makes it explicit that discrimination in pay practices is unlawful.
- The inclusion of equal pay for work of equal value as a principle.
- The provision of infrastructure to deliver the principle, for example, a service similar to the Mediation Service with the specialist skills, knowledge and expertise to assist workers, their unions, and employers – ie a Pay and Employment Equity Advisory Service.
- The inclusion of mechanisms, as for “good faith”, to support, promote and require compliance to deliver equal pay for work of equal value.
- The inclusion of “good employer” and “equal employment opportunities” requirements, similar to the State Sector Act but updated for today’s labour market.
- The ability for unions to take pay equity claims through collective bargaining.
- A review of the Code of Good Faith to include a requirement to address pay equity in collective bargaining outcomes with an onus on the employer to demonstrate pay equity has been achieved.

PSA Pay and Employment Equity Agenda

Resources

- www.psa.org.nz – all resources listed, and others, are available on the PSA website.
- Ministry of Women’s Affairs discussion document *Next Steps Towards Pay Equity*. 2002.
- PSA. *Next Steps Towards Pay Equity: a submission by the PSA*. 2002.
- Margaret Wilson. Address to the PSA Pay Equity Seminar, Thursday, 31 October 2002.
- NZ Council of Trade Unions. *Next Steps Towards Pay Equity: CTU submission*. 2002
- Ministry of Social Development. *Briefing to the Incoming Minister: Improving wellbeing for all New Zealanders*. 2002.
- *PSA Journal*. September and November 2002.
- Education International. *Pay Equity How?* Resource kit. Brussels, 2002.
- Equal Pay Task Force. *Just Pay: a report to the Equal Opportunities Commission*. London, 2002.
- Public Services International. *Pay Equity Now!* Pay equity resources package. 2002.



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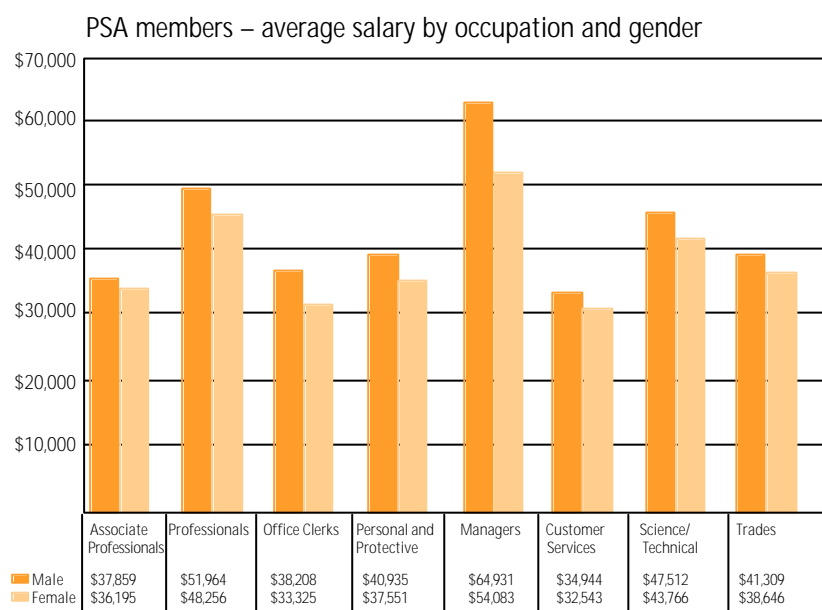
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- Lack of awareness and understanding of the issue.
- Cumbersome, time-consuming equal pay legislation.
- Lack of expertise in addressing the problem.
- Lack of transparency and accountability for implementing equal pay.
- Social and economic policy measures that have failed to keep pace with women's changing place in the labour market.

PSA Pay and Employment Equity Agenda

Central role of the PSA

The PSA, as the public service union in a partnership agreement with Government, has the opportunity to take a strategic approach to pay equity across the wider public service and state sector.

As New Zealand's public service union, the PSA has a particular place in achieving PAEE. The state directly employs a vast number of people, many of whom are Maori and Pacific peoples. The state is the biggest employer of women in New Zealand, made 'bigger' when 'contracting out' puts the state in a position of being an 'indirect employer' of workers, such as home care workers.

There are strong connections to be made with other state sector unions in education and health. PSA also shares key aspects of PAEE with other unions such as workers who rely on the minimum wage and occupations where implementing comparable worth strategies might be difficult.

Many groups of PSA members could benefit from an analysis of their pay and conditions from the perspective of equal pay for work of equal value. Some experience lower levels of pay because their work is:

- in women-dominated occupations such as social work, nursing and education;
- seen as technical, not professional, such as technicians, call centre workers and field workers;
- seen as domestic or care-based, such as homecare workers, and therefore 'easy' and an extension of women's social role; and
- less likely to be in senior positions (the EEO perspective on pay differentials).

Partnership Agreement

The PSA, as the public service union in a partnership agreement with Government, has the opportunity to take a strategic approach to pay equity across the wider public service and state sector, for example:

- **The Public Service Tripartite Forum** provides an opportunity for discussion on the bargaining parameters covering central government and how these could be used to provide chief executives with guidance on pay equity as an objective of Government. Other opportunities apply in the health and community sectors – for example, the Health Tripartite Forum.



Causes of gender pay gap

The main factors contributing to the gender pay gap are:

- **Discrimination**
Women do less well in the pay and employment stakes simply because they are women.
- **Occupational segregation**
Women's skills are often undervalued so jobs done largely by women tend to be paid less well than jobs done mainly by men.
- **Gender-linked expectations**
Women are more likely to break their employment or take on part-time work in order to care for children and elders; and less likely to hold management and leadership positions.

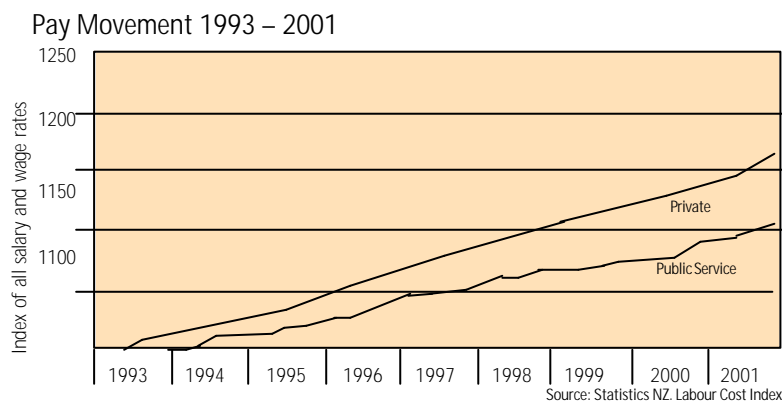


PSA Pay and Employment Equity Agenda

- The **Review of the Centre**, commissioned by Government in 2001, identified the need for an overarching human resource framework of standards, principles and processes governing the remuneration and employment conditions of State sector employees. It is anticipated that such a framework will specifically include pay equity and a fair balance between work and home.

Traditionally the public service has provided benchmarks for the wider state sector and for the private sector in terms of pay and employment policies and practices. As far as pay rates are concerned this is no longer the case: public service pay rates have not kept pace with those in the private sector. For example, pharmacists are now more lucratively employed in the private sector, making it difficult to attract qualified pharmacists for essential hospital work. The graph below shows the movement of pay rates in the public and private sectors since 1993.

This issue of falling public service rates has to be addressed but in the meantime it does not preclude the public service from setting a standard and taking a leadership role as a good employer in promoting a pay and employment equity agenda. For this reason, our approach to bargaining in the public service needs to incorporate a strategic approach to pay equity so that PAEE for all our members (and for all New Zealanders) is realised.



The pay ladder

Average hourly rate for:

Pakeha male	=	\$18.51
Pakeha female	=	\$15.27
Maori male	=	\$14.09
Pacific male	=	\$13.67
Maori female	=	\$13.07
Pacific female	=	\$12.45

Income Survey June 2002



PSA Pay and Employment Equity Agenda

Setting a target

The PSA could lead the world in achieving pay and employment equity.

In our submission to the Ministry of Women's Affairs, the PSA expressed the belief that Government and the PSA could lead the world in achieving pay and employment equity within the public sector in the space of five years. Is this a realistic target for the public sector given tight budget constraints?

Three facts need to be borne in mind. First, the current 16 percent gender pay gap is an average figure. In other words, we are not talking about a 16 percent increase for all women public servants.

Second, pay and employment equity has to be set in the context of falling public sector pay rates in comparison with those of the private sector. This gap is becoming an increasingly untenable barrier to the recruitment and retention of quality staff. It must be addressed by Government, sooner rather than later.

Third, PAEE has to be seen in the context of devolved bargaining. There is no longer a centralised approach to pay fixing in the public service; solutions need to be tailored to the different needs and situations of different organisations.

Mounting pressure from both employers who are losing or failing to attract good staff, and employees who are under-paid, underlines the need for a significant injection of additional funding to enable the public sector to compete in the job market. But rather than this being used to further entrench existing inequities, the PSA would regard it as an opportunity to redress discrimination in pay and employment.

Through the Partnership for Quality Agreement between the PSA and the Government, there is a mechanism for identifying and pursuing agreed policy goals. These could include:

- addressing the issues that contribute to the pay gap in the public service and targeting specific areas where we can make the most difference;
- increasing the diversity of people across occupations and roles within the State sector to reduce occupational "ghettoising";
- a set of standards to promote pay and employment equity;
- a menu of employment practices that address the increasing tension between paid employment and life outside work.

There are forums within the public sector to develop these goals; others may be necessary. For example, a Pay and Employment Equity Advisory Service to develop agreed goals and oversee and promote the implementation of pay equity.



History of pay equity

- 1893** Women win the right to vote. Suffragettes target equal pay as the next battle.
- 1913** PSA formed and adopts an equal pay policy within its first year.
- 1919** ILO Constitution includes "equal remuneration for work of equal value".
- 1936** First minimum wage for women – at 47% of the male rate.
- 1949** Equal pay declared a human right by the UN.
- 1956** PSA wins test case on equal pay and promotion for women.
- 1960** Parliament passes Equal Pay Act for public servants.
- 1972** Equal Pay Act for the private sector.
- 1983** New Zealand ratifies 1951 ILO convention for equal pay for work of equal value.
- 1990** Labour Government introduces Employment Equity Act for equal pay for work of equal value. Repealed by National in December 1990.
- 1991** Employment Contracts Act passed. Progress on equal pay stalled.
- 2000** Employment Relations Act promotes collective bargaining.
- 2002** EEO Commissioner established.
- 2003** PSA launches Pay and Employment Equity Agenda to achieve equal pay for work of equal value. It's Time!



PSA Pay and Employment Equity Agenda

Pay equity and the PSA bargaining strategy

The effective implementation of a bargaining strategy requires consistent application across the public service.

Bargaining is central to the PSA organising approach. It provides a good opportunity to practise and improve engagement with employers in a collective setting and it is an important opportunity to build union organisation.

The PSA's approach to bargaining requires constant fine-tuning and adjustment to ensure that it is consistent with the union's goals and appropriate for the particular environmental factors we find ourselves in from time to time.

The PSA 'Bargaining For Quality' approach emphasises the need to build capacity and capability, to remain fixed on Partnership for Quality in style and outcomes and to work hard on ensuring that the PSA achieves improvements to terms and conditions of employment.

An effective implementation of a bargaining strategy requires consistent application across the public service.

While there won't be a return to annual general adjustments, occupational determinations and a single public service employer, the public service will become more centralised. There will be more cross-agency co-ordination and co-operation. The PSA will reflect this and be able to adopt a more co-ordinated and consistent approach when we engage with employers.

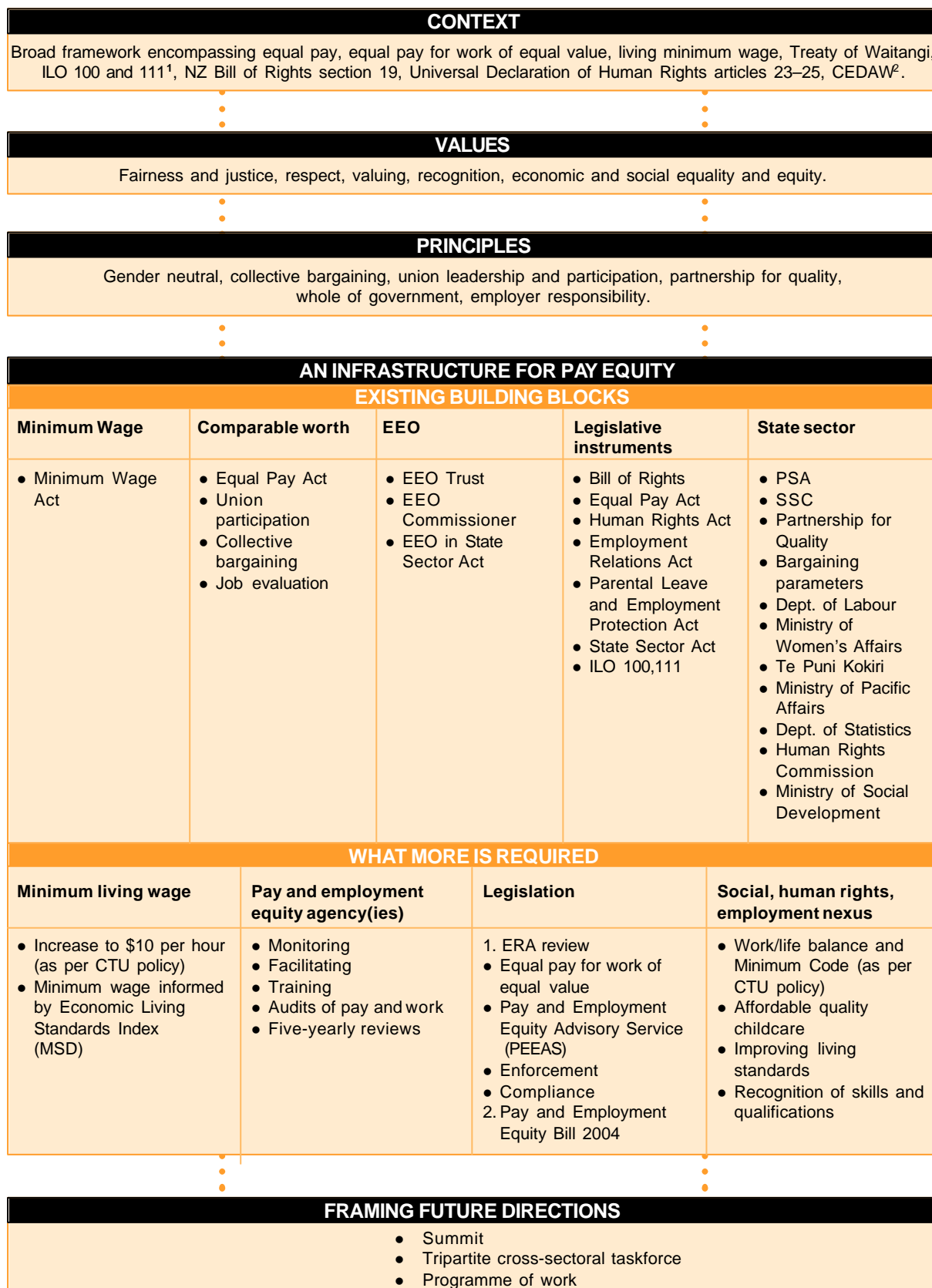
Our bargaining goals include:

- a centrally-developed human resource framework with common principles and standards applying across the State sector
- improved remuneration negotiated through collective bargaining
- pay equity as part of pay negotiation
- employer-assisted retirement savings
- a healthy balance between work and other aspects of life.



PSA Pay and Employment Equity Agenda

A framework for pay and employment equity



¹ ILO Conventions: 100 Equal Remuneration; 111 Discrimination in Employment and Occupation.

² Convention on the Elimination of All Forms of Discrimination Against Women

PSA Pay and Employment Equity Agenda

A PSA framework for pay and employment equity

A pay and employment equity framework is a tool for mapping the kinds of connections that currently exist or might exist and their deployment in shaping a strategic menu for us to tackle pay discrimination, experienced in different ways.

The PSA pay and employment equity framework comes from our recognition that a step-by-step approach to a multi-faceted problem such as pay disparity must also be recognised as an interconnected approach, not only for Government, but for the PSA as well. Further, such a recognition means addressing different needs that must be met if pay and employment equity for all PSA members is to be realised and sustained.



Context

A whole-of-government approach is central to public sector thinking and to building a public sector infrastructure able to support pay and employment equity. A PAEE framework is a tool for identifying and mapping the kinds of connections that currently exist or might exist and use them to shape a strategic menu for us to tackle various types of pay discrimination.

The previous page sets out the generic PAEE framework the PSA tabled with the Ministry of Women's Affairs as part of its submission on the Ministry's discussion document. This framework is something the PSA can use (and continue to develop) for our planning and policy purposes to advance pay and employment equity from a public sector perspective.

Essentially, this framework allows for the collection of understandings from PSA sector perspectives about what is in place that might be useful in some way, and what other things might be useful, but do not appear to be present, particularly at the levels of sectors and workplaces. Sector perspectives will assist the PSA to work out where it has existing capability and knowledge to progress PAEE issues and where it needs to develop its infrastructure and knowledge in order to engage effectively with any new systems to be put in place.

Values

The Bill of Rights Act, alongside the Treaty of Waitangi, offers a statement of what, to date, our society regards as fundamental rights and freedoms enjoyed by New Zealanders. We should not overlook the significance of such statements



PSA Pay and Employment Equity Agenda

expressed in New Zealand statute, as well as in the Declaration of Human Rights and international conventions. In a similar vein, nor should the PSA overlook the significance of its collective values and objects alongside those expressed in statute. These need to be expressed so that principles important to the PSA come to the fore. What values are particular to the PSA and need to be explicit in a PAEE framework?

Principles

Partnership for Quality is the overall principle that guides the work of the PSA. It encompasses the specific principles that have been developed by the PSA for achieving pay and employment equity. These include:

- a planned approach
- a timeframe
- the central role of collective bargaining
- acknowledgement of the respective roles of unions, employers and government.



PSA Pay and Employment Equity Agenda

Framing future directions

Taskforce

The PSA proposes the establishment of a Taskforce to advise Government on the development of a national plan for an effective and enduring pay and employment equity system by 2008.

Summit

The PSA supports the CTU proposal for a Summit in 2003 on pay and employment equity.



Employment Relations Act

The current legislative framework lacks specific policy on equal pay for work of equal value. There is also a lack of consistency that leads the PSA to propose amendments to the Employment Relations Act, such as:

- The inclusion of a statement in accord with the Bill of Rights Act which makes it explicit that discrimination in pay practices is unlawful.
- The inclusion of equal pay for work of equal value as a principle.
- The provision of infrastructure to deliver the principle, for example, a service similar to the Mediation Service with the specialist skills, knowledge and expertise to assist workers, their unions, and employers – ie a Pay and Employment Equity Advisory Service.
- The inclusion of mechanisms, as for “good faith”, to support, promote and require compliance to deliver equal pay for work of equal value.
- The inclusion of “good employer” and “equal employment opportunities” requirements, similar to the State Sector Act but updated for today’s labour market.
- The ability for unions to take pay equity claims through collective bargaining.
- A review of the Code of Good Faith to include a requirement to address pay equity in collective bargaining outcomes with an onus on the employer to demonstrate pay equity has been achieved.

PSA Pay and Employment Equity Agenda

Resources

- www.psa.org.nz – all resources listed, and others, are available on the PSA website.
- Ministry of Women’s Affairs discussion document *Next Steps Towards Pay Equity*. 2002.
- PSA. *Next Steps Towards Pay Equity: a submission by the PSA*. 2002.
- Margaret Wilson. Address to the PSA Pay Equity Seminar, Thursday, 31 October 2002.
- NZ Council of Trade Unions. *Next Steps Towards Pay Equity: CTU submission*. 2002
- Ministry of Social Development. *Briefing to the Incoming Minister: Improving wellbeing for all New Zealanders*. 2002.
- *PSA Journal*. September and November 2002.
- Education International. *Pay Equity How?* Resource kit. Brussels, 2002.
- Equal Pay Task Force. *Just Pay: a report to the Equal Opportunities Commission*. London, 2002.
- Public Services International. *Pay Equity Now!* Pay equity resources package. 2002.

