



# Pay Equity Advice and Assurance

Action and advice to deliver equal pay

MILESTONE 1

# Reporting Template





## Purpose

This template provides reporting guidance on the key aspects to consider at Milestone 1, the decision you have formed on ‘arguability’<sup>1</sup>, as required under the Equal Pay Act 1972<sup>2</sup> (the Act). It is designed to support employers who have received and acknowledged a raised pay equity claim.

**Milestone 1:** Whether there has been appropriate application of the ‘light touch’ arguability assessment.

The Pay Equity Taskforce (the Taskforce) can support you throughout this process:  
[pay.equity@publicservice.govt.nz](mailto:pay.equity@publicservice.govt.nz).

## Background: oversight frameworks and reporting

During a claim process, employers may have an obligation (in the public sector<sup>3</sup>) or an agreement (in the funded or private sectors<sup>4</sup>) to report to an oversight group at six key milestones.

There are currently two frameworks in place to guide oversight of pay equity claims in the Public and Funded Sectors:

- Public sector: the Central Agencies Pay Equity Governance Group (CAGG)<sup>5</sup>
- Funded and private sectors: the relevant Oversight Group<sup>6</sup>

Both frameworks support parties to ensure:

- pay equity processes are worked through in ways that are consistent with the Act;
- all conclusions and decisions are supported by sound evidence and analysis; and
- any resulting settlement achieves and maintains pay equity.

## Milestone 1: key information

Milestone 1 tests whether the appropriate ‘light touch’ response has been applied and whether the claim is worthy of investigation or not. The ‘arguable threshold’ is very low and requires a light touch assessment of the information provided to demonstrate undervaluation.

Agreeing to proceed with a pay equity claim does not in and of itself predetermine that sex-based undervaluation will be found.

### Key questions

1. Is clear information provided on what workforce(s) are potentially in scope of the claim?
2. Is/or was the claimant work predominantly performed by women (approximately 60% or more)?
3. Is it arguable that the work is/or has been historically undervalued?

<sup>1</sup> Under section 13F, a pay equity claim is arguable if (a) the claim relates to work that is or was predominantly performed by female employees (over 60% of the workforce was or is currently female); and (b) it is arguable that the work is currently undervalued or has historically been undervalued.

<sup>2</sup> See the Act here: [Equal Pay Act 1972](#).

<sup>3</sup> The ‘Public sector’ refers to public service employers and includes Te Whatu Ora and education services. This includes for example some teachers, some nurses, court staff and ministry employees.

<sup>4</sup> The ‘Funded sector’ refers to any private sector organisation that receives Government funding to deliver public services. Many social, health, community and education services are contracted out and delivered through the Funded sector.

<sup>5</sup> CAB-19-MIN-0678 refers.

<sup>6</sup> CAB-20-MIN-0366 refers.



## Send your report to the Taskforce

Please send your completed milestone report to the Taskforce. You are also welcome to send a working draft to the Taskforce for feedback at any time, we are happy to provide support.

The Taskforce requires at least **five working days** to provide feedback to employers and advice to the claim's corresponding oversight group ahead of any scheduled meeting. If you have any concerns about this timeframe, please discuss with your Taskforce contact.

For Public Sector claims, CAGG meetings generally occur fortnightly on a Thursday.

The Taskforce's email is: [pay.equity@publicservice.govt.nz](mailto:pay.equity@publicservice.govt.nz).



## Milestone 1: reporting template

### Using this template

- This is an example of how you can structure a Milestone 1 report. Please treat this as an example only, there is no right or wrong way to present the information required.

### REPORT

<b>To:</b>	<i>Claim oversight, either:</i> <ul style="list-style-type: none"><li>• [name], Chair, Central Agency Pay Equity Governance Group</li><li>• [name], [role], [Funding agency]</li></ul>
<b>From:</b>	
<b>Date:</b>	
<b>Subject:</b>	

### Purpose

- Briefly outline the purpose of your report in one to two sentences.
- You could include: the purpose of the report, your organisation's view on whether arguability has been reached in accordance with the requirements of the Act, your intention to explain how this view was reached, and your intention to seek endorsement of the Milestone 1 report.

#### Example text

“To inform the Extra-terrestrial Agency Oversight Group (Oversight Group) of the Department for Alien Affairs’ (DAA) view that the Spaceship Coordinators Pay Equity Claim, received on 1 June, is arguable and seek the Oversight Group’s endorsement for Milestone 1. The report shows the DAA’s process and rationale when forming this view through a ‘light-touch’ assessment in line with the Equal Pay Act 1972 (the Act).”



## Background

- Briefly highlight the key details of the claim to date.
- At Milestone 1, the claim is still in the early stages of the pay equity process so, we do not expect this section to be in-depth. We suggest you keep this section brief, use bullet points where you can, and only note contextual information.
- Some of the information you could include is:

### *Claim(s) information:*

- the date the claim was raised
- the name of union(s) who raised it
- the occupation(s) identified
- the employer(s) named (if multiple employers are named, please list all of them)
- if you are in the process of notifying all employees and staff (or have done so) who are affected by the claim(s)

### *Details of your workforce under the claim:*

- the total estimated headcount or full-time equivalent (FTE) of employees under the claim
- what collective agreements they are covered by (if any)
- if the claim is for more than one occupation (e.g. Librarians and Library Assistants), provide details about the numbers of FTE/headcount (ideally both) for each

### *Agreements between parties to the claim:*

- if you have entered into a Multi-Employer Process Agreement (MEPA)
- if the employer(s) have requested more time to assess arguability
  - Note: a notice extending the time limit to assess arguability must be given as soon as it is reasonably practicable. The extension cannot be longer than 20 working days for a claim with a single employer or 80 working days for a claim with multiple employers (unless parties agree otherwise)<sup>7</sup>

### **Example text**

“On 1 June 2063, the DAA received the pay equity claim for Spaceship Coordinators raised by the Space Service Association (SSA). The estimated number of Spaceship Coordinators covered is 100 employees. On 3 June, the DAA acknowledged the claim and notified affected unions within the five working days required by the Act.”

<sup>7</sup>[Section 13R of the Act.](#)



## Arguability of the claim(s)

- Under section 13Q of the Act<sup>8</sup>, an employer must form a view as to whether the claim is arguable. In this section, show how you have reached your view on arguability (it is not sufficient to simply say you agree/disagree with the claimant’s view).
- We suggest you lead the reader through the rationale that informed your decision, keeping in mind, this is a ‘light-touch’ process, to determine whether the claim is worthy of investigation or not. Agreeing to proceed with a pay equity claim does not mean you agree with the claimant, simply that there might be a case worth investigating.
- This section usually needs no more than one page per claim. You may wish to include further detail as an appendix, but this is optional.

Under the Act<sup>9</sup>, a pay equity claim is ‘arguable’ if two conditions are met:

### 1) The claim relates to work that is or was predominantly performed by female employees.

- For the purposes of the Act<sup>10</sup>, “work is or was predominantly performed by female employees if it is work that is currently, or that was historically, performed by a workforce of which approximately 60% or more members are female.”
- You may find it useful to consider occupational data from within your organisation, an employer or industry organisation, and/or more general labour market data from Statistics New Zealand.
- You could write this section out, and/or make a small table, covering:
  - the occupations identified in the claim
  - the total number of employees under each occupation raised
  - the percentage of female employees in each occupation raised
  - labour market data on the occupation

#### Example text

“The work of Spaceship Coordinators employed by the DAA is currently performed predominantly by females. Table 1 outlines our current workforce data which shows that 78% of our DAA Spaceship Coordinators are female.

**Table 1: Spaceship Coordinators claim and percentage of female employees**

Role identified	Total number of employees	Percentage of female employees
Spaceship Coordinators	100	78%

Labour market data from the latest census shows 67% of all Spaceship Coordinators on our planet are female. There is therefore a case that the work is female-dominated both within our organisation and in society more broadly.”

<sup>8</sup> [Section 13Q of the Act.](#)

<sup>9</sup> [Section 13F\(1\)\(a\) and \(b\) of the Act.](#)

<sup>10</sup> [Section 13F\(2\) of the Act.](#)



**2) It is arguable that the work is or has been historically undervalued.**

- Here, the Act is asking you to explore whether the workforce may be subject to current or historical sex-based undervaluation<sup>11</sup>
- In this section, you will explore key influences on remuneration and terms and conditions which may be relevant to the origins and evolution of the occupation(s).
- You may consider where and when the occupation originated, changes from unpaid to paid work, changes from male- to female-dominated and any social/historical shifts that have impacted on how the work has evolved over time. It is important to also consider the historic and current societal attitudes towards the work.
- As a starting point, you may wish to review the information contained in the claim raised. We encourage you to assess whether you agree or disagree with the arguments made by the claimant. To support your process, some resources you could refer to are:
  - the National Library
  - labour market statistics
  - past articles
  - past collective agreements
  - New Zealand history literature or published academic research
  - if the occupation under the claim is part of a workforce who has a settlement in another sector, you may refer to some of the research they have used.
- Here is a list of factors and questions that may be used to show that the work is currently or has been historically undervalued:
  - Note, this is not an exhaustive list and you do not have to use all of the prompts. You may wish to use other evidence or structure your evaluation differently.

Factor	Helpful questions to prompt your thinking
History of the work	<ul style="list-style-type: none"> <li>• Is there any social/historic context that has given rise to label it as ‘women’s work’?</li> </ul>
Social and cultural factors that lead to undervaluation	<ul style="list-style-type: none"> <li>• Has the work been seen as extension to women’s work in the home and to their traditional caring roles?</li> </ul>
Characterisation as “women’s work”	<ul style="list-style-type: none"> <li>• Has the nature of work been perceived as ‘more suitable for women’?</li> </ul>

<sup>11</sup> Sex-based undervaluation refers to the systemic bias faced by female-dominated occupations. Historically, and often presently, women in female-dominated industries are paid less than men doing work of similar value in male-dominated industries, even if the role requires the same or similar levels of skill, responsibility, experience, and effort. This is due to many factors including societal attitudes about the value of “women’s work” (e.g., caring or cleaning).



Skills and qualities of the work associated with women as not requiring monetary compensation	<ul style="list-style-type: none"><li>• Does the nature of the work require an employee to use skills or qualities that have either been generally associated with women or regarded as not requiring monetary compensation?</li></ul>
Features of the relevant market, industry, sector, or occupation	<ul style="list-style-type: none"><li>• Have terms and conditions changed over time and why?</li><li>• Are there any features of the market that have enabled gender discrimination?</li><li>• Could this be due to a lack of effective bargaining in the relevant market, industry, sector, or occupation?</li></ul>

**IMPORTANT:** If you believe you are finding a claim ‘not arguable’, please get in contact with the Taskforce as soon as possible.

### Example text

#### *“History of the work*

Historically, spaceship coordination has been regarded as women’s work. During the Hypothetical Space War, women were recruited to fill the void in the male-dominated labour market. Female spaceship coordinators in the DAA rose from 5 percent in 2040 to 25 percent in 2047.

Notably, the initial wave of employment was sustained by lower salary rates. The attractiveness of female employment was linked in part to the low wages, which helped reduce operational costs during challenging economic times.

#### *Social and cultural factors that lead to undervaluation.*

In the 2040s, employment as a Space Coordinator was considered a short-term role, on the assumption that young female employees would quickly marry, exit the workforce, and settle into motherhood.

The high turnover meant that employers did not need to consider long-term career development and salary increases, leading to stagnant wages. The initial expansion of work tasks was different from what had previously been assigned to men. The work was curated around typical “female” capabilities, such as attention to detail and multitasking, and limited to mundane and repetitive tasks.

#### *Feature of the relevant market, industry, sector, or occupation.*

The feminisation of the workforce and labour market segmentation have impacted the spaceship coordination field since its inception, limiting career advancement and salary growth regardless of experience. Spaceship coordination roles are less likely to progress into higher-ranking positions compared to male-dominated roles and are often characterised by lower pay scales and narrower salary ranges.

Overall, the combination of the following factors meets the threshold to be deemed arguable due to:

- a. the consistent dominance of female workers in spaceship coordination;
- b. the characterisation of spaceship coordination as women’s work; and
- c. labour market segmentation and the feminisation of the field.”





## Next steps

- If the employer finds the claim is not arguable:
  - If you believe you are heading in this direction, please get in contact with the Taskforce as soon as possible.
  - Notice needs to be given to the claimant that sets out the reasons for the employer’s decision and explains the steps that the claimant may take to challenge the employer’s decision.<sup>12</sup>
- If the employer finds the claim to be arguable:
  - This section provides information on your intended next steps. For example, how will you notify all affected staff and those in the same or substantially similar roles, and in what timeframe? The Act<sup>13</sup> sets out timeframes for next steps which must be met.<sup>14</sup>

### Example text

#### *Process to date and next steps*

The following table sets out the correspondence to date and the timeframe for completing the next actions:

Pay Equity claim process	Days as set out under the Equal Pay Act 1972	Legislative date deadlines
XXX union raised a claim for YYY (claimant group)	Date claim raised	[Enter here the date the claim was raised]
Notification letter to XXX union accepting claim	5 working days after receiving the claim s13J(1) <sup>15</sup>	[Enter here the date the letter was received by the union]
Notification letter to ZZZ union (this is not the union that raised the claim but any other union that has members who perform the same or substantially similar work)	5 working days after receiving the claim s13J(1)	[Enter here the date the letter was received by the union]
[Name of employer] to decide whether claim is arguable and notify claimant.	45 working days after receiving the claim s13Q(1) <sup>16</sup>	[Enter date arguability decision was made ]
Notification letter to other affected employees (those doing same or substantially similar work). <sup>17</sup>	No later than 20 working days after date that [employer name] decides the claim is arguable	[Enter intended notification date]

<sup>12</sup> [Section 13S\(3\) of the Act.](#)

<sup>13</sup> [Section 13V of the Act](#) and for an individual claim, [section 13U of the Act](#) applies.

<sup>14</sup> See [here](#) for further information and a working days calculator.

<sup>15</sup> [Section 13J\(1\) of the Act.](#)

<sup>16</sup> [Section 13Q\(1\) of the Act.](#)

<sup>17</sup> [Section 13V of the Act.](#)



## Recommendations

- This section notes the key information and actions of the report.

### Example text

*“It is recommended you:*

- i. note** on 1 June 2063, the DAA received the pay equity claim for Spaceship Coordinators raised by the Space Service Association;
- ii. note** DAA has acknowledged the claim and notified affected unions within the five working days required by the Act;
- iii. note** DAA considers the claim to be arguable and worthy of further investigation because the work is/was predominantly performed by females (78%) and there is evidence of current and historic undervaluation; and
- iv. agree** to endorse Milestone 1.”

[Naku noa, nā]

[Name]

[Role, Employer]

## Appendices