

Stalling on pay and employment equity

We talked to EEO Commission head Dr Judy McGregor about the government's decision to scrap the pay and employment unit and what it means for women workers.

Women in the public sector are due, on average, an extra 20 cents an hour, the shortfall in their pay attributed to the gender pay gap. For some women, it reaches a startling 35 cents an hour.

We can quantify the gap in pay between men and women because of the work of the pay and employment equity unit. It was set up in 2005 within the Department of Labour as part of the then government's plan to abolish the gender pay gap.

Since 2005, the unit, working closely with unions and employers, has overseen pay reviews in 38 public service departments, in the compulsory school sector, in some district health boards, two local authorities and three Crown research institutes. All but one review found gender pay gaps, ranging from three to 35 percent.

Last month, the government scrapped the pay and employment equity unit, with the loss of seven jobs and a great deal of expertise. It has raised fears that pay equity is now off the agenda.

Since then, some of the unit's funding, \$500,000 a year, has gone to the Ministry of Women's Affairs for pay and employment research.

Even so, Judy McGregor makes no secret of her disappointment. "Yes, I do feel disappointed. The unit has made a good deal of progress. We've had momentum and identified a number of specific issues. And it's not just about the pay gap; there are other employment issues."

These include unequal starting salaries for the same job, gender inequalities in career progression and performance pay, women congregated in the lowest-paid jobs, and women under-represented in senior management levels.

This discrimination against women workers is a breach of human rights that leaves women and their families poorer than they should be. Judy says the challenge now facing the government is to demonstrate what will take the place of the mechanisms we now don't have.

"The new Minister of Labour [Kate Wilkinson] has wisely said fixing the gender pay gap is the responsibility of



One of Barack Obama's first acts as president was to sign equal pay into law. Here, we did the opposite.

all employers, and that's good as far as it goes. But at the end of the day the government can directly influence the public sector and provide strong leadership. We do need some strategies articulated at ministerial level."

Even if that means extending the timetable for getting rid of the gender pay gap, she says. "I think women accept there's a recession on, we accept the fiscal and economic pressures the government is under. What we can't afford as a country is to stop work on pay equity. We have to think of ways in the current economic climate to move ahead."

In a recent radio interview (Sunday Morning on Radio NZ, June 4) Judy identified two other levers that can help close the gender pay gap. One is raising the minimum wage – many low-paid occupations are dominated by women – and the other is the influence that can be exerted through collective bargaining.

She notes that New Zealand's international reputation is at stake. As a country, we are charged by the UN women's committee to improve pay equity and we are due to report on the progress we're making.

"It's going to be a matter of some scrutiny as to what we are doing to replace what we had to keep the ball rolling."

While the statistics about the pay gap can be identified, what sits behind them is harder to get to grips with. It can't all be put down to women compromising their pay so as to manage family responsibilities. Women graduates start their first job on lower pay than male graduates doing the same work.

"It's a complex and multi-faceted problem and it probably needs multiple strategies to fix it. Just stopping and relying market forces won't do it," says Judy.

The state has every reason to see that women are treated fairly in the workplace. Why would you not fix a system that wastes talent at one end, and keeps women and their families poor at the other?

Round table on equity

The Human Rights Commission will host a round table to advance pay and employment equity and is inviting politicians, employers, unions, policy agencies and women's organisations.