

Equal pay and justice

Kirk Hope

The Pay Equity Bill* was introduced into Parliament this week.

If passed, the new legislation will address the problem of an employee not being paid what their job is worth.

It will be used in a situation where an employee considers their job is of equal value to someone else's, but they are being paid unequally.

It could also be used where a class of work is carried out by mostly female workers who consider they are being paid less than a mostly male workforce doing work of the same value.

Business fully supports the concept of equal pay for work of equal value.

The Pay Equity Bill was created by a consensus approach between business, unions and government.

All parties signed up to this approach for agreeing on which jobs are equal to which.

The approach will let an employee bargain for a pay increase, based on a comparison with another person's job – the comparison will be the way of finding out which jobs are of equal value.

Close comparisons within the same industry will have a better chance of finding equal value.

For example a paediatric nurse would be more 'equal' to a geriatric nurse than to a security guard. A bank security guard would be more equal to a nightclub security guard than to a nurse, and so on.

Unfortunately, while the approach that created the Pay Equity Bill was based on consensus, some cracks in that consensus are now beginning to appear, with some unions criticising the comparison process as too rigid.

It seems the unions would now prefer a much broader process for finding equal value – a process that would allow entirely different jobs in different industries to be categorised as equal.

Under this approach there would be the potential for industry-wide wage claims on behalf of nurses, security guards or other entire groups of employees.

Nation-wide industrial action was not what was envisaged as an outcome of a pay equity process.

The pay equity process was devised with both large and small business in mind. The vast majority of businesses in New Zealand are small businesses, so the pay equity process needs to be manageable for them - a pay equity process that escalated into nation-wide industrial action wouldn't be helpful for either small business or its employees.

So, business would like to see the pay equity processes implemented as set out in the legislation.

Business fully supports the concept of equal pay for work of equal value, and would like to see a workable system in place to achieve that.

It's also worth saying that business would like to see the end of female-dominated jobs (the pay equity legislation was prompted in part by the wage claim brought by Kristine Bartlett on behalf of predominantly-female aged care workers).

There is no good reason why jobs such as aged care should be dominated by women.

Business would like to see young women and girls receiving better careers advice and making study choices that open doors to a much wider range of occupations.

Better careers advice and different qualification choices would mean that classes of work dominated by a single sex would be less likely to occur. It would help to break down the incidence of both female-dominated and male-dominated industries.

I see the Pay Equity Bill as a good step towards addressing any injustices that may have occurred in pay for women or men, and would urge all parties to the agreement to work together constructively find the remedies for any such injustices.

Businesses concerned about how the new legislation might work in practice may wish to seek help and advice from BusinessNZ or regional business associations EMA, Business Central, Canterbury Employers' Chamber of Commerce and Employers Otago Southland.

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* Employment (Pay Equity and Equal Pay) Bill