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Pay Equity on the Agenda

The announcement by the Government that it is scrapping the Department of Labour's Pay and Employment Equity Unit is a chance to put forward to cabinet the legislative changes that are needed, say the National Council of Women of New Zealand (NCWNZ) who has been demanding equal pay for equal work since 1896.

"Equal pay for equal work has always been high on the NCWNZ agenda and with women earning an average of 12% less than men, there is still considerable distance to go."

NCWNZ agrees with the UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in its concern that women in New Zealand are not currently protected from discrimination and its recommendation that the Government enact and implement comprehensive laws guaranteeing the substantive equality of women with men in both the public and private sectors, in regard to equal pay and equal opportunity.

NCWNZ National President Elizabeth Bang is disappointed by the disestablishing of the Pay and Employment Equity Unit.

"Pay Equity is a topic NCWNZ has worked hard on for over a century and we will continue to do so until the day when equal wages are paid for equal work"

If the Government fails to implement the changes recommended by the UN, it stands to further alienate women.

It is not sufficient to say that good employers will redress the equity problem; NCWNZ wants all employers to remediate the current situation, or for there to be a penalty for those who do not.

Not all members of the Council supported the Pay and Employment Equity Unit. The argument against this Unit was not about the value or importance of the work they undertook, rather the "pedestrian-pace" and lack of full commitment to abolishing the century-old exploitation of women labour.

"Now that pay equity is back on the agenda, NCWNZ calls for changes in the law that will protect women and reduce the gender pay gap", concludes Elizabeth Bang.

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"Women Influencing Policy"

Background Information

Pay equity means that women have the same average pay as men (once any clearly justifiable differences say in qualifications or hours, are accounted for).

Gender pay gap is the difference between what women earn on average and what men earn on average. It is often expressed as the ratio of women's earnings to men's.

Equal pay means that men and women doing the same job get the same pay rate.

Equal pay for work of equal value means that women get the same pay as men for doing a *comparable* job – that is, a job involving comparable skills, years of training, responsibility, effort and working conditions. This is a policy principle in international conventions ratified by New Zealand.

Source: **Next Steps Towards Pay Equity: A background paper on equal pay for work of equal value**, Ministry of Women's Affairs, September 2002, <http://www.mwa.govt.nz/news-and-pubs/publications/towards-pay-equity-backgroud.doc>

What is CEDAW?

The Convention on the Elimination of all forms of Discriminations Against Women. The Convention defines discrimination against women as "...any distinction, exclusion or restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on a basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field."

Source: <http://www.un.org/womenwatch/daw/cedaw/>

What the CEDAW Committee recommended to the New Zealand Government in 2007?

Known as the Concluding Comments, CEDAW/C/NZL/CO/6, 10 August 2007

18. The Committee is concerned about gaps that remain in the protection of women against discrimination by private as well as public sector actors. In particular, the Committee is concerned about the lack of legal mechanisms to address discrimination against women by private actors in the area of employment in accordance with article 2 (e) of the Convention. The Committee expresses concern that while New Zealand law recognizes the principle of equal pay for work of equal value, the mechanisms for implementing this principle in the private sector, such as industry-wide job evaluations to ensure equal pay for women performing work of equal value, have been abolished and the Government lacks the authority to implement and enforce equal employment opportunity policies in the private sector.

19. The Committee recommends that the State party enact and implement comprehensive laws guaranteeing the substantive equality of women with men in both the public and private sectors, especially in regard to equal pay and equal opportunity in employment. It also recommends that the State party include adequate sanctions for such acts of discrimination against women and ensure that effective remedies are available to women whose rights have been violated.

Source:

<http://daccessdds.un.org/doc/UNDOC/GEN/N07/459/77/PDF/N0745977.pdf?OpenElement>

What NZ women said to the CEDAW Committee in 2007?

Women's participation in the labour force has increased steadily over the last three decades, from 39% in 1971 to 60.8% in 2005 – the highest rate recorded since the Household Labour Survey (HLS) began 19 years ago.

Despite this rapid growth, women face many obstacles in the labour market in relation to equity, fairness and opportunity. When the Equal Pay Act was passed in 1972, women's average hourly earnings from wages and salaries were 72% of men's average earnings; by 2003, that figure had risen to 87.1%, leaving a gap of 12.9 percentage points. By 2005 the gender pay gap had widened again, as men's average hourly earnings rose faster than women's, reducing women's earnings to 82% of men's (see below).

Increases in the minimum wage have been particularly important for women workers, who are more than twice as likely as men to be in low-paid jobs (low pay is defined by the Department of Labour as earning less than \$10.50 an hour, 25 cents less than the new 2006 minimum wage). Raising the minimum wage makes a vital contribution to reducing the gender pay gap, particularly given the limitations of current equal pay legislation and the absence of any pay equity legislation.

Women still have lower median hourly earnings (\$14.40) than men (\$16.50), despite the growth in women's real median hourly earnings since 1997 being double the growth in men's real median hourly earnings¹.

- The current employment situation, with some women continuing to receive unequal pay for work of equal value, is insupportable.

Pay equity and pay parity

NGOs welcome the report of the Pay and Employment Equity Taskforce and the five-year action plan to reduce the gender pay gap in the public service. This includes a dedicated Pay and Employment Equity Unit, which operates a contestable fund to support initiatives towards greater equity, and the development of gender-neutral job evaluation tools for use in the state, public education and public health sectors. Two pay audits have already taken place, in the National Library and Auckland University of Technology, and more are scheduled in the state sector during the coming year.

Unions are committed to taking part in these initiatives, and their role in implementing the Pay and Employment Equity Plan of Action is critical.

Pay parity in the health sector

Since 2002 several steps have been taken towards pay parity. The most significant has been the 2004 Multiple Employer Collective Agreement (MECA) for nurses, midwives and healthcare workers in the public sector, which gave most of these workers an average pay increase of 20%.

However, the flow-on to nurses in the primary healthcare and aged care sectors has not yet been fully achieved. This has major implications for the internal pay parity of health workers, and for the recruitment and retention of quality nursing staff in important areas such as Well Child services, sexual and reproductive health, mental health, and palliative care. A campaign to achieve pay parity and a national agreement for nurses in the primary healthcare sector has been launched. A parallel campaign has been launched by unions in the aged care and disability support sector.

Large parts of the health sector remain dependent on low-paid support workers, the majority of whom are women. Inequalities in pay structures from region to region have increased with the

¹ Ministry of Social Development. (2005). Leading social development in New Zealand: briefing to the incoming Minister Available [6 Nov 2006]:<http://www.msd.govt.nz/documents/publications/msd/bim-leading-social-development-2005.doc>

decentralisation of health service provision and the transfer of responsibility to District Health Boards.

A History of Pay Equity and Equal Pay in New Zealand, undertaken by NCWNZ

Preamble

Virtually from the moment of its inception, the National Council of Women of New Zealand formed policy on the Employment Equity. The commentary provided in our history explains the arguments and motivations behind women's desire to attain equality with men. These arguments and motivations have changed little over the last century; the biggest changes have been in women's level of education and attainment of qualifications, fields of occupation and the removal of some barriers to specific occupations, and the number of women now in the workforce.

How society, the business sector and decision-makers value the fields dominated by women's employment has changed little since the 1890s.

The start of the Employment Equity struggle

In November 28 1893, 90,290 women cast their vote. The groups formed to work for the vote did not simply disintegrate once this was achieved, for example, Margaret Bullock advocated economic independence for women and equal pay with men.

The Dunedin Tailoresses' Union who broached the topic of equal pay in 1897 and resolved "That this Council is of the opinion that in all callings where men and women are engaged in the same work, either in the employ of the Government or of private individuals, equal wages should be paid for equal work."

Source: The National Council of Women: A Centennial History, Dorothy Page, Pages 11, 35,

"By no fault or desire of their own, but merely by force of changing economic conditions, women have been driven into the labour markets of the world. Poorly equipped as they were for their struggle, their weakness was taken advantage of on all sides. In many occupations they were and still are regarded by the workers as intruders and aliens, and their entry into many others is still vigorously resisted. To the capitalist their weak, disorganized masses afford an excellent opportunity of exploiting their labour. So that, while in every craft the average wage is no more than the subsistence rate, in women's occupations the tendency is to reduce it to the lowest possible point, and even then in many cases to force it below that minimum."

Source: NCWNZ 5th Session 1900

"The proposition that equal amounts of labour should be rewarded with equal pay might well seem so obvious as not to need defence. To one unacquainted with the anomalies of our social system... the thing to arouse surprise and call for defence would be that workers should be rewarded unequally solely on account of their sex. But we are creatures of habit and tradition and what is customary is right, unless self interest plead very loudly on the other side; and the inequality of payments to men and to women is so ancient and so general that the proposal to equalise them strikes many as rash and unreasonable.

As a matter of fact abstract justice has had little to do with determining wages at any time or place. The usual rule has been for the employer, whether private individual or public body, to pay as little as need be for work done, and for the employee to hold out for as much as there is a reasonable chance of getting. Thus it is easy to see why women workers have everywhere received far less remuneration than men.

Fewer kinds of employment have been open to them, therefore the need of accepting any available is more pressing; they have been far less able to combine and hold out for better pay than men; and up to recent years they have been less educated and less ambitious, and hence slower in bringing their claims before the public; while the old opinion of the essential inferiority

of women, though far less openly stated than in former years, still influences the general estimate of the value and of the adequate remuneration of women's labour and time.

The inferiority of women's pay carries with it no demonstration of the inferiority of their work compared to that of men. In some cases, as of nurses, governesses, and most domestic servants... women have had the filed to themselves, and could not well be replaced by men. Nor is their work of trifling value. Yet they are paid far less than men engaged in employments demanding similar amounts of labour and intelligence. That they have accepted the lower pay without protest, and have been, as a rule thankful to get it, is no proof that they felt themselves adequately rewarded."

Source: Paper by Miss Hodgkinson, B.A, titled Equal Pay For Equal Work, NCWNZ 7th Session 1902

Differentiation of Salaries – In bringing forward the motion, Miss Magill stated that equal pay for equal work was a principle of the International Council of Women, and was part of the platform of the New Zealand Educational Institute. A differentiation in the salaries of men and women teachers was brought into force by Order-in-Council at the end of last year, when the Minister of Education was absent in Australia. Women teachers had the same training, the same qualifications, the same work, and the same results as men teachers. It was not a question of unequal work for equal pay, but of equal work for unequal pay. Payment on the sex basis was due to the influence of custom and tradition, which had had for so long a depressing effect on women's economic position.

Source: NCWNZ 6th Annual Conference 1924

6.2.3 Employment Equity

6.2.3.1 That in all cases where men and women are engaged in the same work either in the employment of Government or of private individuals, equal wage should be paid for equal work. 1897 reiterated 1900, 1901 1902

6.2.3.2 That equal payment be the law for equal work. 1899

Source: Extract from "107 Years of Resolution", NCWNZ Publication of policies.

6.2.3.3 That the principle of equal pay for women for equal work in every department be recognised by Government. 1925, re-iterated 1927, 1929

6.2.3.4 That the National Council affirms the principle of equal work, making salary and promotion depend on ability and experience not on sex. 1927

6.2.3.5 That the principle of equal pay for equal work of men and women be reaffirmed. 1935

6.2.3.6 That men and women performing the same work under the same conditions shall receive the same pay and that universal family allowances be instituted to make this practicable. [The justification for unequal pay for equal work i.e. that men - all men, - should receive higher payment than women, was that men supported dependents. See 6.2.3.13 and 6.2.4.2] 1943

6.2.3.7 That the NCW of N.Z. urge the Government to set up a Commission to investigate the question of equal pay for equivalent work for men and women along the lines of the Royal Commission set up by the British Government. 1945

6.2.3.8 That N.C.W. continue to investigate the principle of equal pay for equivalent work and that the Women's Teachers' Association, Federation of Business and Professional

Women the women of the Public Service and kindred associations be invited to cooperate. 1945

6.2.3.9 That the Government be urged to set up a Commission to investigate the question of equal pay for the job along the lines of the Royal Commission set up by the British Government. 1947

6.2.3.10 a) That the N.C.W. of N.Z. add to their accepted policy of equal pay for equal work the more applicable and equally just claim of equal pay for women, or the rate for the job.

b) That the NCW urge the Government to amend the Minimum Wages Act to give an equal minimum wage for women and men.

c) We ask that this addition to policy be kept alive by a vigorous campaign of education as to the justice of the claims of the Council, and by the supporting of claims when brought forward by women in Trade Unions, in the Civil Service, in the Professions, or by supporting organisations. 1948

Source: Extract from "107 Years of Resolution", NCWNZ Publication of policies.

In the 1950's and 1960's, post-war era, the equal pay the NCW had been demanding since 1896 was still in the distance, the concern dominated these years.

1956, Rachel Cumberbeach "The national council could not pass laws" she said "but it could and did keep hammering and, as Dame Hilda Ross, a minister in the National Government, urged "when such a large and united body of women keeps hammering hard enough and long enough no Government can afford not to listen."

Source: The National Council of Women: A Centennial History, Dorothy Page, Pages 101

Over the period of 1958 -1962, Equal Pay was a constant category listed in the National Meetings. While the Government had agreed in principle to "Equal pay for Equal work under Equal conditions", it was noted that conditions in the NZ Public Service were not equal as women had the right to retire on 30 years' service compared with 40 years' service for males. It was argued that men should continue to be paid more given the inequality relating to years of service.

The difference in service, given the times, was that women would take time off from work to raise their children till at least school-age and that families tended to be larger in those days in comparison with today. Also, women more frequently stayed at home to care for aging or ailing relatives. There were obstacles in front of women to reaching 30 years of service.

Also the restrictions on married women working had only been removed during the 1939 - 45 war.

In 1960, NCWNZ passed a resolution again relating to the employment of married women, when the then "Public Service Commissioner stated that it was decided to give preference in an appointment over a better qualified person (a married woman) who was not likely to be a careerist."

The practice of training only male juniors for higher positions persisted until well into the 1980's.

6.2.3.11 That the Government be asked to include women in the N.Z. delegation to the I.L.O. [International Labour Organisation] Conference. 1950

6.2.3.12 That letters be forwarded by N.C.W. to the Prime Minister and the Minister of Justice, asking that the N.Z. Government give their approval to the "Equal remuneration for work of equal value" Convention and to the implementation of the

decision made by the I.L.O. Conference in June 1951. 1952, reaffirmed 1954, 1956, 1958, 1974

- 6.2.3.13 That N.C.W. ask the Government Statistician to procure and publish figures relating to the number of male workers with dependents or pensioners under their care, and the number of female workers with dependents or pensioners under their care. [See note under 6.2.3.6] 1952
- 6.2.3.14 That a member of the N.C.W. Executive, representing the Business and Professional Club, should write to the Prime Minister, asking that if any re-organisation of the Public Service takes place, his assurance that there will be no discrimination between men and women shall be implemented. 1956
- 6.2.3.15 That a letter be sent to Mr. Nash [Prime Minister] - 1. To express our appreciation of the Government's promise to implement equal pay, 2. To ask when the Committee [on Equal Pay] will be formed to receive evidence, 3. To ask will there be women on the Committee. 1958
- 6.2.3.16 That the National Council of Women express its views to the Government that it ratify the I.L.O. Convention on equal remuneration for work of equal value. 1959
- 6.2.3.17 That the following telegram be sent to the Prime Minister - `N.C.W. in Conference assembled urges the Prime Minister to implement the Government's declared policy of Equal Pay for Equal Work in terms of the findings of the Implementation Committee set up to make recommendations to this effect. 1960
- 6.2.3.18 That N.C.W. support the principle of equal remuneration for equal work. 1966, reaffirmed 1968
- 6.2.3.19 Believing that all international conventions aimed at protecting human rights and fundamental freedoms should be ratified by the N.Z. Government, the NCW urges the Government to ratify the I.L.O. Equal Pay Convention No. 100, 1951, in recognition of Human Rights. 1969

Source: Extract from "107 Years of Resolution", NCWNZ Publication of policies.

In its more recent history, NCWNZ again became active on Pay Equity; however as noted in the NGO CEDAW report 2007 – there has only been a 10% shift in the gender pay gap for women between 1972 and 2007.

- 6.2.3.20 That N.C.W. support the principle of equal pay for work of equal value, and equal opportunity for women. 1970
- 6.2.3.21 That this telegram be sent to the Prime Minister and the Minister of Labour - The NCW of NZ in conference assembled, restates its long-standing policy of Equal Pay for Women, strongly reaffirms its submission on Equal Pay to the Labour Committee of the House, and reiterates its urgent concern that the Recommendations of the Commission of Inquiry be adhered to.
We strongly deplore the legislation containing loophole clauses and urge the retention of the original wording `broadly similar' rather than `substantially identical' in the section on criteria. 1972
- 6.2.3.22 That N.C.W. request the Government to set up a Committee of Inquiry at the half-way point of the equal pay implementation period, as recommended by the Commission of Inquiry into Equal Pay. 1974

6.2.3.23 That N.C.W. request the Department of Labour to ratify I.L.O. Convention 100 on Equal Pay for work of equal value. 1974

6.2.3.24 That NCW express its concern over the Government delay in undertaking the Equal Pay study it announced in May 1986 and seek assurance from both the Labour Party and the National Party that the legislative changes to remedy the defects in the 1972 Equal Pay Act will be introduced with all speed. 1986

Source: Extract from "107 Years of Resolution", NCWNZ Publication of policies.