FAQs - ALLIED, PUBLIC HEALTH, SCIENTIFIC AND TECHNICAL PAY EQUITY CLAIM

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# **UNDERSTANDING PAY EQUITY**

### **What is ‘Pay Equity’?**

Pay equity is about people in female dominated professions and people in male dominated professions receiving the same pay for doing jobs that are different, but of ***equal value***. That is, jobs that require similar levels of skills, responsibility, and effort.

### **What is the cause of pay inequity?**

Here’s a quick breakdown:

Lots of health work has historically been considered “women’s work” and has therefore been associated with skills or qualities that are considered to be ‘less valuable’ than work that involves traits considered to be more ‘masculine’.

Over time, this means that health jobs that involve these skills or have been dominated by women have been consistently paid less than male dominated professions - even if the skills, responsibilities, qualifications and other factors are comparable. This has created significant inequities between jobs that should have been paid similarly.

### **What does ‘value’ mean?**

This is one of the most important concepts in our Pay Equity claim. Value is about measuring your work according by all of the skills that go into it - not just the stated duties and qualifications.

The value of your work includes things like (but is not limited to):

* Nature of the work.
* Level of responsibility.
* Other risk.
* Output
* Level of knowledge.
* Physical impact.
* Mental impact.
* Working conditions.
* Work environment.

Our Pay Equity process aims to create an objective summary of all of these things (and more), and assigns levels to them to determine the potential undervaluation in your role. Because many of these elements have historically not been measured, this process could have a significant impact on your pay.

### **Is Pay Equity different from Equal Pay/Pay Parity?**

Yes. It is also different from the gender pay gap, ethnic pay gap, equal employment opportunities, and many other concepts that you might be familiar with - though our Pay Equity claim does have the potential to have a big impact on all of these concepts in the Allied Health professions!

The key difference is that Pay Equity is the only process that is based on measuring the **value** of your work.

### **Will my qualification still be taken into account?**

Yes. The qualifications required to do your job will still be an important part of assessing the value of your work. The big difference is that there will also be a large number of other factors that will assessed alongside your qualifications for the first time. (See “What does value mean?” question).

### **Are men included in the Pay Equity claim?**

Yes. Even though pay inequities are a result of gender based pay discrimination, it potentially impacts everyone in the Allied Health professions. This means that everyone in Allied Health is covered by this claim, regardless of gender.

# **THE PROCESS**

### **When will the work be completed?**

The Allied MECA settlement included a number of provisions relating to Pay Equity, including a settlement date of April 29th 2023. We are still aiming to complete the process by that date, but with a process of this size and complexity it is possible that the timeline could be extended beyond April.

However, if this does happen then the negotiated date is still important, as we will be able to use it for leverage in our negotiations.

### **How does the claims process work?**

We have prepared a detailed summary of the Pay Equity process, [which you can find here.](https://www.psa.org.nz/assets/How-the-Pay-Equity-process-works.pdf)

[Click here](https://www.psa.org.nz/assets/How-the-Pay-Equity-process-works-accessible.docx) for an accessible version of this document.

[Click here](https://www.psa.org.nz/assets/Pay-Equity-claim-process-A3.pdf) for an A3 poster breaking down the process.

### **What is a comparator?**

A comparator is a role that is doing work that may be of a similar value but that is predominantly performed by men. We look at what skills, demands and responsibilities are needed for the comparator roles and look at their working conditions to establish if the work is comparable.

Once we have established this, we compare the roles and their salaries, and analyse that information to determine the extent of undervaluation for your role.

Because this is based on the **core value** of your roleand not just standard duties and qualifications,some comparator roles might look quite similar to your role and some could look totally different. For instance, in our Admin/Clerical Pay Equity claim we used Mechanical Engineers as a comparator!

### **What are the comparators for my role?**

We are using around 20 comparator roles in this claim. The comparator roles will be confidential until the offer is brought out for ratification (voting).

### **Will different specialisations within a profession be taken into account?**

This is a complex question, which has several answers:

1. Firstly, we need to change our thinking - we are not just considering the basic duties of a position any more, we are considering the **core** **value** of your role- which means that a large number of other factors will now be used to measure your role. Even if two different specialties within a profession do different duties, our process could still show that they are similar in terms of value.
2. If the assessment shows that there are significant differences in terms of value between different specialisations, then this will be reflected in the settlement.
3. We can’t let perfect get in the way of good. If our aim was to produce a settlement that was perfect, then we will be doing this work for decades to come. With this settlement, we will be producing the foundations of a system that will destroy gendered pay inequities and see Allied Health professionals being paid based on their **core value** for the first time. We will then be able to refine and perfect this process through the Pay Equity maintenance mechanisms that we are required to include in the settlement to ensure that we maintain Pay Equity over time.

### **Are other unions/ non-union members involved?**

Yes they are. The Equal Pay Amendment Act (2020) requires all workers in a profession covered by a Pay Equity claim to be included in the settlement. This means:

* That APEX is also a co-party to the claim.
* That people who are not a member of any union are covered by the claim.

The PSA represents over 11,000 Allied Health professionals and is leading the campaign for Allied Pay Equity. As we move towards settlement, we will be engaging with the small number of non-union members to discuss the benefits of becoming members of their union.

### **What tool is being used to assess the value of our work?**

The interviews and questionnaires for each role are being developed into role profiles which are assessed and scored using a hybrid of the gender-neutral work assessment tool (HEJE). Like previous versions of the tool, it measures formal qualifications and accountability for money and people but also skills that have been overlooked such as interpersonal skills, services to people, and emotional demands. The hybrid version also measures Te Ao Māori skills.

### **Why can’t I see my profession on the list of reference groups?**

If you don’t see your occupation on the list of reference groups, this means that your assessment will take place through a different process.

We don’t need to conduct a full assessment process for every single role in order to establish undervaluation. We will still be running questionnaires for smaller groups but will not be running the reference group process for every single professions (otherwise this work will take decades).

Don’t worry, you haven’t been forgotten!

### **What is the process for Hauora Māori roles?**

We have developed a slightly different process to assess these positions.

We have agreed with our Hauora Māori oversight group that we will be splitting these professions into five groups and conducting split interviews to create five different role profiles instead of one.

We are confident that this should capture diversity and cultural intricacies of all our Hauora Māori professions.

# **OUTCOMES OF PAY EQUITY**

### **How much of a pay increase am I going to get?**

At this point (November 2022) we do not have enough data to understand what increases might be received.

Almost everyone will receive a pay increase. However, it is also likely that different occupations will get different pay increases.

This is because Pay Equity is not about negotiating the same increase for everyone (eg. everyone gets 5%, everyone gets $5700). It is about understanding and correcting the level of historical undervaluation of your role. It is likely that the level of undervaluation is not uniform across every occupation, and therefore the increases will differ across occupations.

This also has the potential to significant disrupt pay relativities. For instance, if you have historically been paid the same as another occupation, or you have always been paid a certain percentage more or less than another occupation - this might not look the same after settlement. This is because these historical relativities may also have been incorrect when it comes to the value of Allied occupations.

This represents a paradigm shift in you look at how your pay is measured. This will be a challenging concept for a lot of people and could also produce some really surprising outcomes. It’s really important that you engage with your PSA Allied Pay Equity Advocate to ensure you understand this process.

### **Will Pay Equity get rid of CASP/merit?**

The Pay Equity process does have the potential to significantly reform or abolish Merit steps. In the PSA Admin/Clerical Pay Equity settlement we were able to remove Merit completely. We do not yet know if the outcomes of the Allied process will be similar but we will continue to engage with members about this as our understanding develops. We also need to be aware that merit is viewed positively by some and negatively by others so will need to ensure people are aware of the reasons for any final outcome.

### **Will the outcomes differ depending on the location of your District?**

The outcomes of the Pay Equity claim will be based on the value of your occupation, not your location. Therefore, they would only differ between Districts if our assessment process showed a significant difference between the work undertaken by the same roles in different parts of the country.

### **When will I get the interim Pay Equity payments that were agreed in the MECA settlement?**

Due to the sheer size and complexity of this process, we are not able to put a concrete date on when these interim payments may be made. To assist in delivering them prior to the date of final settlement, we were able to expedite the assessment process for some of our largest professional groups. When these assessments are completed we should be able to demonstrate a minimum level of undervaluation across all APHST roles, and will be able to negotiate interim payments based on that.

### **How will people in more senior roles be accounted for in Pay Equity?**

We are conducting a dedicated assessment process for more senior positions like Supervisors and Team Leaders. This will ensure that that the outcome of the Pay Equity process will reflect the increased duties, responsibilities and skills required for these positions. At this stage (17th November) we are seeking to understand if we have accumulated enough information from our previous interviews and questionnaires to proceed with assessment for these groups. If we need more information, we will be looking for members to assist with the process.

### **Will Pay Equity impact the different pay and penal rates in the Auckland and RONZ Collective Agreements?**

Members on the Rest of NZ MECA currently receive 1% higher salary rates than those in Auckland, while members in Auckland receive higher penal rates. We anticipate that Pay Equity will remove the 1% differential in salary rates. However, it will not impact the difference in penal rates, as the Equal Pay Amendment Act (2020) states that Pay Equity cannot reduce employee entitlements in Collective Agreements. Any changes to penal rates must be negotiated through collective bargaining.

# **PAY EQUITY MEMORANDUM OF UNDERSTANDING**

### **Where did the MoU come from?**

When we settled the new APHST MECA, in addition to the pay increases and changes to terms and conditions we also won a commitment to enter into a ‘Heads of Agreement’. In this document, the PSA and the employer committed to endeavoring to agree on a Memorandum of Understanding on Pay Equity, which would include recommendations on how Pay Equity would progress. We have now signed this MoU, delivering on this part of the offer.

### **What is in the MoU?**

The main headlines are:

* **A commitment to delivering an interim pay adjustment** with an effective date of 30th November 2022, subject to sex-based undervaluation being established. (This does not mean that payment will be made on the 30th of November, but that when payments are agreed, they will be back paid to 30th November).
* **Commitment to a one-time lump sum payment** to all employees in an occupation that is proven to have sex-based undervaluation.
* Commitment that the parties will use their best endeavours to reach a settlement **no later than 29th April 2023**.
* The parties commit to recognising the date on which undervaluation is first established as **the effective date of the whole claim.**

### **Why is the MoU important?**

Above all, the MoU provides some certainty for members about key milestones on the road to Pay Equity.

The commitment to an interim pay adjustment means that members will not need to wait until final settlement to begin seeing the benefits of Pay Equity, and the commitment to backpaying this adjustment to November 30th will also mean that members are not disadvantaged by having to wait for the interim payments to be negotiated. Similarly, the MoU also provides certainty to members around receiving an interim lump sum.

Additionally, the agreement to recognise the date that we prove undervaluation as the effective date of the whole claim is very important in providing a date that the final settlement could be backdated to. This also means that the sooner we prove undervaluation, the better.

### **Is it likely that we will reach a settlement by April 29th?**

The PSA and the Crown are working hard to deliver a settlement in this timeframe. However, due to the complexity of the assessment process as well as the unknowns of the negotiations it is possible that this timeframe could not be met.

However, including this date in the MoU is still important, as it gives us significant leverage in the negotiations if this date is not met.

### **Will we receive the interim adjustment and the lump sum payment before the final date of settlement?**

We intend to deliver the interim pay increase before final settlement. However, if this does not occur then it is important to remember that this will still be backpaid to November 30th, so members will not be disadvantaged.

It is likely that the additional lump sum payment will be paid out as part of the final settlement.

### **Do the provisions of the MoU only apply to PSA members?**

No. Although this MoU was negotiated by the PSA, it applies to every person covered by the Pay Equity claim, including members of other unions and non-members. This is because the Equal Pay Amendment Act (2020) requires that all eligible employees are covered by all parts of a Pay Equity settlement. However, without the collective power of PSA members through the We Are Allied campaign, the benefits of this MoU would not have been available to anyone.

### **Where can I read the full MoU?**

The MoU is available to read and download [here](https://www.psa.org.nz/assets/DMS/Activity/WeAreAllied/APHST-Pay-Equity-Memorandum-of-Understanding.pdf).

# **OUR CAMPAIGN**

### **Who is my local Pay Equity Advocate?**

A list of all of our PSA Allied Pay Equity Advocates can be found [here](https://www.psa.org.nz/assets/Allied-Pay-Equity-Advocates.xlsx).

### **Can we take strike action over Pay Equity?**

No. Pay Equity is governed by a different piece of legislation (Equal Pay Act 1972) to MECA bargaining (Employment Relations Act 2000). The Equal Pay Act 1972 does not contain any provisions for industrial action.

This means that if we do have a dispute over Pay Equity (this is not a given), we need to think about how to demonstrate our collective power without industrial action. We want to know what you think is the best way to do this in your individual workplaces. If you have ideas, please contact your local Allied Pay Equity Advocate.