



## Physios vs. Policemen

The pay equity landscape and how it affects your practice

The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. Above the 'Y' is a yellow chevron shape pointing to the right.

Building a better  
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# Agenda

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- ▶ Background
  - ▶ The NZ pay equity landscape
  - ▶ How has the equal pay debate played out in other jurisdictions?
- ▶ Practicalities
  - ▶ Physios versus Policemen: evaluating the relative size of jobs
  - ▶ Terranova/rest home workers
  - ▶ Midwives
- ▶ Your practice
  - ▶ How should you assess pay equity?
  - ▶ Practical steps to avoid pay equity pitfalls

# Background

# The NZ pay equity landscape

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The Equal Pay  
Amendment Bill



The Bill's  
purpose



Differences  
compared to  
the old  
National Bill



Select Committee changes



Our predictions

# The UK/EU experience

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## ▶ The UK situation

- ▶ Equal pay provisions in the UK Equality Act 2010 allow comparisons between male and female employees of the “same employer” or “associated employers”
- ▶ The EU Equal Treatment Directive imposes a similar “single source” doctrine, where the inequality must be attributable to a single source capable of rectifying it
- ▶ This is a narrower test than that adopted by the Employment Court and Court of Appeal in New Zealand
- ▶ Employees can make a claim based on their work being "like work", "work of equal value" or "work rated as equivalent" as against the comparator
- ▶ “Like work” = the same or broadly similar
- ▶ “Work of equal value” = equal in terms of the demands made by reference to factors such as effort, skill and decision-making

# The UK/EU experience - Implications

## Local Authority



Successful cases include:

- ▶ South Lancashire: £70.4m
- ▶ Edinburgh City: £34.3m
- ▶ Glasgow: £548m

Ongoing:

- ▶ Birmingham: £1.25bn so far

All settling cases where female-dominated roles such as carers, cleaners, cooks and caterers were underpaid compared to male-dominated roles such as bin collectors, gardeners and road workers.

These roles were recognised as having equal value

## Supermarkets



Potential £8bn claim

- ▶ 500,000 claims across the big 4 supermarkets: Asda, Morrisons, Sainsbury's and Tesco
- ▶ States that client-facing shop floor workers (mainly female) are underpaid compared to warehouse staff (mainly male), when these jobs are of equal value

Court of Appeal has ruled that Asda's store staff can compare themselves to warehouse workers in pay claims

# The Practicalities

# Physios vs policemen - the job evaluation debate

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- ▶ A Job Evaluation System
  - ▶ A systematic procedure for analysing a group of jobs
  - ▶ The results of the analysis are used to give each job a numerical score
  - ▶ Jobs are then grouped into salary bands
  - ▶ Jobs within a particular band are "rated as equivalent" for the purposes of job sizing
- ▶ Enables comparisons across different roles, with the potential outcome that any difference needs to be justified
- ▶ Often the starting basis for "equal value" claims
  - ▶ Provides fair comparison of **skills, responsibilities, experience, effort** etc. that the legal process for claims requires



## ▶ The claim

- ▶ B claimed that caregivers at Terranova were underpaid due to the occupation being female-dominated, and that her hourly rate breached the Equal Pay Act 1972
  - ▶ 96% of Terranova's caregivers were female

## ▶ Process and outcomes

- ▶ Employment Court -> Court of Appeal -> Supreme Court
- ▶ Successfully argued the caregiver sector was underpaid because it was mostly female
- ▶ \$2.048b settlement for 55,000 care and support workers
- ▶ Increases began in 2017, and will see wages increase to between \$19 to \$27/hr by 2022
- ▶ Settlement is being funded through additional funding to Vote Health and ACC

- ▶ The claim
  - ▶ Gender discrimination in pay and working conditions of self-employed midwives
    - ▶ 99.9% of midwives are women
- ▶ The process
  - ▶ Considered key aspects of job size and scope
    - ▶ Knowledge and education
    - ▶ Problem solving and problem complexity
    - ▶ Accountability
    - ▶ Decision-making impact
    - ▶ People skills
  - ▶ Focused on comparator roles which included:
    - ▶ A 4 year qualification
    - ▶ Highly specialist skills for complex problem solving without direct supervision
    - ▶ Significant impact on clients' health and safety if incorrect decisions are made
  - ▶ Analysis suggested midwives were significantly undervalued vis-a-vis other 'like' jobs

# Pay equity in your practice

# Practical steps to address pay equity

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1



Set clear goals

2



Achieve Parity 1.0

3



Address root causes of the gender pay gap

4



Track progress & sustain change

# Practical steps to address pay equity

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Review your current pay practice from the 'lens' of gender pay - be prepared to make changes



Review salary-setting procedures



Consider how (if) you recognise performance in pay



Check for recruitment issues



Address barriers in retention and leadership progression

# Questions?

**Contact: Una Diver**

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