

Pay equity comes under microscope



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Legal matters

Two working parties are trying to reach agreement at present between various factions involved in the issue of "pay equity" - the payment of equal pay for equal value.

This follows a Court of Appeal decision that equal pay does not relate just to equal pay between men and women within the same workforce or industry, but also between industries.

The fact that men employed in the underpaid industry are paid the same as women does not mean there is pay equity.

If an industry traditionally employs female workers, their pay should be compared to another industry or industries where work of equal value is performed.

The working groups are made up of government, union and employer representatives.

The first group will report back on areas of agreement and also highlight areas of disagreement on how pay equity could be implemented.

This agreement will deal with both public and private workforces and give guidance on valuing of jobs and the processes for dealing with claims for pay equity.

The other working group is dealing with care and support workers in the health sector. All court claims on pay equity have been put on hold pending the working parties' reports.

When deciding how to implement pay equity, one big issue will be the funding of increases.

Many industries that employ mainly female workers on low pay are funded directly or indirectly by the Government. Will it put more resources into those industries, such as aged care, to fund wage increases to achieve equity?

If not, providers will need to pay any wage increases out of current funding. That will mean cuts in other areas to balance the books or reductions in returns in those industries.

The sector employers have agreed the workers are not well enough paid and have sought more government funding. The Minister of Health has put the responsibility back on employers to decide how funding is allocated.

The difficulty in funding pay equity is not a reason not to implement it.

As the Employment Court



Pay equity has long been a thorny issue - this protest at Parliament took place in 2010. PHOTO: FARFAN NZ

chief judge made clear, similar arguments were raised against the abolition of slavery.

Pay rates must be free from discrimination. That is the

current law in New Zealand. The discussion now is how to achieve that.

Historically many of the attributes most often found in

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women-dominated workforces have been undervalued when assessing pay rates.

Finding a way to value work done in a gender neutral way will be very important, but not an easy task.

The working parties are due to report back this month. It will be interesting to see what agreement can be reached and what areas of disagreement still exist.

Hopefully all sectors will work together to solve this issue and not merely stick to their entrenched positions.

Column courtesy of Rainey Collins Lawyers, phone 0800 723 494 or raineycollins.co.nz if you have a legal inquiry. email ainknowlesley@raineycollins.co.nz

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