Submission by Nancy McShane PSA Member to the House of Representatives Health Committee on *Petition of Nancy McShane: Equal Pay for DHB Administrative Workers*

June 2019

PSA
For a better working life
New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi

PSA submission to the House of Representatives Health Committee

About the PSA

The New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi (the PSA) is the largest trade union in New Zealand with over 72,000 members. We are a democratic organisation representing members in the public service, the wider state sector (the district health boards, crown research institutes and other crown entities), state owned enterprises, local government, tertiary education institutions and non-governmental organisations working in the health, social services and community sectors.

The PSA has 19 000 members working in District Health Boards, of whom approximately 5,500 are Administration and Clerical workers covered by the equal pay claim discussed in this submission.

People join the PSA to negotiate their terms of employment collectively, to have a voice within their workplace and to have an independent public voice on the quality of public and community services and how they're delivered.

Comments and recommendations

The submission on behalf of PSA members employed in Administrative roles by District Health Boards (DHBs) asks:

> *That the House of Representatives urge the Minister of Health as a priority to close the gender pay gap and fund pay increases for DHB administration workers that recognises their skill and expertise, and the historical undervaluation of those skills and expertise, and note that 12,800 people have signed petitions to this effect.*

Introduction

1. In April 2018 the PSA raised a claim for the implementation of Equal Pay on behalf of its members within District Health Boards (DHBs) employed in Administrative roles. Despite being highly skilled these workers are some of the lowest paid within the DHBs. The PSA has established that the work has historically and predominantly been performed by women and

that it is likely that the work is currently, and has historically, been undervalued due to social, cultural and historical factors related to gender.

2. Since April 2018 the PSA has been working with the Technical Advisory Services Ltd (TAS) acting on behalf of the DHBs subject to the claim to resolve this matter. Significant effort by all parties has been committed to resolving this claim utilising a process adopting the Revised Joint Working Group Principles (RJWGPs).

3. Despite all parties' best efforts this matter remains unresolved. There is growing community awareness and concern regarding the low wages of this highly skilled workforce. Some employees remain on salaries at or below the Living Wage regardless of the high level of skills and competence required for the roles and their considerable length of service. The PSA therefore wishes to raise this matter with the Health Committee and seeks the assistance of the Committee in gaining support within Parliament for a just and timely resolution to this matter.

Scope of the claim

4. The claim is made on behalf of PSA members who perform clerical and administrative work (however described or defined) within the following District Health Boards:

    Auckland, Bay of Plenty, Canterbury, Capital and Coast, Counties Manukau, Hawkes Bay, Hutt Valley, Lakes, Mid Central, Nelson, Marlborough, Northland, South Canterbury, Southern, Tairawhiti, Taranaki, Waikato, Wairarapa, Waitemata, West Coast, Whanganui

5. The job titles/roles associated with this claim include but are not limited to:

    Accounts Clerk, Accounts Clerk Receivable, Accounts Clerk Payable, Administrator, Admissions Clerk, Booking Clerk, Call or Contract Centre Operator, Clerical and Administrative Worker, Clerical and Office Support Worker, Clinical Coder, Co-ordinator, Contract Administrator, Cost Clerk, Data Entry Operator, Dispatching and Receiving Clerk, Executive Assistant, Facilities Administrator, Filing or Registry Clerk, Finance Clerk, General Clerk, Health Practice Manager, Human Resources Clerk, Information Officer, Interpreter, IT Support, Librarian, Library Assistant, Library Technician, Office Mail Clerk, Manager, Medical Receptionist, Patient Care Assistant, Payroll Clerk, Personal Assistant, Program or Project Administrator,

Purchasing Officer, Receptionist, Referral Clerk, Scheduler, Secretary, Stock Clerk, Switch Board Operator, Supervisor, Transcriptionist, Team Leader, Ward Clerk, Warehouse Administrator, Word Processing Operator.

Work female dominated

6. The work covered by this claim is female dominated/predominantly performed by women.

6.1 Women make up at least 70% of the overall workforce in the job titles/roles identified in paragraph 2 above. Women also make up the overwhelming majority of those holding each job or work title.

6.2 A pay and employment equity review of DHBs conducted in 2007 -2008 reported 93% of the clerical and administrative staff jobholders in New Zealand were women.[1]

6.3 The gender makeup of the clerical and administrative workforce within DHBs is reflective of that within the broader labour market. According to a 2015 report from Statistics NZ[2] 93.6% of all secretaries and keyboard operating clerks were women, 90.1% client information clerks were women, and 80.5% numerical clerks were women.

6.4 This data, which demonstrates that the work covered by this claim is predominantly performed by women, accords both with the PSA's membership in this area and its anecdotal observations of the gender of workers performing this work.

Historical undervaluation

7. The work the subject of this claim is currently and has historically been undervalued due to social, cultural and historical factors related to gender.

8. In preparation of this claim the PSA commissioned research regarding the history of this area of work. This research demonstrates:

[1] (2008) Public Health Sector: Pay and Employment Equity Review: Report and Response Plan

[2] Statistics New Zealand (2015) Women at work: 1991-2013 published October 2015

8.1.1 By the end of the twentieth century, clerical work within hospitals was predominantly undertaken by women.

8.1.2 Very little has been written about hospital clerical workers. In fact, clerical work has been ignored by the historians of hospitals. This may point to attitudes consistent with the historical undervaluation of the work.

8.1.3 The history of clerical work more generally can shed light on the general pattern of women's work and the impact this had on wage levels in this area.

8.1.4 The numbers of women clerical workers in New Zealand started growing in the 1890s. Women entering clerical work were not replacing men but were part of the expansion of clerical work.

8.1.5 Women's clerical work was segregated both vertically and horizontally. Clerical and administrative work became defined as women's work overtime due to increase feminisation (horizontal segregation) however even from the start women were restricted to lower status, lower paid clerical roles (vertical segregation/segmentation).

8.1.6 The Public Service Commission took active steps to keep women in the low-paid low status clerical roles. These steps were often fought by unions including the PSA.

8.1.7 The idea that women worked temporarily before marriage was one justification for lower pay. Occupations with high numbers of young women tended to be of lower status and were lower paid. The marriage bar played a significant role in gendering clerical work.

8.1.8 Both the First and Second World Wars saw an increase in the number of clerical workers (roles taken up by women), but the Public Service Commission took steps to emphasise these roles were temporary. Women were also more vulnerable during the depression because their work was temporary.

8.2 Wage fixing mechanism historically linked the value of clerical work with that of a skilled tradesperson however, this nexus was not maintained as the work was feminised, despite union attempts to address this.[3]

8.2.1 In July 1938, the Arbitration Court set the minimum wage for adult male clerks at the same rate it established for skilled male workers in its 1937 standard wage pronouncement.

8.2.2 In its 1952 standard-wage pronouncement and its 1966 ruling in the printers' 'margins for skill' case, the Arbitration Court set the top award rate for male clerical workers at about the same level as the general rate for tradesmen.

8.2.3 In 1971 the Clerical Workers Association took a case before the New Zealand Supreme Court. The court overturned part of the National government's policy of wage restraint by upholding the Arbitration Court's decision to grant the clerical unions' application for a 16.5% wage increase. This preserved the traditional relativity between clerks and tradesmen.

8.2.4 In 1977, the New Zealand Clerical Workers' award went to arbitration and the Industrial Commission again upheld the historical relativity to the tradesmen's rate.

8.2.5 In 1985 the Clerical Workers Association took a test case on behalf of its 30 000 members 90% of who were women to the Arbitration Court.[4] They argued that the standard clerical rate was now a 'depressed female rate of pay' and should be revised under the Equal Pay Act. Further, they asked for equal pay comparisons between

[3] Franks P (1994) *The Employment Contracts Act and the Demise of the New Zealand Clerical Workers Union* http://www.nzjh.auckland.ac.nz/docs/1994/NZJH_28_2_06.pdf

[4] *New Zealand Clerical Administrative etc IAOW v Farmers Trading Co Ltd* [1986] ACJ 203.

typically female occupations and a 'notional male rate', referred to in S.3(1)(b) of the Act. The Court declined jurisdiction.

8.2.6 In 1990 the Employment Equity Act (EEA) was passed. The EEA provided for pay equity, equal employment opportunities and the establishment of an Employment Equity Office, with an Employment Equity Commissioner to oversee the performance and enforcement of the EEA. Ten claims were lodged under this Act from groups including medical receptionists who were compared to hospital electrical workers. Each of these 10 claims alleged that their equivalent male counterparts were paid $100 per week more than them. The EEA was repealed by the incoming National Government after only three months. These claims were therefore not dealt with.[5]

8.2.7 The 1991 Employment Contracts Act changed the industrial landscape via labour market deregulation and the emphasis on individual agreements. As a result, there were limited opportunities to address systemic issues such as gender pay inequality. Government policy at this time cancelled pay equity investigations initiated by the Pay and Employment Equity Unit.[6]

8.2.8 The work the subject of this claim was excluded from the 2005 pay jolts that were applied to nursing and allied health workers working within DHBs.

Gender based systemic undervaluation

9. Gender based systemic undervaluation has affected the remuneration of the work the subject of this claim.

[5] Ministry of Women's Affairs (2002) Next *Steps Towards Pay Equity: A background paper on equal pay for work of equal value*

[6] Hyman P (2010) Pay and Equal Opportunity in New Zealand – Developments 2008/2010 and Evaluation in *Labour, Employment and Work in New Zealand* 2010.

9.1 A feature of the market/industry or sector that has impacted on the undervaluation of this work is its reliance on government funding.

9.1.1 The dominant source of funding for DHBs is from the New Zealand Government.

9.1.2 Parameters for bargaining for remuneration increases have been confined by government policy, bargaining parameters and the amount of funding available.

9.1.3 The workers performing the work the subject of this claim have in effect been required to compete with other groups of workers for access to the limited funds available for remuneration increases.

9.1.4 Within the health context the work the subject of this claim is often "hidden" as it is not seen as being central to the delivery of direct patient care. This has resulted in this work being overlooked in terms of priority for limited resources particularly in relation to remuneration increases.

9.1.5 The fact that the work is predominantly performed by women and that the work is "hidden" has contributed to the systemic undervaluation of the work.

9.2 The industrial parties have not properly assessed or considered the remuneration that shall be paid to properly account for the nature of the work, the levels of responsibility associated with the work, the conditions under which the work is performed, and the degree of effort required to perform the work.

9.2.2 DHBs predominantly use market-based pay systems to determine remuneration levels. These pay systems cannot be presumed to be free of assumptions based on gender.

9.2.3 These market-based pay systems are not transparent or open to scrutiny and/or review by the workers the subject of this claim or the PSA. Lack of transparency in remuneration structures is recognised as a factor that contribute to gender pay inequality.

9.2.4 The wage classification structures contained within the various Multi Employer Collective Agreements (MECAs) that apply to this work have so called "merit" barriers that constrain a worker's ability to progress through the wage structure. The requirements for merit increases generally allow for supervisor/management discretion and assessment. Discretionary components within remuneration structures are recognised as a factor that contribute to gender pay inequality.

9.2.5 Employers have actively opposed attempts by the PSA to address issues of undervaluation for the work the subject of this claim citing "local markets" as the reason not to assess the remuneration for this work.

9.2.6 Employers have actively resisted proposals from the PSA to establish a National MECA for the work the subject of this claim.

9.2.7 Where, through bargaining, the parties have reviewed the work the subject of this claim any parameters for remuneration improvements have been constrained by bargaining parameters and funding restrictions rather by a proper assessment of the work.

9.2.8 The extent of undervaluation is compounded by historical differentials in conditions of employment (including leave) whereby the work covered by this claim attract less favourable conditions than those associated with other areas of work within DHBs.

9.3 The remuneration for the work the subject of this claim has been affected by workplace segregation and segmentation.

Assessing and Settling the Claim

10. The PSA has negotiated with TAS on behalf of DHBs to apply a process reflecting the RJWGPs. The parties have entered a Terms of Reference governing this process.

11. Whilst all parties have committed to resolving this matter in an orderly, efficient, and reasonably bounded process to assess and settle this claim the matter remains unresolved 14 months after the PSA made its claim to the DHBs. The PSA is cognisant of the stories of

hardship that it is aware of from members working in these roles. Some of these stories were addressed in oral submissions given by PSA members Nancy McShane, Jeanette Wilkinson, Nia Bartley and Sheree Mason before the Education and Workforce Select Committee on the Equal Pay Amendment Bill. Contrary to some perceptions these workers are low paid with many earning below the living wage. The PSA is therefore particularly mindful of the need to be efficient in the handling of this matter and in progressing it towards resolution.

12. The PSA considers that Parliament has an important role in supporting the resolution of this claim in a timely, fair and full manner. We therefore seek the support of the Health Committee in raising this issue with the Minister of Health and recommending the provision of immediate funding to settle the claim. The PSA also seeks the support of Parliament in committing to close the gender pay gap and funding increases in pay for these deserving workers.

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