

Pay Equity Principles

Background

For background on the Pay Equity Principles recommended by the (Reconvened) Joint Working Group (RJWG) on Pay Equity Principles (2015 – 2016) and pay equity claims raised in the State sector since 2017 refer to the Pay Equity in New Zealand Context component of the tools and resources.

Pay Equity Principles

The Principles developed by the RJWG cover the process from raising a claim to concluding pay equity negotiations. The Principles are set out in the table below.

Raising a claim	
Principle 1	Any employee or group of employees can make a claim
Principle 2	The process to raise a claim as a pay equity claim should be simple and accessible to all parties
	A. To determine whether to proceed with the claim as a pay equity claim the work must be predominantly performed by women
	In addition it should be arguable that: <ul style="list-style-type: none"> B. The work is currently or has been historically undervalued due to, for example: <ul style="list-style-type: none"> i Any relevant origins and history of the work and the wage setting for it ii Any social, cultural or historical factors which may have led to undervaluing or devaluing of the work and the remuneration paid for it iii There is or has been some characterisation of the work as “women’s work” iv Any social, cultural or historical phenomena whereby women are considered to have “natural” or “inherent” qualities not required to be accounted for in wages paid
	C. Consideration may also be given to whether gender-based systemic undervaluation has affected the remuneration for the work due to: <ul style="list-style-type: none"> i Features of the market, industry or sector or occupation which may have resulted in continued undervaluation of the work, including but not limited to: <ul style="list-style-type: none"> a. a dominant source of funding across the market, industry or sector b. the lack of effective bargaining ii The failure by the parties to properly assess or consider the remuneration that should be paid to properly account for the nature of the work, the levels or responsibility associated with the work, the conditions under which the work is performed, and the degree of effort required to perform the work iii Areas where remuneration for this work may have been affected by any occupational segregation and/or any occupational segmentation iv Any other relevant features
	D. Agreeing to proceed with a pay equity claim does not in and of itself predetermine a pay equity outcome

Assessing the claim

Principle 3	A thorough assessment of the skills, responsibilities, conditions of work and degrees of effort of the work done by the women must be undertaken
Principle 4	The assessment must be objective and free of assumptions based on gender
Principle 5	Current views, conclusions or assessments are not to be assumed to be free of assumptions based on gender
Principle 6	Any assessment must fully recognise the importance of skills, responsibilities, effort and conditions that are commonly overlooked or undervalued in female dominated work such as social and communication skills, responsibility for the wellbeing of others, emotional effort, cultural knowledge and sensitivity
Principle 7	To establish equal pay, there should be an examination of <ol style="list-style-type: none"> i the work being performed and the remuneration paid to those performing the work; and ii the work performed by, and remuneration paid to, appropriate comparators
Principle 8	An examination of the work being performed and that of appropriate comparators requires the identification and examination of <ul style="list-style-type: none"> • The skills required • The responsibilities imposed by the work • The conditions of work • The degree of effort in performing the work • The experience of employees • Any other relevant work features
Principle 9	An examination of the work and remuneration of appropriate comparators may include: <ol style="list-style-type: none"> i male comparators performing work which is the same as or similar to the work at issue in circumstances in which the male comparators' work is not predominantly performed by females; and/or ii male comparators who perform different work all of which, or aspects of which, involve skills and/or responsibilities and/or conditions and/or degrees of effort which are the same or substantially similar to the work being examined; and iii any other useful and relevant comparators
Principle 10	The work may have been historically undervalued because of: <ol style="list-style-type: none"> i any relevant origins and history of the work and the wage setting for it ii any social, cultural or historical factors which may have led to undervaluing or devaluing of the work and the remuneration paid for it iii there is or has been some characterisation or labelling of the work as "women's work" iv any social, cultural or historical phenomena whereby women are considered to have "natural" or "inherent" qualities not required to be accounted for in wages paid
Principle 11	A male whose remuneration is itself distorted by systemic undervaluation of "women's work" is not an appropriate comparator

Settling a claim

Principle 12	Equal pay is remuneration (including but not limited to time wages, overtime payments and allowances) which has no element of gender-based differentiation
Principle 13	Equal pay must be free from any systemic undervaluation, that is, undervaluation derived from the effects of current, historical or structural gender-based differentiation
Principle 14	In establishing equal pay, other conditions of employment cannot be reduced
Principle 15	The process of establishing equal pay should be orderly, efficient, kept within reasonable bounds and not needlessly prolonged
Principle 16	Any equal pay established must be reviewed and kept current