People's Select Committee on Pay Equity

Kei te rapu te iwi

Inquiry into the Equal Pay Amendment Act 2025

Presented to the people of Aotearoa New Zealand and the House of Representatives by the People's Select Committee on Pay Equity

24 FEBRUARY 2026

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The website for the People's Select Committee on Pay Equity is at:

https://www.payequity.org.nz/

Here you will find links to the submissions made, the names of the submitters who made them, and other information that relates to the Committee's work. A full text of this Report is also published on this site.

Introduction to our Inquiry

Framing the core issues

This inquiry was undertaken by a group of former Members of Parliament from across the political spectrum. We came together to ensure that the people's voices could be heard on matters relating to the Equal Pay Amendment Act 2025 because it was passed through Parliament in one sitting, under urgency and without any public consultation.

We set out to do what the Government did not do. The select committee process invites public submissions to allow open and transparent scrutiny of legislation. Select committees deal with these submissions by reading and closely analysing them; and by hearing directly from particular submitters, typically in a public forum.

In that way, a range of views can be gathered, not only on the purpose and effectiveness of the measure under examination, but also on its regulatory and social impacts. Select committees are responsible to the House of Representatives and are therefore inherently political in function. But they are also required to carry out their functions with fairness, integrity and respect for opposing points of view.

Since the House of Representatives did not have the opportunity to refer the Equal Pay Amendment Bill to a select committee, we formed a People's Select Committee, the first of its kind. The Committee observed, as closely as possible, the rules and procedures of Parliament, but without either Parliamentary privilege or any statutory jurisdiction. It operated under the ordinary laws of New Zealand. All submissions, written and oral, are publicly available.

We are gratified at the public's response.

Most of the evidence provided to us set out the adverse consequences, both immediate and long-term, of passing legislation without adequate consultation.

Workers, employers, economists, and members of civil society described the dismay, loss of trust and sense of waste and betrayal that accompanied their realisation that embedded injustice was going to remain a reality of life for large sections of the most vulnerable in our society.

First, the Committee sees this erosion of faith in our central democratic institution as a major aspect of the problem.

Second, enabling all members of society to maintain a decent level of economic autonomy, which the Committee regards as a fundamental human right, has undergone a significant assault during the policy preparation and Parliamentary debate that surrounded this legislation. We were dismayed that thirty-three existing claims for pay equity settlements could be arbitrarily stopped in their tracks.

We took the view that these two aspects justified serious attention and, if possible, resolution by way of a substituted process that allowed what our own Parliament, and our elected government, did not. We chose a course of action that mirrored as closely as possible the significant benefits that both the law-makers and the executive could have availed themselves of if they had taken the time and trouble to inquire, themselves, into the consequences of creating a hurried law with retrospective effect.

The People's Select Committee has gone wide in its inquiry into the loss of trust and the assault on human rights that the Equal Pay Amendment Act 2025 involves. During the process we also found we were guided by the parameters of the evidence we received - and the outcomes the submissions described. We were able to clear away faulty assumptions, focus on key themes of recurrent injustice and exploitation, and consider improvements to the way an already world-leading pay equity system could work even better.

Our report sets out to define the problems now confronting the Government as its flawed legislation comes under scrutiny both within Aotearoa New Zealand and internationally. It recommends courses of action to restore this nation's international reputation as a champion of human rights, to improve the economic status of women and thus all whanau, and to maintain the education, health and welfare systems on which our whole society depends for its wellbeing.

In taking this course of action, the Committee acknowledges those that have fought this battle before. We were aware, and submitters reminded us, of the women and the champions in whose footsteps we follow. Irrespective of their position, their role, their contribution to society, their ethnicity, they have collectively advanced women's rights, women's work and pay equity.

Process and terms of reference

Process

On 26 May 2025, we opened a website calling for public submissions on the inquiry. We set out an intention to report back to Parliament and the public by early 2026. (See Appendix B for the text of the call for submissions.)

We spoke with various experts and submitters from the public at hearings between 11 August 2025 and 14 October 2025. These hearings supplemented the written information we received. We thank all members of the public who generously took the time to provide us with information in writing or in person, and who provided further information in response to the Committee's questions. We resolved to archive all information received, including transcripts of our hearings. (See p. 5 for weblink.)

Beth Bowden, Len Cook, Morgan James-Tresidder, Anna MacLean, Saunoamaali'i Dr Karanina Sumeo and Bess Sutherland contributed as secretariat, advisers and researchers on the inquiry. They attended public hearings and our private consideration. We appointed Amy Ross to provide independent specialist advice. We thank all our advisers for their work.

Our discussion of information from the public was extensive. We relied heavily on it to validate and provide lived experience of what we broadly see as the main themes. Any readers who wish to know more about the full range of views expressed by submitters can access all of the written and oral submissions once these are archived. As well as considering our experts' advice, we accessed Parliamentary debates, OIA inquiries, press statements, and other relevant public materials, to better scope the issues.

Terms of reference

The full terms of reference developed by the People's Committee on Pay Equity are set out in Appendix B. The following were our main areas of focus in considering the legislation, the Equal Pay Amendment Act, its policy development and its effects:

- Gathering, reviewing and evaluating evidence that should have been before Parliament ahead of the legislation being proceeded with
- Reviewing the Government's rationale for changing the legislation and discontinuing claims that were in progress
- Identifying flaws in the legislation
- Making recommendations for ways and means to take remedial actions in both international forums and under domestic law, including measures that would learn from and improve past pay equity processes.

Our recommendations are at the end of each section. All recommendations were agreed either unanimously or by a super majority; one member, Belinda Vernon, did not agree to the Committee's preference for including multiple or overlapping recommendations. The substance and findings of this report, however, are presented with the unanimous support of the Committee.

Structure of this report

This report has 10 main sections:

1. The Rule of Law and Good Law-Making
2. Pay Equity is a Human Right
3. Experience and Economics
4. Pay Equity, Kaupapa Māori and the Treaty of Waitangi
5. Pasifika Voices
6. The Employers' Predicament
7. Fishing and Finding: Comparing Jobs
8. Against the Evidence: Examining Changes to the 2025 Act
9. Appendices A–E
10. Terms and Definitions

Each section includes an overview, quotes from and discussion of submitters' views, and our findings and recommendations.

Section 1: The Rule of Law and Good Law-Making

1.1 Introduction

At 11:00 on 5 May 2025, the Minister of Workplace Relations and Safety, Brooke van Velden, announced that the government would amend the Equal Pay Act 1972 that day, introducing and passing a bill through all its stages under urgency. The Equal Pay Amendment Bill was introduced that afternoon, which was the first opportunity for opposition parties to see it, let alone analyse and prepare to debate it. The General Policy Statement, which laid out the intent of the Bill, framed the legislative change as 'a refinement' of the existing pay equity system.

> The purpose of this Bill is to achieve a better regulatory framework for parties to a pay equity claim to assess whether there is sex-based undervaluation, by ensuring that there are: a robust process for raising claims; clarity on the appropriateness of comparators to assess sex-based undervaluation; sustainability for employers to meet their obligations; and the right incentives to encourage parties to resolve pay equity claims[1].

It was presented as a response to what were asserted to be deficiencies in the 2020 Act: The Government claimed that:

> The permissive settings in the Act have resulted in the pay equity framework not working as intended. This is particularly as a result of the low entry threshold and insufficient guidance in the Act for comparator choice and comparison methodology[2].

They said that the legislation was not effectively discriminating between claim types nor ensuring that only genuine undervaluation claims proceed. "New thresholds," the Minister asserted, "would make the system workable and sustainable, enabling parties to assess undervaluation more confidently."

The evidence we received confirmed the effect was anything but this. Nor could we find any information that supported these claims in officials' advice to the Government.

The People's Select Committee on Pay Equity has considered the submissions and background material. These statements do not represent an accurate reflection of what has occurred. As we see in the clause-by-clause analysis, 33 pay equity claims commenced under the pre-existing legislation were discontinued, significant barriers have been put in place for future claims, and review provisions of settled claims have been rendered ineffective. The approach offends the rule of law and the principles of good law-making.

> In the case of the 2025 Act, the Government has completely circumvented due process. No political party campaigned on amending the Equal Pay Act, and bypassing the usual legislative process has meant that there has been no Regulatory Impact Statement [RIS], no Select Committee process, no public consultation, no input from experts, and no opportunity for refinement of the amendments – let alone a debate about whether they were required in the first place. (PCPE 1612, Auckland Women Lawyers' Association)

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1 http://www.legislation.govt.nz/bill/government/2025/0147/latest/d2754232e2.html

2 Cabinet Paper, Reviewing Policy Settings: Bill for introduction, 5 May 2025, para 3

In that paragraph, the Auckland Women's Lawyers' Association has captured the essence of the breaches of the rule of law and due process that have occurred with the passage of the Equal Pay Amendment Act 2025. The Committee received several submissions on these aspects of the process, which led one submitter to describe the law change as "a ram-raid no one was expecting" (PCPE 1377, Nia Bartley, E tū delegate, Hearing Day 10, 1:11:31). Another submitter said this had been "a bit of an awakening" for her, describing the way the Bill had progressed as "a prime example of very underhanded and poor policy making"; it was, she said, both "rushed" and "covert" (PCPE 1225, Joanne Wilkes).

> The coalition Government was fully aware of the contentious nature of this Bill, so decisions were made to keep this under the radar and implement it with next to no consultation, no documentation and no analysis. (PCPE 1251, Steve Judge)

This part of the Committee's report will consider the Government's approach as follows:

- the use of retrospective legislation
- the lack of consultation especially with those affected by the law change
- the use of urgency and lack of a select committee referral, which meant there were no checks and balances, nor evidence provided to support the changes
- the lack of a Regulatory Impact Statement
- the evidence of bad faith that we received from submitters, and
- the impact that all of these have had on trust and confidence.

Some submissions noted the irony of the requirements that would have had to have been met if the recently enacted Regulatory Standards Act[3] had been in place at the time. Given that it refers to the rule of law and 'good law-making' as two of the principles of responsible regulation, we will use the same references.

1.2 The Rule of Law

There is a definition of the rule of law in the Regulatory Standards Act 2025:

- the law should be clear and accessible
- the law should not adversely affect rights and liberties, or impose obligations, retrospectively
- every person is equal before the law
- there should be an independent, impartial judiciary
- issues of legal right and liability should be resolved by the application of law, rather than the exercise of administrative discretion.

The PSCPE heard a range of submissions that commented on the breach of the rule of law, almost all of which focused on retrospectivity.

Retrospectivity

'Legislation does not have retrospective effect' is the clear statement made by s.12 of the Legislation Act 2019, making the rule against retrospectivity the default position for all legislation. The Equal Pay Amendment Act 2025 offends this element of the rule of law and would as a result also have failed to meet the principle of responsible regulation

[3] www.legislation.govt.nz/act/public/2025/0068/latest/whole.html

under the Regulatory Standards Act 2025. The Hon. Brooke van Velden, as Minister in charge of the legislation, was advised by officials that:

> A retrospective application of legislation to current claims is rare and would need to be justified[4].

Unfortunately, there was no mechanism for holding the Minister to account for that justification prior to the passage of the Bill. She stated:

> I propose that these changes apply retrospectively to existing claims, and existing settlements with review clauses. While this departs from the presumption that legislation will not be applied retrospectively, it is justified to meet the policy objectives of the new legislation[5].

The Minister also acknowledged that the transitional provisions departed from the default approach in the Legislation Design and Advisory Committee Guidelines[6] by applying new legislation to matters 'that are the subject of ongoing or potential litigation and preventing a person from relying on a right … that existed at the time they undertook the conduct that those rights … related to'. They were also inconsistent with the general principle against retrospective application of legislation. She stated that:

> Without such transitional provisions, it is likely that there could be a large number of claims filed and potentially determined under the existing Act.

In announcing the legislation, the Government could have said that the claims process would be closed to future claims. That would have stopped any additional claims, which suggests that this is not a genuine reason for the retrospectivity. Weight is given to this when the Minister notes that the transitional provisions engage important legal principles, and as such 'they are likely to be contentious and receive public comment from stakeholders'. Not allowing for any public comment from stakeholders - not even affected parties – because they are contentious issues cannot meet any standard of justification that breaching the rule of law would demand.

Another rationale for the retrospective application of the legislation was that all claims should be working within the same framework, rather than having two systems operating at once. When the 1972 Equal Pay Act was introduced, however, two systems operated at once as discriminatory pay rates were increased over time. There are many examples of two systems working in parallel in circumstances where the law is to change.

Neither rationale stands up to scrutiny as justifying retrospectivity, especially when the Hon. David Seymour stated that Brooke van Velden should be praised for finding money to balance Finance Minister, Nicola Willis's budget, due out on 22 May, thus disclosing the true reason for the use of urgency:

> I actually think that Brooke van Velden has saved the taxpayer billions. She saved the budget for the government[7].

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4 Advice from officials, Pay equity – past, present and future – STR 3 December 2024

5 Hon Brooke van Velden, Cabinet Paper Reviewing Policy Settings, 31 March 2025

6 www.ldac.org.nz/guidelines/

7 Stuff report 6 May 2025 Five things you need to know about the surprise pay equity change

The submissions we received overwhelmingly agreed this was the real reason for the bill being passed under urgency, and an unacceptable reason for such a radical departure from the rule of law and due process. Submitters asserted that retrospectivity should be reserved for the most exceptional of circumstances. The PSCPE agrees.

1.3 What we heard

Numerous submitters expressed concern regarding the lack of transparency in the Bill's development, its passage through Parliament without adequate scrutiny, its retrospective application, and the resulting restrictions on future claims.

> "The process used to pass this legislation created a new low in New Zealand's constitutional history with its extraordinary disregard for the time-honoured checks and balances for effective legislation….. We have the breathtaking spectacle of government ministers pulling out the bricks of parliamentary democracy … and legislative integrity. Thousands of women are now condemned to poverty wages." (PCPE 1145, Dame Judy McGregor, Hearing Day 2, 23:02)

> Most shocking is the Act's retroactive destruction of existing rights and remedies—a violation of rule of law principles that would be remarkable in any context but is particularly egregious when applied to human rights. (PCPE1301, Rights Aotearoa)

> Legislation that has a retrospective effect is generally considered inappropriate as it undermines key legal principles such as fairness, legal certainty and the rule of law. In particular, retrospective legislation breaches these principles where it takes away or changes an existing right. It should be used rarely, most commonly when there is some emergency justifying it. (PCPE 1597, Dame Silvia Cartwright)

So, where were the checks and balances that would have ensured that this would only have occurred in the most extreme circumstances, such as in a state of emergency? As the Hon. Margaret Wilson stated: 'We have a high-trust constitutional arrangement with few formal guardrails against abuse of power' (PCPE 1169). The evidence we received indicated that this was an abuse of power.

The Auckland Women's Law Association also focused on the retrospective application of the legislation, noting that legislation should generally be forward-looking in its effect. They stated that if the legal status of past conduct is altered, there can be no certainty as to the legal status of current conduct, and there is an inherent unfairness in changing the law after the event, as people cannot alter past actions to meet the requirements of a new law. The Legislation Design and Advisory Committee guidelines caution against drafting legislation that applies retrospectively as it cuts across accrued rights and duties. They highlighted that the principle against retrospectivity has been described by the courts as 'simple fairness' and is an important principle in the rule of law.

Striking out the claims by law was described by Te Uru Tāngata Centre for Workplace Inclusion (formerly the Equal Employment Opportunities Trust) as 'ethically indefensible':

> This is retrospective legislation that strips workers of rights they were already lawfully exercising. These are not abstract policy matters. They directly affect librarians, care workers, nurses, and social workers – women who have spent years trying to correct the historic undervaluation of their work. (PCPE 1299, Te Uru Tāngata Centre for Workplace Inclusion)

They made the point that this not only denies justice, but it also reduces the incentive to invest the significant time and effort required to bring forward a claim. In addition, the removal of retrospective redress severs the link between historical harm and legal remedy. This is contrary to the very principle of equity. They also talked about the nullifying of review clauses:

> Removing these clauses not only freezes the concept of fairness in time – it guarantees future inequity. It is a legislative choice to let historic bias slowly creep back in. (PCPE 1299, Te Uru Tāngata Centre for Workplace Inclusion)

The fact that the impact of these changes is largely felt by women has not gone unnoticed either and, although the human rights elements will be dealt with separately, the complete failure to disclose the human rights impact assessment contained in the cabinet paper is unacceptable.

Even the opposition parties were denied access to all the information required to debate such an important issue.

> The immediate repeal of 33 current pay equity claims, including those close to settlement, is unjust and demoralising for thousands of workers. These claims represent years of research, negotiation, and collaborative effort between unions, employers, and the Crown. In our sector, claims affecting library and clerical workers have been halted with no recourse, despite clear evidence of undervaluation. To discard these claims without any transition process or consultation is a betrayal of good faith and due process. It signals to workers that their efforts are disposable and that progress toward equity can be erased overnight. (PCPE 1488 Tertiary Education Union Te Hautū Kahurangi)

Jim Rose, who supported the Government's changes, made the point that the repeal of the Fair Pay Agreements Act straight after the last election discontinued fair pay agreements claims by hundreds of thousands of workers: cleaners, security guards, bus drivers, hospitality workers, supermarket workers, and early childhood educators.

> No one suggested that this deregulation of collective bargaining defied the rule of law. There was no need for transitional provisions because no fair pay agreements had been signed. If a fair pay agreement had been signed, any review provisions did not have the right to entrench the collective-bargaining regime set out in the Fair Pay Agreements Act for all time to come. (PCPE 1555, Jim Rose)

It would be fair to say in response that this was a clear policy campaigned on by the Government and included in the coalition agreement. No one saw the pay equity change coming. The previous amendment had been put in place in 2020, some five years before this change, and although a Government Supplementary Order Paper had caused some comment from the then opposition, the bill as a whole passed without dissent. By 2025, 14 claims had been settled, and 33 claims were in the pipeline. The approach the Government adopted was deeply unfair. Submitters said:

> Retrospectively cancelling agreed claims and making it harder to make a claim is the ultimate irony for a group of people who are already overloaded with unpaid work. To put together a claim takes work. Work that happens outside of their working hours. Work that happens on top of the unpaid work they do at home, in their church, at their marae or in their community. They are already exhausted. And now they are required to do more work. And it is complex work. Work that challenges a system. It is almost like the government thought about this and knew that an overworked, undervalued,

> and exhausted group would not be able to fight back. Well, they were wrong… (PCPE 92, Emma McLean)

> This retroactive elimination violates fundamental principles of legal certainty and legitimate expectation. When citizens engage with legal processes in good faith, they have a right to see those processes concluded according to the law under which they began. The European Court of Human Rights has repeatedly held that retroactive interference with pending legal proceedings violates basic rule of law principles. While New Zealand is not bound by European jurisprudence, these principles are universal to democratic legal systems. (PCPE 1301, Rights Aotearoa)

One of the submitters who was involved in the Administration and School Librarian Support Staff Pay Equity claims said they were successful because of the large amount of evidence gathered and the robust analysis done by both sides, which proved that there was indeed a serious undervaluation of the roles, predominantly held by women, in comparison to male-dominated roles of equal value. However, the retrospective wiping of the review clause was a major setback:

> These claims were settled two and a half years ago, and sadly this means we are already falling behind what our male comparators are being paid now. Part of the agreed settlement was the condition that any equal pay established must be reviewed and kept current. Distressingly, this possibility has been removed by the current government's changes to the Equal Pay Act. This review clause (agreed by both NZEI Te Riu Roa and the Ministry of Education) in our settlement will be unenforceable. Settled claims can only be re-raised 10 years after settlement - so in November 2032 - and only if the claim meets the new requirements, which have been made much more restrictive. (PCPE 1216, Clare Forrester)

1.4 Good Law-Making

Consultation

The Regulatory Standards Act emphasises ‘good law-making’ as one of the principles of responsible regulation. The first aspect of good law-making is stated to be ‘the importance of consulting, to the extent that is reasonably practicable, the persons or representatives of the persons that the responsible agency considers will be directly and materially affected by the legislation’.

In this instance the Cabinet paper[8] was developed by the Ministry of Business, Innovation and Employment, the Treasury, and the Public Service Commission. The Department of the Prime Minister and Cabinet, Ministry of Foreign Affairs and Trade, and Crown Law Office were consulted on the paper. It was noted that the proposals had been developed in a short timeframe with limited time to assess implications and unintended consequences, with narrow and targeted consultation (with the Ministry of Education and Health New Zealand).

Former Human Rights Commissioner Rae Julian submitted:

> Why was there no consultation with the Ministry of Women’s Affairs? Or the Ministries of Māori Development? Or Pacific Island Affairs? Their clientele was most likely to be affected. Women’s organisations, such as the National Council of Women, the Māori Women’s Welfare League and Pasifika were all excluded from

[8] Hon Brooke van Velden, Cabinet Paper Reviewing Policy Settings, 31 March 2025

> any opportunity to provide feedback. The trade union movement was similarly ignored. Their likely reactions were predictable, but the principles of democracy were not followed. (PCPE1366, Rae Julian)

The key issue here is that the policy details were not even tested with the Ministry of Women, despite the bill proposing a fundamental change to a policy that was squarely within their remit. This also meant that there was no input from the National Advisory Council on the Employment of Women (NACEW) which is an independent Ministerial advisory body to the Minister for Women. Since it was established in 1967, NACEW has worked to address immediate employment needs, identify emerging employment issues and commission research. Their input ought to have been sought. In their submission they said:

> The lack of consultation is a breach of good governance and an affront to democratic process. Women, particularly from marginalised communities, must have a seat at the table when decisions affect their livelihoods. (PCPE 1453, NACEW)

They were not alone in this view:

> This People's Select Committee exists because democracy failed. When Parliament abandons its duty to scrutinise legislation, when government refuses to consult those affected by its decisions, when urgency is abused to avoid accountability, democracy itself is undermined. The Equal Pay Amendment Act 2025 is thus not just an employment law issue but a constitutional crisis—a test of whether New Zealand's democratic institutions can self-correct when they fail, whether civil society can demand accountability when government avoids it, whether the people's voice matters when Parliament refuses to listen. [The] Committee represents democratic innovation—creating new forums for participation when traditional ones are denied. But it should never have been necessary. The fact that it is necessary reveals how far our democracy has strayed from its principles. (PCPE 1301, Rights Aotearoa)

The use of urgency and lack of select committee referral

> The true urgency, we suggest, was political—to avoid the inevitable opposition that transparency would bring. Internal documents, heavily redacted even under Official Information Act requests, hint at awareness of the damage being done. The Government's refusal to release its human rights analysis, now under Ombudsman investigation[9], speaks volumes about consciousness of wrongdoing. (PCPE 1301, Rights Aotearoa)

Rights Aotearoa made their submission in response to the government's failure to explain what required the use of urgency - "what emergency required destroying a functioning system without scrutiny?".

In making her submission, Dame Silvia Cartwright acknowledged that Parliament had the power to introduce legislation as it sees fit. However, in doing so, it usually had the benefit of the scrutiny of Select Committees assisted by public comment and submission to ensure that its draft legislation is sound. She went on to point out that in this case

> The rights that these women … relied on, have been removed or changed to their detriment without giving them a chance to comment. This appears to be an

[9] The Ombudsman did not release the material, but the matter is now before the High Court with parties seeking a Declaration of Inconsistency with the NZ Bill of Rights Act

> historically unfair provision, that breaches fundamental legislative principles of fairness, legal certainty and the rule of law. (PCPE 1597, Dame Silvia Cartwright)

The Hon. Margaret Wilson stated:

> As a constitutional lawyer it is hard to find words to describe the abuse of constitutional legislative process. No notice, retrospective affect, no public opportunity to express a view on the Bill, and extremely limited opportunity for the constitutional opposition in Parliament to respond. (PCPE 1171, Hon. Margaret Wilson)

The evidence heard by this Committee made it clear that without a select committee process, there was no opportunity to counter the government narrative. The committee was offered examples of the way Ministers used examples of comparators to mock the process, relying as they did on a lack of public knowledge of the actual process to downplay what had occurred.

> We … watched in real time as they pulled together a few other glib responses: muddying the distinction between equal pay and pay equity; and – most offensively – ridiculing cross-sector comparators. The 'Did you hear about the social worker who got compared to the air traffic controller?' line was used ad nauseum by ministers in media statements and email responses. It wasn't an argument so much as a conversation-ending punchline: you could hear the derisive laughter. Hilarious that office administration and social work had been compared to manly, important jobs in fisheries and air traffic control! Woke time-wasting to investigate whether there might be common skills between roles in different sectors! Inconceivable that jobs performed overwhelmingly by women might have been historically underpaid because all work by women was undervalued - and that the disparity just might have stuck. (PCPE 1380, Clare Moleta)

One of the university librarians who submitted made a similar point:

> … I was surprised to see ministers' open mockery of what comparators were given to public library assistants - it made it sound like those comparisons were reached through librarians' self-aggrandisement, rather than the conclusions of the [worker and employer parties]. I don't know what comparators would have been found for university library assistants, as our profession is more focused on research than on social service, but whatever it might have been, I fear that we would also be dragged through the mud for it. My understanding of pay equity was that comparators were taken from outside the sector because, in a historically female-dominated industry, there are no fair comparators to be found within it, and that comparing pay scales for roles within the industry isn't pay equity but pay parity. It seems to me as if this amendment has redefined pay equity out of existence. (PCPE 1252, Alex Cass)

A select committee would have enabled all of this to have been exposed.

> The Auckland Women's Law Association was particularly concerned with the constitutional impropriety that comes with rushing the legislation through under urgency. They commented on the lack of satisfactory justification provided for the urgency, emphasising that an important tenet of the democratic process is the right New Zealanders have to make submissions on Parliament's bills to the Select Committee. That right was discarded in this case; despite the far-reaching impact the legislative changes will have on many New Zealanders. (PCPE 1612, Auckland Women Lawyers' Association)

As Te Uru Tāngata Centre for Workplace Inclusion submitted:

> Laws that disproportionately impact women and lower-paid workers should never be made behind closed doors. The urgency mechanism was used not to address a crisis, but to avoid public scrutiny. That alone is cause for concern. The absence of dialogue, transparency, and due process makes this legislation not only regressive but anti-democratic. (PCPE 1299, Te Uru Tāngata Centre for Workplace Inclusion)

A news item on the NZ Institute of Directors website makes the point that given the new law was passed under urgency, there was no opportunity for members of the public to make submissions on the Bill, nor for those currently involved in pursuing claims. They described this as "a drastic step" and "particularly unusual and draconian in its impact"[10].

Former Prime Minister, Sir Geoffrey Palmer has stated publicly that Parliament's public reputation will continue to decline unless something is done to reduce the overuse of urgency and improve the scrutiny of new laws[11]. At a recent hearing in front of Parliament's Standing Orders Committee, he said that the law should be changed to put restrictions on the use of urgency, limiting it to genuine emergencies "and not merely because the Government is in a hurry". This Committee agrees.

This theme, repeated throughout the submissions, described 'a fait accompli, only to be revealed when it was too late to stop it, purely as a means of funding other priorities'. (PCPE 1225, Joanne Wilkes)

> Not only does this legislation weaken the hard-won gains made towards fair pay for women and those in traditionally undervalued professions, but it was rushed through under urgency—silencing the voices of the very people most affected. This process has deeply undermined public trust. The haste with which it was introduced meant there was no opportunity for meaningful consultation, evidence-based scrutiny, or the democratic engagement that is the hallmark of responsible governance. (PCPE 1329, Sue Cutmore)

> The process by which changes to the Equal Pay Act relating to pay equity were made by the Government was unfair and an egregious departure from good democratic process. (PCPE 1388, Beverley Curtis)

Failure to provide a Regulatory Impact Statement (RIS)

> Cabinet's impact analysis requirements apply to this proposal, but there is no accompanying Regulatory Impact Statement, and the Ministry for Regulation has not exempted the proposal from the impact analysis requirements. Therefore, it does not meet Cabinet's requirements for regulatory proposals[12].

The Minister was clear in advising Cabinet that the approach they adopted was in breach of its obligation to undertake a regulatory impact analysis. The only comment the Minister offered to explain the omission was that her (self-imposed) time constraints did not allow for one to be completed.

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10 Pay equity reform – reducing cost or reducing equality? | IoD NZ, 16 May 2025

11 Palmer asks Parliament: What's the rush? - Newsroom, 10 November 2025

12 Hon Brook van Velden, Cabinet Paper Reviewing Policy Settings, 31 March 2025

It is important to understand why regulatory impact analysis is required. The Ministry of Regulation makes it clear that when a Minister wants to create or change legislation, their agency must first provide Cabinet with an analysis of the likely impact of the regulatory changes being proposed. This ensures that Ministers have information on the *scope,* the *rationale* and the *options,* including the *costs and benefits* of each of the options. It provides the *views of those consulted,* and *how the changes could be implemented, monitored and reviewed.*

This approach is 'designed to encourage systematic and evidence-informed policy development, which helps support high quality regulation. They also help ensure Cabinet can make well-informed decisions about the regulatory changes being proposed[13].'

The absence of a RIS means that there was literally no evidence to support the claims the Government made with respect to the existing framework that the new law would essentially replace. The absence of the RIS was stated to be due to ministerial time constraints.

This raises serious doubts about the nature of the claims made by the Minister in relation to the Bill, which she promoted as providing a 'better' framework for assessing whether there is sex-based undervaluation. She stated:

> I consider that the 2020 amendments to the Act have made it harder for parties to have confidence that a "pay equity" assessment is identifying and correcting for differences in remuneration that are the result of sex-based discrimination. This is particularly as a result of the low entry threshold and insufficient guidance in the Act for comparator choice and comparison methodology[14].

There is simply no evidence offered to support this view, and the submissions we received ran directly counter to what is nothing more than opinion. There is no better example of why regulatory impact analysis is so vital.

For the sake of completeness, a RIS could have provided an analysis of and a context for the pay equity evaluation process that would have meant ministers could not have mocked the process of comparators in the way they did. We have already addressed this - in our discussion of the use of urgency - but it applies here too. (Note PCPE 1380, Beverley Curtis)

It is also worth noting that Regulatory Impact Statements were prepared first in 2018 and then to support the 2020 amendment to the Equal Pay Act. They set out the difference between 'equal pay' and 'pay equity', and explain the impact of the 2014 decision, the Terranova case[15], that confirmed that the Equal Pay Act did extend to pay equity.

> Pay equity is seen as a way to address systemic discrimination where jobs that have traditionally been performed by women are considered to be paid less than if that job had been traditionally performed by men. These jobs may have included tasks and duties that could have been seen as 'women's work'. This involves making

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[13] "RIA overview", Ministry of Regulation website, www.regulation.govt.nz/our-work/regulatory-impact-analysis-ria/

[14] "Reviewing policy settings", CAB-25-MIN-0093 Minute [5], MBIE 31 March 2025. www.mbie.govt.nz/assets/reviewing-policy-settings-

[15] http://www.courtsofnz.govt.nz/cases/terranova-homes-care-limited-v-service-and-food-workers-union-nga-ringa-tota-incorporated-and-kristine-bartlett

> judgements about the relative value of skills, responsibilities, effort and conditions of work in abstract from the market-set pay[16].

It provides a detailed analysis of occupational segregation, the unexplained gender pay gap, and systemic gender discrimination as a market failure. It then considers the implications of the Terranova case and the Government's response to it. It is when we come to the problem definition, described as the misalignment that pay equity claims have with the existing employment relations framework, that we understand why this particular approach was adopted. As the RIS states:

> The arrangements in the Equal Pay Act are more aligned with those that were in place in the 1970s than our current arrangements. When the Equal Pay Act was passed, wage setting in the private sector was highly centralised. The predominant bargaining system was compulsory conciliated bargaining for blanket-coverage awards that set minimum terms and conditions of employment. Where an agreement could not be reached, the Court of Arbitration had the power to resolve disputes and set wages and minimum working conditions. This is no longer the case... Consequently, under the Equal Pay Act, the Employment Court has a more determinative role in settling wages than it does in other areas of employment law.

The RIS goes on to offer a view that this was why the Court of Appeal had suggested that the Employment Court be asked to issue a statement of principles to assist the parties in submitting and responding to a claim. This would help the parties to settle pay equity claims.

It also stated that the role of the Court in determining pay rates was 'misaligned with the existing employment relations framework', noting that the purpose of the Employment Relations Act 2000 (ERA) was 'to build productive employment relationships through the mutual obligations of trust and confidence, encouraging low-level dispute resolution and reducing the need for judicial intervention'.

The RIS then proposed options to ensure that the process would be 'effective at addressing systemic discrimination which has deep rooted societal causes that mean jobs traditionally performed by women may be undervalued in the labour market'. This was said to be important because freedom from discrimination was important to society and discrimination was economically inefficient. The approach to be adopted had to support productive employment relationships consistent with the modern bargaining framework; support a better functioning labour market; provide certainty and minimise compliance and administrative costs. The foundation of all these was the mutual trust and good-will that are an important part of productive working relationships.

There is nothing in the Equal Pay Amendment Act 2025 that in any way aligns with the original RIS, and we can find no evidence to support the claims the Minister has made.

Departmental Disclosure Document (DDS)[17]

In the absence of a RIS, we have carefully considered the elements of the DDS, which begins with Part One: General Policy Statement.

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[16] Impact Statement 16 May 2018 prepared by the Ministry of Business Innovation and Employment and the Ministry for Women https://www.mbie.govt.nz/assets/a046adb9fd/regulatory-impact-statement-pay-equity.pdf

[17] disclosure.legislation.govt.nz/bill/government/2025/147

> In 2020, the Equal Pay Act 1972 (the Act) was amended to provide a process for claimants to raise and settle pay equity claims to address undervaluation in remuneration in female-dominated occupations, rather than a court-based claim system.
>
> The legislative settings introduced in 2020 included a low entry threshold, limited tools for employers to contest broadly scoped claims, and insufficient requirements for comparator choice and comparison methodology. These settings have resulted in claims progressing through the entry threshold without strong evidence of undervaluation and made it difficult for parties to attribute differences in remuneration to sex-based undervaluation.
>
> The proposed changes to the Act will improve the process for raising and resolving a pay equity claim and provide a better framework for assessing whether there is sex-based undervaluation. Changes are being made to ensure the process is workable and sustainable. There will be a better framework for parties to use to assess whether there is sex-based undervaluation when a pay equity claim is made.

There is no analysis to support this statement.

Part Two is headed Background Material and Policy Information. Question 2.1 asks, 'Are there any publicly available inquiry, review or evaluation reports that have informed, or are relevant to, the policy to be given effect by this Bill?'. The following reports are noted:

> Secondary Review of Methodology to Determine Sex-Based Undervaluation of Care and Support Work[18]
>
> The Value of care: Understanding the impact of the 2017 pay equity settlement on the residential aged care, home and community care and disability support sectors[19]
>
> Impacts of a pay equity settlement: Summary of research findings[20]

The first of the reports does not seem relevant to the issues that were under consideration here as they related to the pre-2020 provisions of the Equal Pay Act.

The last report is a brief analysis of two Rangahau Aotearoa Research New Zealand (Research NZ) surveys conducted in 2022 and 2023. These assessed the social and economic wellbeing of almost 500 social worker employees both pre- and post- pay equity settlement. It reports extensive support for the pay equity changes from both social workers and their employers. Its evidence is a comprehensive rebuttal of the 2025 amendments. It is also rigorous peer-reviewed research. Ironically, it states that the research marks the starting point of a strong evidence base for in-depth and larger scale cost benefit analysis of pay equity settlements. It also notes that such research is important in building an understanding of the downstream economic and social impacts of pay equity. This is vital and ought to have been given more weight by officials and Ministers.

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[18] www.tewhatuora.govt.nz/publications/secondary-review-of-methodology-to-determine-sex-based-undervaluation-of-care-and-support-work

[19] workresearch.aut.ac.nz/__data/assets/pdf_file/0019/258130/. pay equity-Report_Digital_final.pdf

[20] https://www.publicservice.govt.nz/assets/DirectoryFile/Impacts-of-a-pay-equity-settlement.pdf

Turning now to the first report, *Secondary Review of Methodology to Determine Sex-Based Undervaluation of Care and Support Work,* released in August 2024: this is problematic, a consideration that was made clear by the authors of the report itself.

There are a number of points that should be noted about this report. First it had been commissioned unilaterally by Health New Zealand Te Whatu Ora in September 2023, despite the Equal Pay Amendment Act 2020 requiring that pay equity processes be jointly managed between employers or funders and employee representatives or unions. This created a problem: the Terms of Reference were written without the input of all of the parties. This unilateral action undermined the good-faith framework and suggested that the government funder was second-guessing an established methodology that had already guided previous pay equity settlements. The report's findings were strongly contested and criticised as a one-sided review undertaken outside the standard collaborative process. It is no surprise that the unions representing care and support workers refused to participate viewing the process as 'a smokescreen' to delay the pay equity claim[21].

Second, the authors of the report expressed concerns about the limitations of their investigations (including the one-sided terms of reference) and calling into question their findings. The authors are quite clear that 'not enough evidence was received to fully answer the matters for review in the Terms of Reference', disclosing that 'a full documentation set is not able to be made available... Instead, the report describes our understanding of, and views on, the documents we did receive'.

Some pertinent quotes from the report read as follows:

> We requested other significant documents that were indicated or referred to in the documents that we did receive. Some were not provided; others were provided only on the basis they could not be shared further.
> …
> Some evidence, particularly detailed documentation showing the considerations and thinking that resulted in how the factor levels in the single work profile were assigned and subsequently factor scored, was not available to our reviewers.

They also noted the Pay Equity Assessment Process Guidance where:

> It is not recommended best practice to have a person or group, outside of the parties to the claim, checking the scores. This is because the process of understanding the material and coming to consensus is thorough and involved. People without that deep involvement in the discussions and material may import bias into the process.

The report is littered with caveats:

> We cannot confirm roles in scope when answering this Review question…
>
> We are, however, unable to verify that…
>
> We have been unable to determine…
>
> It is not possible to determine the materiality of this finding with the information we were provided.

[21] Unions Reject Flawed Care And Support Pay Equity Review Outcome As A Distraction | Scoop News, 22 August 2024

> We have not seen the working papers that document the Panel's considerations and thinking that resulted in the factor level assignment and subsequent point scoring, so it is not possible for us to form a view on whether the final score accurately and defensibly reflects the role, responsibilities, skills, and effort of care and support workers
>
> The parties 'may have...potentially' overestimated, but 'it is difficult to decide' the size of this.

The researchers came up with an alternative based on very flimsy data (since they saw so little of it) but acknowledged 'our alternative is more resource intense and takes more time'. The researchers were consistently transparent about why their report should not and could not be seen as rigorous research.

It is hard to accept that any Cabinet Minister read this 'evidence', and even harder to accept that any of the officials or advisors did either. No person who reads and understands research would have accepted this work as a basis for this legislation to undermine women's human rights.

Finally, the Pay Equity Taskforce raised significant concerns about the Te Whatu Ora review[22], including the decision to commission the review in the first place. The report was initiated by Te Whatu Ora just a month after it had proposed a settlement figure substantially lower than what the evidence indicated was necessary to achieve pay equity. That offer was rejected by both unions and employers, and the unions subsequently lodged a case with the Employment Relations Authority about the unilateral action. It became apparent that Te Whatu Ora was also commissioning a secret desktop review by Strategic Pay at the same time. It is not surprising that they stood accused of overreaching into the pay equity process, Te Whatu Ora's interference could have been considered to be unlawful.

Although the Te Whatu Ora review did not explicitly call for legislative reform, it is clear that they and, more so, the Ministry of Health, were influential in the decision to amend the Act.

The remaining parts of Part Two of the DDS relate to Impact Analysis, which confirms that, due to the time constraints, there had been none.

This included a question on whether there had been any analysis on the potential for any group of persons to suffer a substantial unavoidable loss of income or wealth. The answer was: 'Due to ministerial time constraints, no analysis on the potential impact of the Bill on any specific group of persons was undertaken.' They did not even reference the reports mentioned above which would have indicated the impact of pay equity on those workers who had benefited from it. Although they noted the financial benefits to government, they did not indicate that there was a reciprocal loss of benefits to female-dominated workforces.

As we show throughout this report, the submissions we received highlighted the emotional benefits of being valued as well as the financial benefits of receiving better remuneration for work that had been traditionally under-valued.

[22] Pay equity experts raised red flags over review, Emma Hatton, Newsroom 29 August 2024

Part Three tests the legislative content starting with our international obligations, the government's Treaty of Waitangi obligations and the NZ Bill of Rights. The first is a tick-box exercise that simply acknowledges we have ILO obligations. The Treaty analysis, we were advised, did not occur due to time restraints, a significant breach of the Government's constitutional obligations. We deal with this in a separate part of the report but will say here that it is hard to believe, in this day and age, that such obligations could be dismissed because the government had run out of time.

> The Equal Pay Amendment Act 2025 represents a profound violation of Te Tiriti o Waitangi, breaching both the principles of equity and partnership that underpin the Crown-Māori relationship. (PCPE 1301, Rights Aotearoa)

The third noted the Attorney General's report, which did raise concerns; but without the human rights advice it is again hard to assess how this was justifiable as a matter that could be dealt with under urgency. It is significant that not once did the report identify pay equity as a human right.

There is a section which asks whether the Bill affects rights, freedoms, or impose obligations, retrospectively. The answer is, 'Yes':

> All review clauses under existing pay equity settlement agreements, including a term or condition of a review clause incorporated into an employment agreement, will become unenforceable (refer Schedule 1 Part 2). The rationale is that all claims should be working within the same framework, rather than having two systems operating at once.

And it notes that there are regulation-making powers which 'will be used if, in future, they could provide greater clarity to support employers to determine if the claim has merit and/or whether the scope of a claim is appropriate when raised'.

The final question asks if there is anything unusual or calls for special comment. The answer:

> All existing pay equity claims that have not been finally settled or determined will be discontinued (refer Schedule 1 Part 2). Claimants can raise a new pay equity claim under the amended Act, if they meet the new requirements for raising a claim. Existing pay equity settlements, including those that were treated as settled under the 2020 Amendment Act, will only be able to be re-raised after 10 years from their settlement date. The Bill will commence the day after Royal Assent, meaning the changes will come into effect immediately, so that all existing and future claims are considered under the new framework. Additionally, upon commencement any proceedings about a review clause are discontinued.

The difference between the content of a DDS and a RIS is drawn into sharp relief when it is considered in this way. Bald statements are not required to be backed up by analysis, evidence or the diverse views that would have emerged from consultation. The lack of a RIS to support the latest amendment can only be viewed as a fundamental breach of faith when the reason given is that there was insufficient time. The only time constraint was self-imposed and the only references to dates were those that required decisions to be made in time for the law to pass before the Budget. Despite repeated attempts at denial, this remains the only explicitly identifiable reason why the amendment was pushed through Parliament without due process and proper scrutiny.

> Consequently, we are left to consider that the changes have been made for ideological, fiscal and political reasons and not with any intention to improve the pay equity process for women. (PCPE 1576, Philippa Conroy)

Bad Faith

The joint briefing to the Ministers of Finance and Workplace Relations and Safety on 24 February acknowledged as follows:

> …agencies facing claims in the public sector need to continue to meet their good faith obligations as employers and engage with unions until there is superseding legislation in force[23].

It is important to consider the timeline that has been set out on the PSCPE website[24], as it documents the work that was being undertaken behind the scenes at the same time as employer and union parties were being asked to actively participate in the process.

> The changes made are deeply unfair and concerning, however, most galling is the manner in which the legislation has been amended. The Government has knowingly bypassed democratic process and deliberately passed this covertly orchestrated amendment into law. All the while continuing to negotiate current Pay Equity claims with the Unions in particularly bad faith while the Unions were negotiating in good faith. The Ministers concerned were well aware their actions were bypassing public scrutiny and stopped 33 active claims overnight. They showed a total disregard for the Bill of Rights Act and the Human Rights Act. (PCPE 1465, Michelle Fraser)

Several submitters told us about the impact of the announcement especially those with active claims. The Platform Trust (PCPE 1407, Hearing Day 9, 00:36:29) said they 'were flabbergasted by the decision'. They were paying legal fees up until the day before the Act was introduced. They told us that the levels of data they were required to provide were incredible. They had spent 10-12 hours per week in meetings, each one of them seemingly 'urgent and critical', all now to no avail.

The Aged Care Association submission advised us that the pay equity claim for care and support workers was formally lodged by unions on 1 July 2022 and was progressing through the Funded Framework toward a potential sector-wide settlement.

> We willingly participated in the claim because we believe those caring for older New Zealanders deserve to be paid in a way that reflects both the real cost of providing that care and the true value of the work that they do. (PCPE 1472, Aged Care Association)

They estimated that in just the last 12 months, employer parties and peak bodies in their sector would have spent close to or over half a million dollars gathering information for that claim, much of it at the request of government.

> Yet while we were doing that the government was already moving behind closed doors to get cabinet approval to end all current pay equity claims including ours. No discussion, no public input. Working groups were kept in a holding pattern with repeated excuses further straining already under-funded providers.

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[23] Pay Equity: Pathways for Change, Briefing Paper, 24 February 2025, para 11.

[24] http://www.payequity.org.nz

The Aged Care Association and other peak bodies spent hundreds of hours surveying their members and compiling data for Te Whatu Ora only to be told the agency would then use its own calculations. As consultant, Phillipa Gaines, stated:

> The process has made a mockery of the extensive amount of work that was undertaken by peak bodies, employers, unions and the workers that they represented to gather the information that Government was asking of them. They did this in good faith on the understanding that Government wanted to resolve the community support worker pay equity claims and was on track to do this. It has damaged trust in Government and in public sector agencies and destabilised long-term workforce planning in a sector where fair pay cannot be achieved through market forces alone. (PCPE 1480, Lattice Consulting)

A similar experience was reported by the Atamira Platform Trust, a peak body organisation representing 93 members in the mental health and addiction NGO and community sector. Platform supported, worked with, and represented over 40 mental health and addiction employers named in two of the three Care and Support Workers' pay equity claims that have been discontinued because of the 2025 Act. They stated that the proposed changes had come as a surprise.

> Up until the changes were executed, Health NZ had continued to work intensively with unions, peak bodies and employers on workforce data and other information needed to inform what a government contribution to a pay equity resolution might look like. They signalled support for a sector-wide solution right up until when the Act was passed. (PCPE 1407, Atamira Platform Trust Trust, supplementary submission)

Specifically, they advised the Committee that on 14 March 2025, peak body Chief Executives met with Health NZ officials who confirmed that funding contribution advice would be provided to joint Ministers because Health NZ is the lead funder and there are other public sector agencies who are funders and would need to be included in the joint advice to Ministers. They confirmed on that date that the advice to joint Ministers would include steps for a sector solution. The Platform Trust estimates that they spent over $1.3m on the process.

Looking at the timeline[25], the Ministers of Finance and Workplace Relations and Safety had already signed off on a pathway that would prevent this claim from being settled.

In the Human Rights section of this report, we show how Finance Minister, the Hon. Nicola Willis, who led a 'pay equity reset' in mid-2024, and the Minister of Workplace Relations and Safety, the Hon. Brooke van Velden, who was made the lead minister in December 2024, jointly steered a process that led to this sudden law change before Budget 2025 was announced. It was the December Strategy Cabinet Committee meeting chaired by the Prime Minister that saw the work on amending the Equal Pay Act accelerated.

The timeline demonstrates how Ministers ensured that everything was kept from public view until the shock announcement.

In February 2025, Treasury officials asked the Minister of Finance's office how they should engage with agencies with live pay equity claims, who knew nothing of the ongoing discussions regarding the future state of pay equity. It was agreed that, if asked,

[25] www.payequity.org.nz/

they would let agencies know there was 'work going on in the background regarding pay equity, but that no decisions have been made at this stage'.

At the same time Ministers Willis and van Velden (and Hon Judith Collins as Minister of Public Service) were being advised that they would need to get a decision from Cabinet by the end of March to get the law changed before the Budget.

A key meeting on 19 March saw Ministers Simeon Brown, Erica Stanford, and Nicola Grigg join the three others to finalise the changes. They lifted the threshold to define a female-dominated workforce to 70% when officials had previously recommended 66%; and they removed the ability to seek a male comparator from another industry when no such comparator was available or appropriate within the same workforce or industry. The latter decision was a pivotal element of the Terranova case.

It was after this that the work went further behind closed doors, and hard copies of papers were hand-delivered to named recipients rather than as email attachments. The subject line of emails was changed to 'Project Ten.'

When we track the progress of the aged care pay equity claim alongside the timeline, we can see that employer groups and unions were essentially being strung along. They were asked to provide copious quantities of data and continued to expend time and resources at the same time as Ministers were pushing on with the changes. Just five days before the Act was introduced and passed on 6 May, the then Minister of Health, Simeon Brown, met with employer groups to discuss three live claims without disclosing that Cabinet had already decided to scrap them all.

This has had a major impact on trust, something that is the hallmark of good government. As a result, we not only need another pay equity reset, but we also need changes to the way urgency is used to bypass the scrutiny we would expect for such changes. And there must be guardrails put around the use of retrospective legislation in the way we have seen here.

Loss of trust

> Aside from the risks of policy failure and unintended consequences – as noted by officials and the minister, thanks to the limited timeframe in which to assess policy options, test assumptions and carry out consultation – this type of lawmaking has the potential to erode trust and confidence in the system[26] .

The submissions the committee heard have identified increased fears about what a lack of commitment to the rule of law can mean, and many have asked how this can be prevented in the future. Given the fact that retrospective legislation effectively denied 33 pay equity claims that had already been lodged, what of the applicants and employer groups who had spent considerable time and money on preparing or responding to these claims? How can there be trust in the future when this has occurred? As former EEO Commissioner, Dame Judy McGregor, stated:

> …the extraordinary disregard for time-honoured checks and balances associated with good and effective legislation, in addition to the speed with which the legislation

[26] Hush and rush of Govt lawmaking undermines trust and quality, Laura Walters, Newsroom, 4 August 2025

> was rushed through, erode public trust in the legitimacy of Parliament and its ability to function… (PCPE 1145, Dame Judy McGregor)

It is unsurprising that she warned that 'this new low trust dynamic is especially damaging to effective policy development processes in general'.

> This legislation is more than a policy shift. It is a statement of what we value. If we truly value fairness, equity, and the contributions of those who hold our social systems together, then we must legislate accordingly. The Equal Pay Amendment Act 2025 fails to meet that standard. I thank the Committee for creating this space for the public to be heard and for its commitment to restoring integrity to this process. (PCPE 1093, Hainoame Fulivai)

> Rushing this legislation through undermines democratic accountability and public trust. If delays or challenges in previous claims were a problem, these issues should have been reviewed and resourced not used as a justification to roll back rights. (PCPE 1093, Hainoame Fulivai)

> The removal of these claims without warning or consultation undermines confidence in the government's commitment to fairness, particularly for women. Policy processes that disregard stakeholders' investment are antithetical to good democratic governance. (PCPE 1374, Sheryll Markie-Brookes)

> Given Aotearoa New Zealand is the first country where women won the franchise, this is just embarrassing. I want so much more for the young women and girls of my whanau, my community, and my country. (PCPE 1570, Jennifer Germon)

'Orchestrated subterfuge' was one of the headings used to describe the approach the government had adopted:

> It was secretive, organised and designed to spin a mischievous story about the pay equity instrument which has international credibility. The form letter sent out by the Government in response to letters of protest was preplanned and identical in response to all letters of protest, regardless of the specific points made in individual letters. This too runs roughshod over the democratic process and undermines transparency and overall trust in Government. (PCPE 1451, Penny Carnaby)

It is worth noting that at least one employer was acknowledged for proceeding with a substantial pay increase even though the pay equity claim had been discontinued by the Act. One of the library assistants said this:

> Here in Ōtautahi, the Council has done the right thing and given Library Assistants a decent raise this year to better reflect the work and address historical underpayment. This should be standard up and down the country, and we need pay equity legislation that makes that possible. (PCPE 1214, Artjie Hunter)

Finally, the Committee wants to acknowledge all those who wanted to ensure that all voices could be heard:

> Above all, I make this submission on behalf of Lyn, who prior to her death a few years ago, led the charge for pay equity in our community. Lyn was a devoted, energetic and inspirational primary school librarian and teacher aide. Her joie de vivre touched the lives of hundreds of children. However, Lyn was a woman on her own and a renter. Her pay didn't meet her living costs, and she needed to find extra work to make ends meet so she did evening and weekend shifts in a

> supermarket. Before long she became unwell. One morning she phoned the school office to say she wouldn't be able to come to work. The following day a staff member went to check on her and found her dead. When I think of the importance of fair, decent pay, Lyn always springs to mind. May her efforts not be in vain. May she rest in peace. (PCPE 1215, Peta Barker)

1.5 Recommendations

The People's Select Committee on Pay Equity recommends, in respect of the rule of law and good law-making:

Recommendations: Section 1
Legislation affecting fundamental rights should be explicitly excluded from urgency provisions except in cases of genuine emergency (natural disaster, war, pandemic).
Pay equity should be recognised as a constitutional principle, protected from political interference. This could be achieved through entrenched legislation requiring supermajority support for amendment, or through judicial development of pay equity as a recognised right under the New Zealand Bill of Rights Act 1990.
Any future employment law changes should require minimum 90-day consultation periods, including targeted engagement with affected communities, unions, employers, and Treaty partners.

Section 2: Pay Equity is a Human Right

2.1 Overview

Pay equity is a fundamental human right. It acknowledges that women have been subject to systemic discrimination in the paid workforce. Much of women's work is omitted from national accounts because it is unpaid,and described as being of as being of little or no importance to a nation's economy. This discrimination is historic, socially constructed, systematic and has led to cumulative disadvantage. It is a clear breach of women's rights to substantive equality.

The preparation for, and the passage of, the Equal Pay Amendment Act 2025, demonstrates the degree to which the NZ government has wilfully breached New Zealand law, and the country's international human rights obligations. Despite warnings of the likely damage to New Zealand's reputation in released Cabinet documents, none of this was of any consequence when the priority was fiscal savings at the expense of women in the low-paid workforce.

Our analysis of the document dump of Cabinet papers shows clearly that throughout the pay equity exercise no Cabinet Minister was ever fully briefed on the measure's human rights consequences. Every piece of information is bite-sized, simplistic and undeveloped – a slide show. No one is ever required to read anything meaningful or comprehensive. No one is advised that New Zealand's pay equity regime is world-leading. Most readers relying on these papers for advice would fail a simple test on what pay equity means, how it is different from annual wage bargaining, how the factor scoring for comparative workforces is carried out and what the international reputational damage might be in successive human rights reports to UN bodies.

2.2 The Cabinet Papers: What the Government knew about breaching human rights

Confusion is evident in the Ministry of Business, Innovation and Employment's 2023 Briefing to the Incoming Minister. A reference to pay equity is placed under the heading 'Collective Bargaining Processes,' even though—while aligned with the bargaining framework—pay equity is not part of collective bargaining itself[27].

The briefing expresses concerns about the decision-making processes and fiscal implications of pay equity settlements. It is reasonable to question where MBIE believes its expertise in pay equity to lie. The question becomes sharper when we recall that MBIE opposed the employer–union request in 2020 to align the pay equity process with bargaining. The 2023 briefing appears to have provided officials with another opportunity to advance that same argument.

The following is a timeline of events leading up to the passage of the Equal Pay Amendment Act 2025.

December 4, 2023: MBIE gets an email request for a briefing for Minister van Velden on 'pay parity.' Although the officials respond politely, it is clear that the Minister is actually seeking information on pay equity and does not yet understand the distinction. In

[27] For example, you cannot strike for pay equity: affordability is not an issue as it is evidence based; there can be multi-employer consolidation and there is a need for a ratification vote

response, the Minister is provided with a simplified slide presentation outlining the differences between equal pay, pay parity, and pay equity.

December 14, 2023: A briefing from MBIE, the PSC and Treasury provides advice on 'options for changing the Government's approach to pay equity to support fiscal management of claims.' The paper advises a change 'could pose legal risk to public sector and funded sector employers and the Crown.' It does note that 'Affordability is not a factor that can be explicitly taken into account in working through the process', but from here on, everything is about affordability.

February 16, 2024: A meeting takes place between Business NZ (BNZ) and the Hon. Brooke van Velden. At this meeting BNZ advise: 'the flow-on effects from public sector settlements across the labour market, particularly in health and community services, is significant.' In their list of issues important to their members they ask for the Equal Pay Act to be reviewed 'in the light of lengthy outcomes and cost implication of outcomes.' This is noteworthy given the Government's claim that only government agencies had been consulted on proposed changes to the Act.

March 7, 2024: Cabinet Strategy Committee sees a slide show. This advises (the first mention) that New Zealand has pay equity obligations under the International Labour Organization (ILO) Equal Remuneration Convention, 1951 (No. 100), the United Nations Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), and the International Covenant on Economic, Social and Cultural Rights (CESCR). A Crown Law representative is present at this meeting.

One of the slides states: 'New Zealand ratified ILO 100 in 1983 but faced criticism because it did not recognise equal pay for work of equal value for many years' but otherwise does not expand on the Convention[28].

April 17, 2024: Email from MBIE in response to a request from the office of the Minister for Workplace Relations and Safety. An attachment, Document 8, raises some interesting points. It claims that many other countries have pay equity regimes. Most of those listed do not have such regimes, but this is not noted. An appendix lists the bodies tasked to address what are essentially issues of equal pay and the pay gap. However, what completely escapes this somewhat dated list is that all mechanisms for oversight, except that in New Zealand, are human rights bodies. The list includes Australia's Fair Work Commissioner, the UK's Equality and Human Rights Commission, the Equal Employment Opportunity Commission of the United States, the Canadian Human Rights Commission and Pay Equity Commission, the European Union's Equal Treatment Commission, Gender Equality and Anti-Discrimination Ombudsmen in Scandinavian countries, and the Institute for Equality of Women and Men in Belgium.

These bodies generally function without settlement provisions and operate more as complaint agencies. Descriptions of their role include words such as complaints, enforcement, investigation, enforcement, promotion, information resolution, investigation, settlement, advocacy enforcement, advocacy, promotion, information enforcement, promotion, investigation, resolution investigation, hearings, advice, monitoring investigation, enforcement investigation, settlement, advocacy, monitoring

[28] For context: ILO 100 requires equal remuneration to be paid to men and women workers for work of equal value without discrimination based on sex

advocacy complaints, research, promotion and consultation. MBIE draws no attention to how different these bodies are from the world-leading process adopted in New Zealand.

CEDAW was signed by New Zealand in 1980 and New Zealand ratified[29] the Convention in 1985. New Zealand has also ratified the Optional Protocol, allowing individuals and groups to bring complaints to the UN Committee. Article 11 (d) of the Convention, states that parties shall ensure, on a basis of equality of men and women, the same rights, in particular 'The right to equal remuneration, including benefits'.

CESCR was signed by New Zealand in 1968 and ratified in 1978. New Zealand has also ratified the Optional Protocol, allowing individuals and groups to bring complaints to the UN Committee. Article 7 recognises the right of everyone to 'fair wages and equal remuneration for work of equal value without distinction of any kind, in particular women being guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work'.

The Ministry of Foreign Affairs (lead agency in UN Convention reporting) and the Crown Law Office were consulted on this paper, so while this advice is redacted, it is reasonable to assume that the potential breaches of international law were a key topic.

The People's Committee thinks it is likely that the redacted material covered advice of the likelihood, in the 5-yearly reports to UN bodies required of the New Zealand Government, that the NGO community in New Zealand would be reporting about this breach of human rights in their reports. We think it unlikely that the Optional Protocols[30] on each of these Conventions would have formed part of the briefing.

We also think that the likely damage to New Zealand's international reputation would have been covered in the redacted materials.

November 29, 2024: Finance Minister Nicola Willis asks, "Could the slides [sic] include more detail on how legislative amendments could reduce the costs of pay equity?" This email makes no mention of human rights obligations.

December 2, 2024: A memorandum to the Cabinet Strategy Committee has the subject: Pay Equity – Past, Present, Future. The memo advises 'Note the slides.' Human rights are not visible as a consideration but Crown Law is again present at the meeting.

February 24, 2025: Briefing for Ministers Willis and van Velden. Crown Law is in attendance. By this point, we would expect the Crown Law Office to be advising against any proposal to phase pay equity settlements. We know this because the same issue had arisen before. The circumstances that would make phasing a breach of the law had not changed from the 2020 Crown Law advice, signed by Shaun Connolly, stating:

> Phasing of a pay equity settlement in the manner described … would therefore not achieve the pay equity settlement outcome that the Act contemplates and requires. Rather, it would result in the employer, having determined and agreed a non-discriminatory rate of remuneration as part of the claim process, knowingly and deliberately not paying that rate during the phasing period. That is, the employer

[29] When a country ratifies a treaty, it indicates that it agrees to be bound by it

[30] Optional Protocols provide mechanisms for enforcement of UN Conventions and make it possible for individuals to complain about violations of these Conventions

> would knowingly and deliberately be in breach of its s 2AAC obligation during that period.
>
> What are the legal risks if the parties willingly agree to phasing? If the parties agree to a settlement that involves phasing, then it is likely that the pay equity claim would not be regarded as "settled" for the purposes of the Act. It would be anomalous for a claim to be regarded as settled if the employer is still breaching its s 2AAC(b) obligation, particularly in light of the provisions regarding settlement outlined above that contemplate an immediate variation to the employment agreement(s) to give effect to the non-discriminatory rate of remuneration determined by the parties.

At this briefing there was also discussion of legal risks, including potential inconsistency with New Zealand's international obligations. All paragraphs under 'international relations' are redacted, citing legal professional privilege. An Annex is attached. Here we find the first reference to the Bill of Rights Act (BORA) and the Human Rights Act, but all accompanying commentary is likewise redacted. We infer that Cabinet was advised that the Attorney-General would address any breaches of BORA in his advice to the House, and that he would claim they were justified.

March 14, 2025: A briefing paper titled Policy Decisions and Draft Cabinet Paper on Pay Equity is circulated to the Prime Minister, the Minister of Finance, the Attorney-General and MBIE Ministers as well as the Ministers of Health, Education, and Women. Annex 8 of this paper addresses key human rights questions in terms of their legal and international risk – are there legal framework considerations or specific litigation risks? Is the policy pathway consistent with New Zealand's international obligations?

The briefing notes advise that proposed transitional provisions will depart from the default approach in the Legislation Design and Advisory Committee Guidelines by: a) applying new legislation to matters that are the subject of ongoing or potential litigation and b) preventing a person from relying on a right or defence that existed at the time they undertook the conduct that those rights or defences related to.

Ministers are advised that their intended process is inconsistent with the general principle against the retrospective application of legislation.

This briefing also advocates phasing payment of settlements over 3 years, in contradiction of Crown Law advice.

All specific human rights and international relations material is redacted. We can, however, see that the briefing notes potential breaches of the Bill of Rights Act and the Human Rights Act with respect to phasing, bargaining, removing the provision for backpay, and removing the review provisions of the then-current law. The EEO Commissioner, Professor Gail Pacheco, said in a press statement[31] that this level of redaction is an unprecedented denial of public access to the human rights implications of fundamental employment legislation.

Advice received from the Attorney-General regarding consistency with the New Zealand Bill of Rights Act 1990 noted that 'changes made by the Bill can be expected to have the effect of tightening access to the pay equity process and pay equity settlements.'

[31] Issued 8 May 2025

It also noted that requirements to phase in non-discriminatory pay rates amounted to discrimination on the grounds of sex, but such discrimination was justified within the framework of the Bill of Rights Act 1990.

Following this 14 March meeting, advice was given to Minister van Velden from Nic Blakely (MBIE) and Arati Waldegrave (Public Service Commission) after conversations with Crown Law Office and the Ministry of Justice. The Minister was advised that all statements she makes on the issue should be reviewed by Crown Law, because 'The proposed transitional arrangements are most likely to be contentious as they will retrospectively remove and alter people's rights and override and remove some aspects of existing settlements.'

April 9, 2025: A draft paper on phasing of payments made no mention of Crown Law's opinion.

May 5, 2025: The Cabinet Minute, authorising the Bill for introduction, has the paragraphs on compliance with 'relevant international standards and obligations' all redacted. So are all the paragraphs headed 'Legal Risk' and 'Human Rights'. We can, however, gain some idea of what was written there from subsequent statements by the Attorney-General concerning compliance with the Bill of Rights Act:

> Cabinet agreed to transitional provisions that discontinue all current claims and proceedings, and that apply retrospectively to existing settlements with review clauses. This departs from the default approach by preventing a person from relying on an existing right or defence and that legislation will not be applied retrospectively. I consider that this is justified to meet the policy objective of providing a better framework for assessing whether there is sex-based undervaluation and ensuring that all parties operate under the same system. The proposed pay equity model will continue to ensure employees receive equal pay for work of equal value.

With respect to the breaches of international obligations, the Cabinet's concerns related only to the breach of ILO Convention 100. The ILO Supervisory Committee has noted that the Equal Remuneration Convention allows flexibility in the measures to be taken, but 'allows no compromise regarding the objective to be pursued.' Cabinet notes: 'It would be for the [ILO] Committee to determine whether the changes are in line with the Equal Remuneration Convention.'

The 2025 Coalition Government appeared to be only marginally aware of some of New Zealand's international obligations, as reflected in the slide-show material, and there were only occasional references to the country's international reputation. Moreover, there is no evidence that any Minister ever sought detailed advice on human rights. It is clear that human rights considerations were not a focus of the briefings. The overriding priority was achieving budgetary savings to spend elsewhere.

2.3 What Submitters Told Us

Many submitters reported human rights violations due to both the Bill's content and its legislative process.

> New Zealand's actions must be measured against its voluntarily assumed international obligations—treaties ratified, conventions signed, commitments made before the community of nations. The 2025 Act breaches virtually every relevant instrument. (PCPE 1301, Rights Aotearoa)

ILO Convention 100

A wide range of submitters referred to ILO Convention 100 and demonstrated detailed knowledge of it – including NACEW, Rural Women, Zonta, Business and Professional Women, academics, lawyers, pay equity specialists, civil society organisations, and human rights advocates. They were unequivocal that extinguishing existing claims and preventing reviews for up to ten years breaches the core purpose of Convention 100. They also understood that the ILO operates on a tripartite model, with representation from business, unions, and government.

Given that the Government has acknowledged it does not know whether its changes to the pay equity framework comply with the Equal Remuneration Convention (ILO 100), we would expect the Coalition Government and Business New Zealand to work with unions in asking the ILO Committee of Experts to determine whether the Convention is being violated by extinguishing claims, blocking reviews, and introducing processes that enhance employer control.

> *The People's Select Committee on Pay Equity recommends:* That the tripartite representatives of New Zealand on the ILO Committee of Experts co-operate to seek a determination from the ILO on Convention 100 and the 2025 Equal Pay Amendment Act.

Convention for the Elimination of Discrimination Against Women

Most women's organisations in New Zealand are well versed in CEDAW, and many referred to the Convention in their submissions. Several groups – including Business and Professional Women, the National Council of Women, Soroptimist International, Zonta International, and the Māori Women's Welfare League – have international parent bodies with consultative status at the UN Economic and Social Council (ECOSOC). They stated that they intend to report New Zealand's breaches through those channels, ensuring international scrutiny, as well as during the interim CEDAW review in October 2026 and the next full reporting cycle in 2031.

CEDAW Article 2(d) requires the State to refrain from discrimination and ensure that all public authorities act consistently with that duty. This is breached because the Government actively curtailed women's rights through legislation.

Rights Aotearoa (PCPE 1616) makes the point that CEDAW Article 2(c) specifically requires states to 'establish legal protection of the rights of women on an equal basis with men and to ensure through competent national tribunals and other public institutions the effective protection of women against any act of discrimination.'

Rights Aotearoa says the 2025 Act does precisely the opposite.

> It removes legal protection, eliminates access to tribunals, and ensures ineffective rather than effective protection. It transforms the Employment Relations Authority from a venue for remedying discrimination into a forum where discrimination cannot even be properly identified, let alone addressed. (PCPE 1616, Rights Aotearoa)

CEDAW Article 11(1)(d) guarantees women's right to equal remuneration for work of equal value. This is breached because the Equal Pay Amendment Act 2025 removes or delays pay equity claims and denies effective remedies to women whose work is undervalued. This is especially the case where employers and unions had already

agreed there was undervaluation present: for example, local government librarians, care and support workers (3 claims), probation officers and senior probation officers, Plunket nurses, Plunket administrators, hospice nurses, and hospice administrators.

> By cancelling active claims, voiding agreed settlement review clauses, imposing a decade long ban on new claims, and erecting impossible barriers to comparators, the government has dismantled a system that was working to resolve decades of pay discrimination. Worse still, they did so without consultation, without scrutiny, and without allowing the voices of the people affected to be heard. (PCPE1556, NZCTU)

In their oral submission Rights Aotearoa pointed out that the Act violates CEDAW's requirement that states ensure effective protection of women against discrimination.

> "Instead, we now have a system where employers can unilaterally declare no appropriate comparators exist and terminate a claim. We have given those who benefit from the discrimination veto power over its investigation." (PCPE 1616, Rights Aotearoa, Hearing Day 8, 2:07:17)

The People's Select Committee on Pay Equity finds that the New Zealand Government wilfully and knowingly acted in breach of its international legal commitments under CEDAW in the process and passage of the Equal Pay Amendment Act 2025.

International Covenant on Economic Social and Cultural Rights. (CESCR)

The changes to comparators also appear to be inconsistent with article 2(1) of CESCR, which provides that 'state parties shall undertake steps, within their maximum available resources, with a view to progressively achieving the full realisation of the protected human rights.' In other words, once a state has implemented a certain level of protection for these rights, it should not take steps to diminish or undo this progress.

> For the first time in the long history of continuous reporting, the Government can no longer claim "progressive realisation" of pay equity. Shamefully, it will have to acknowledge that it has abandoned the legislation and mechanisms it was previously proud of. (PCPE 1145, Dame Judy MacGregor)

The application of this right has been discussed by General Comment 3 of the UN Committee on Economic, Social and Cultural Rights, which considers retrogressive measures to be prima facie contrary to the Covenant. It notes that deliberately retrogressive measures require the most careful consideration and need to be fully justified.

If regressive changes were necessary (and we have not seen any justification to this effect), the government must consider a process to implement them only to the extent of ensuring they are proportionate, non-discriminatory, and the least harmful option.

The UN Committee on Economic, Social and Cultural Rights has established strict criteria for permissible retrogression[32]:

- The measure must be temporary
- It must be necessary and proportionate

[32] Economic, Social and Cultural Rights Handbook for National Human Rights Institutions. Geneva 2005, p. 29

- It must not be discriminatory
- It must ensure minimum core obligations are maintained
- All alternatives must have been comprehensively examined
- Affected groups must have been genuinely consulted

The Cabinet papers reveal complete failure when measured against these criteria. We expect that the NGO community will be highly active in drawing these breaches to the attention of the CESCR Committee during New Zealand's oral examination of their latest report in 2028.

Rights Aotearoa sums up:

> The 2025 Act fails every criterion. It is permanent, not temporary. It was driven by political choice, not necessity. It discriminates against women and gender minorities. It eliminates rather than maintains core obligations. No alternatives were examined. No consultation occurred. (PCPE 1616, Rights Aotearoa)

The People's Select Committee on Pay Equity finds that the New Zealand government wilfully and knowingly acted in breach of its international legal commitments under the UNCESCR in the process and passage of the Equal Pay Amendment Act 2025.

International Covenant on Civil and Political Rights

The ICCPR is not referred to in any Government material relating to the Equal Pay Amendment Act 2025. New Zealand signed the ICCPR in 1968 and ratified it in 1978. New Zealand has also ratified the Optional Protocol, allowing individuals and groups to bring complaints to the UN Committee.

The rights under this Covenant are 'immediately enforceable' as opposed to the 'progressive realisation' standard in the CESCR. As such Government should have been advised that the legislation breached Article 2 (3) (a) of the ICCPR:

> Each State Party undertakes to ensure that any person whose rights or freedoms…are violated shall have an effective remedy, notwithstanding that the violation has been committed by persons acting in an official capacity.

Dame Judy McGregor (PCPE 1145) observed that Article 2(3)(a) is breached because women whose pay equity claims were cancelled or prevented from proceeding under the Act have no effective domestic remedy.

Rights Aotearoa submitted that consultation with affected people is an important component of a human-rights based approach to law-making. This process itself violated fundamental democratic principles. Article 25 of the International Covenant on Civil and Political Rights guarantees the right to participate in public affairs.

Their points are reinforced by the United Nations Office of the High Commissioner for Human Rights[33]:

a. Participation enables the advancement of all human rights. It plays a crucial role in the promotion of democracy, the rule of law, social inclusion, and economic development. It is essential for reducing inequalities and social conflict. It is also

[33] Guidelines for States on the effective implementation of the right to participate in public affairs, Page 4

important for empowering individuals and groups and is one of the core elements of human rights-based approaches aimed at eliminating marginalization and discrimination.

b. While the responsibility and accountability for taking decisions ultimately rests with public authorities, the participation of various sectors of society allows the authorities to deepen their understanding of specific issues; helps to identify gaps, as well as available policy and legislative options and their impact on specific individuals and groups; and balances conflicting interests. As a consequence, decision-making is more informed and sustainable, and public institutions are more effective, accountable, and transparent. This in turn enhances the legitimacy of States' decisions and their ownership by all members of society.

There was no prior consultation with the Ministry for Women, nor external consultation with any major women's civil society groups or NGOs or with individual women with commitment to equal pay and pay equity expertise. While an OIA request has uncovered a meeting with Business NZ where pay equity was on the agenda, trade unions who have been instrumental in pay equity claims were not consulted either. Most submissions received commented about the lack of consultation.

The PSCPE notes that there are potentially more issues with respect to ICCPR. The following two Articles[34] are of particular interest.

> Article 3: The States Parties to the present Covenant undertake to ensure the equal right of men and women to the enjoyment of all civil and political rights set forth in the present Covenant….
>
> Article 26: All persons are equal before the law and are entitled without any discrimination to the equal protection of the law. In this respect, the law shall prohibit any discrimination and guarantee to all persons equal and effective protection against discrimination on any ground such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth, or other status.

In the landmark case, Broeks v the Netherlands, the UN Human Rights Committee found a Dutch law discriminating against women on the basis of sex violated the ICCPR. The Dutch government tried to argue that the contested right fell under the CESCR and they were working to 'progressively realise' the right. The Committee ruled that Article 26 provides protection against any discrimination in any field of government policy, not just civil and political rights.

The People's Select Committee on Pay Equity finds that the New Zealand government wilfully and knowingly acted in breach of its international legal commitments under the ICCPR in the process and passage of the Equal Pay Amendment Act 2025.

UN Convention on the Rights of Persons with Disabilities (CRPD)

The CRPD has a strong connection to pay equity and employment rights for disabled people in New Zealand. It reinforces the principle that persons with disabilities must enjoy the same rights to work, fair pay, and equal opportunity as others, without discrimination. New Zealand signed the CRPD on 30 March 2007 and ratified it on 25

[34] International Covenant on Civil and Political Rights http://www.ohchr.org/en/instruments-mechanisms/instruments/international-covenant-civil-and-political-rights

September 2008. New Zealand has also ratified the Optional Protocol, allowing individuals and groups to bring complaints to the UN Committee.

The following UNCRPD articles are particularly relevant:

Article 5 – Equality and non-discrimination
Article 16 – Freedom from exploitation, violence, and abuse
Article 19 – Living independently and being included in the community.
Article 27 – Work and employment

When the Equal Pay Amendment Act 2025 is considered in the context of New Zealand's CRPD obligations, several potential conflicts or risks emerge:

Indirect Discrimination

Stricter thresholds and comparator rules may disproportionately disadvantage disabled workers, who are often concentrated in sectors with few valid comparators. Where no suitable comparator exists, they may lose access to redress, amounting to indirect discrimination unless objectively justified and proportionate.

Reduced Access to Remedies

The CRPD guarantees access to effective remedies for rights violations. By restricting or terminating pay equity claims, the Act may leave some disabled workers without any legal pathway to challenge undervaluation, undermining access to justice obligations.

Reasonable Accommodation

The Act fails to address workplace adjustments or differential costs that affect work value assessments. Applying a uniform comparator model risks undervaluing adjusted roles, conflicting with the CRPD duty to provide reasonable accommodation.

Monitoring and Data

The CRPD requires disaggregated data to track disability equity. If claims are excluded or discontinued, monitoring pay equity outcomes for disabled workers becomes difficult, compromising reporting and oversight obligations under the Convention.

New Zealand's last report to the UN Committee on CRPD resulted in 63 recommendations to the Government where New Zealand is failing to uphold the rights of disabled people. In 2022 the Labour Government agreed to progress 55 of the 63 recommendations. The incoming National led Coalition Government cut this to 30, mostly in areas where work was already under way.

Workers with disabilities, families of those with disabled members, and care and protection workers for the disabled made submissions to the PSCPE and left us in no doubt that their vulnerabilities were increased as an outcome of this legislation. Disability advocacy organisations and disability advocates (PCPE 1429, PCPE 1101, PCPE 1491) were strongly critical of the Equal Pay Amendment Act 2025 because they believe it will undervalue the work of disability support and care, reduce access to pay equity claims, negatively affect a female-dominated workforce, and thereby impact disabled people's rights to quality support. They argue it violates equity, undermines Treaty obligations, and was passed with inadequate consultation and scrutiny.

Bernadette McEvoy, representing the New Zealand Disability Support Network said:

> "We believe this new act has undermined hard fought progress and gender equity, devalued critical care and support work, and put at risk the rights and well-being of both disabled people and the workforce who support them. In our sector where the workforce is predominantly women and largely underpaid, these legislative changes have been felt as a betrayal. The message sent to them is that their work is not valued. It's a message that directly contradicts the government's stated commitments to fairness, equity, and totality of the disability sector which is already facing severe workforce shortages."(PCPE 1101, NZ Disability Support Network, Hearing Day 2, 2:21:04)

Lori Mackness of Pay Equity Coalition Aotearoa highlighted that the Minimum Wage Act 1983 allows disabled workers to be paid below minimum wage and that personal assistants for disabled individuals are thereby undervalued.

> Personal assistants are as workforce of strong skilled predominantly wahine Māori, Pacifica and migrant women. Their work, the complex logistics and medical expertise, the crisis management, to name a few, is dismissed as unskilled care. Yet, those exact same skills when used to assist a Member of Parliament, are respected, valued, and paid a professional wage. This hypocrisy is staggering.
>
> The recent government's gutting of pay equity laws has poured petrol on this fire by cancelling claims and making it harder to fight for fairness. They have slammed the door shut on justice. (PCPE 1491, Pay Equity Coalition Aotearoa)

Lori Mackness advocated for these steps: repeal the Minimum Wage Act; shift funding from sheltered workshops to inclusive, mainstream employment for disabled women; and recognize personal assistants as skilled professionals, ensuring fair pay. (PCPE 1491, Pay Equity Coalition Aotearoa, Hearing Day 3, 1:48:17)

The People's Select Committee on Pay Equity finds that the New Zealand Government indicated no consideration of its international legal commitments under the CRPD in the process and passage of the Equal Pay Amendment Act 2025 and was in breach of these obligations.

Convention on the Elimination of All Forms of Racial Discrimination

Racial or ethnic equality is a fundamental human right, especially promoted and protected under the Convention on the Elimination of Racial Discrimination (CERD) that was ratified without reservations by New Zealand on 22 November 1972[35]. Article 5 d (i) covers the 'right to work, free choice of employment, to just and favourable conditions of work, to protection against unemployment, to equal pay for work of equal value, to just and favourable remuneration'.

However, New Zealand is among the states that has not ratified an optional protocol so that those subject to racial discrimination could 'communicate' with CERD. New Zealand made its last consolidated report in 2021 and the hearing was postponed until August 2025.

[35] International Convention on the Elimination of all forms of Racial Discrimination

The Human Rights Commission updated its 2021 report to 19 May 2025, advising that significant changes in NZ had rendered much of the earlier report out of date. To comments on employment the HRC added: ‘Pay disparity continues to exist across ethnic groups in New Zealand. Pacific, Māori and Asian workers experience persistent pay gaps across most sectors, when compared to NZ European workers.’ Research identified racism and racial discrimination as a contributing factor across every stage of the employment process. The HRC suggested that *government representatives be questioned about* ‘Specific measures taken to ensure equal employment opportunities and pay equity by gender and ethnicity.’

Sustainable Development Goals

We received submissions (PCPE1384, St Peter’s on Willis Social Justice Group, PCPE 802, Barbara Lewando) that argued that the Act is inconsistent with the SDG commitments and risks weakening New Zealand’s international credibility in advancing gender equality and fair work standards.

> The changes appear to conflict with New Zealand’s stated commitments under the 2030 Agenda for Sustainable Development, A failure to properly scrutinise the impacts of the amendments undermines the integrity of New Zealand’s gender policy commitments both domestically and internationally. (PCPE 802, Barbara Lewando)

Critics and trade unions argued that the Equal Pay Amendment Act 2025 is inconsistent with these commitments and risks weakening New Zealand’s international credibility in advancing gender equality and fair work standards.

SDG 5 – Gender Equality (Targets 5.1, 5.4, 5.5)

The Act, passed under urgency, terminated 33 active pay equity claims and raised thresholds for initiating new ones. These measures are viewed as a backward step for gender equality, disproportionately affecting women in female-dominated sectors such as health, care, and education. The loss of access to remedies undermines New Zealand’s obligations to ensure equal pay for work of equal value and women’s full participation in economic life.

SDG 8 – Decent Work and Economic Growth (Targets 8.5, 8.8)

By restricting access to fair pay processes, the Act weakens labour protections and the right to pursue equitable remuneration. This may entrench undervaluation of work traditionally performed by women, undermining progress toward inclusive and sustainable economic growth.

SDG 10 – Reduced Inequalities (Targets 10.2, 10.3)

Because gender pay inequities intersect with ethnicity, the impact falls disproportionately on Māori and Pacific women. The removal of mechanisms to correct pay disparities risks widening both gender and ethnic pay gaps, directly conflicting with the SDG goal of empowering all and reducing inequalities within societies.

SDG 16 – Peace, Justice, and Strong Institutions (Targets 16.6, 16.b)

The Bill’s use of urgency, limited consultation, and retroactive cancellation of claims has raised concerns about transparency, procedural fairness, and accountability. These procedural shortcomings are viewed as inconsistent with the principles of strong, inclusive, and rights-based institutions underpinning SDG 16.

Submitters contend that the Equal Pay Amendment Act 2025 undermines New Zealand's commitments to gender equality, decent work, and fair governance, potentially reversing progress made under prior pay equity reforms. The combination of substantive rights restrictions and procedural deficiencies may erode both domestic confidence and New Zealand's credibility in the international SDG reporting and review processes.

Human Rights Act 1993

Dame Judy McGregor (PCPE 1145) submitted that the Equal Pay Amendment Act 2025 conflicts with the Human Rights Act 1993, which prohibits sex discrimination.

> The Human Rights Commission comments that consideration should also be given to other prohibited grounds of discrimination under 21 of the Human Rights Act 1993. They provide the example of systemic undervaluation associated with ethnicity. (PCPE 1440, Dame Judy McGregor)

Other submissions focused on discrimination of marginalised gender minority groups.

> Pay equity is not a favour. It's a matter of dignity, mana, and justice. It is a commitment to valuing the people who hold our institutions together. When those most marginalised are paid fairly, everyone rises. (PCPE 1488, Tertiary Education Union Te Hautū Kahurangi)

Rights Aotearoa (PCPE 1616) argued that the Equal Pay Amendment Act 2025 harms transgender, non-binary, and gender-diverse workers by reversing earlier progress toward inclusivity. This submission noted that international research shows gender minorities face severe economic marginalisation — including unemployment rates two to three times higher than average, overrepresentation in low-paid service work, and workplace harassment that undermines job stability, creating a distinct 'trans pay gap.'

In Aotearoa New Zealand, limited data indicate similar trends. Many trans and gender-diverse people work in female-dominated, undervalued sectors, compounding their financial disadvantage.

Actions Arising from breaches of International Human Rights Instruments

Communications with the Commission on the Status of Women

The Pay Equity Coalition Aotearoa (PECA) a grouping of civil society and unions, has already used the communications procedure of the Committee on the Status of Women. It is a unique tool for individuals and organisations to use to raise awareness about injustice and discriminatory practices against women in any country. On 13 August 2025, PECA lodged an urgent appeal[36] to the United Nations Commission on the Status of Women (CSW), urging it to investigate the law change. The Coalition argued that the amendments eroded hard-won pay equity protections and violated New Zealand's international obligations to women.

Claims to the Commission will be considered for consideration at its next meeting in March 2026. PECA has asked the CSW for a country visit to Aotearoa New Zealand by a CSW member or representative to 'hear the stories and witness personally the anger,

[36] United Nations Urged To Investigate New Zealand's Rollback On Women's Pay Equity Rights, 13 August 2025, PECA

despair of thousands of women, many of them Māori. Pacific and migrant workers, who are now condemned to decades and in some cases, a lifetime, of poverty wages.'

If a country visit is not feasible, PECA has asked the CSW to undertake a desk-based independent monitoring report of the pay equity regression in Aotearoa New Zealand. All submissions made to the PSCPE will be made available for any such inquiry.

CEDAW Optional Protocol Communication[37]

The Optional Protocol to CEDAW establishes mechanisms for individuals to submit complaints about violation of rights and has two procedures. The communications procedure allows individuals (by CEDAW's consent) or groups to submit complaints to the CEDAW Committee regarding violations of rights. To be admissible they must meet specific criteria including the exhaustion of all available domestic remedies, unless the application of such remedies is unreasonable, prolonged, or unlikely to bring effective relief. Several groups are now exploring the use of this complaints mechanism, especially for claimants who have now exhausted domestic remedies.

For instance, PECA has announced plans to file a formal communication under the CEDAW Optional Protocol[38] by December 2025. Former Equal Employment Opportunities Commissioner and PECA member Dame Judy McGregor noted that filing the complaint would require substantial preparation and was 'a drastic action'. Nevertheless, she was confident it would proceed, given that the Equal Pay Amendment Act 2025 breached Article 11 of CEDAW, which guarantees women the right to equal pay for work of equal value. Complaint to CEDAW was the only avenue left, since the women affected by the new legislation had no reasonable, prompt, or effective domestic remedy available.

ILO Convention 100

The New Zealand Council of Trade Unions (CTU) has already acted in an international forum. In June 2025, CTU Secretary Melissa Ansell-Bridges spoke at the International Labour Organization (ILO) conference in Geneva. She said it was important for the international community to know that the New Zealand government had dismantled what was once seen as world-leading pay equity legislation. She explained to the ILO's 187 member states that the reforms, introduced without warning before the election and passed quickly without consultation, had seriously weakened New Zealand's pay equity system.

We expect the CTU to seek a determination from the ILO on whether the Equal Pay Amendment Act 2025 breached New Zealand's obligations under ILO Convention100.

Universal Periodic Review

The Universal Periodic Review (UPR) is a regular review by the Human Rights Council of the human rights record of every UN Member State - all 193 countries - carried out every five years. The review looks at each country's domestic human rights laws and practices; how it has implemented past UN recommendations, and whether it is fulfilling its international treaty obligations.

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[37] In this arcane environment, a person 'communicates' with the UN. They do not 'complain' or 'appeal'

[38] Unions poised to sue government for alleged pay equity breaches and sex discrimination, Mahvash Ikram, Law News 29 August 2025

Te Kāhui Tika Tangata, the New Zealand Human Rights Commission prepares its own report for the UPR and helps facilitate coordination and consultation among civil society.

Dame Judy McGregor (PCPE 1145) expects that at New Zealand's next UPR cycle, which takes place in 2029, other countries will question the rollback of women's pay equity rights, highlight the CEDAW and ILO breaches, and urge New Zealand to reinstate effective pay equity mechanisms.

Breaches of the Bill of Rights Act – Declaration of Inconsistency

On 29 August 2025, five major unions - NZNO, PSA, PPTA, NZEI, and TEU - filed a High Court claim against the Attorney-General, alleging the Act breaches the Bill of Rights Act 1990 by ending 33 active pay equity claims affecting about 180,000 workers. The key legal issues[39] are stated under s. 19, titled 'freedom from discrimination', and argue that the amendments disproportionately disadvantage female-dominated occupations, amounting to sex-based discrimination. As well:

- s. 27 'natural Justice and fair process is breached because EPAA 2025 terminated live claims and denied affected workers a fair hearing
- In particular, s. 27 (3), guaranteeing access to Courts is breached because EPAA 2026 retroactively limits access to legal remedies, undermining legitimate expectations
- The use of urgency, minimal consultation, and weak impact analysis breached accountability and fairness standards, compounding rights violations
- The amendments significantly impact on substantive equality because they undermine the purpose of pay equity laws by weakening protections for undervalued female-dominated workforces.

The unions are seeking a Declaration of Inconsistency under the Bill of Rights Act 1990, signalling that the law infringes protected rights. While not invalidating the Equal Pay Amendment Act 2025, such a declaration would require a formal parliamentary response and heighten public accountability.

Rights Aotearoa (PCPE 1616) commented that while Parliament can pass legislation inconsistent with BORA, such inconsistency requires justification and remains a constitutional breach requiring remedy.

Rights Aotearoa asserts that the Government's justification fails the established test set out in 2007 by the New Zealand Supreme Court[40]:

> [60] If the natural meaning of a statutory provision does appear to limit a guaranteed right, the appropriate next step is to consider whether that limit is a justified one in terms of s. 5. If it is, the meaning is not inconsistent with the Bill of Rights in the sense envisaged by s. 6 and should be adopted by the court. It is only when that natural meaning fails the s. 5 test that it is necessary to consider whether another meaning would legitimately be given to the provision in issue. If the words of the provision in their context are not capable of supporting a different and Bill of Rights consistent meaning, s. 4 requires the court to give effect to the provision in

[39] ibid

[40] Hansen v R [2007] NZSC 7

> accordance with its natural meaning notwithstanding the resulting inconsistency with the Bill of Rights.

If this test were applied, Rights Aotearoa argues, the stated objective of the Equal Pay Amendment Act 2025 (cost saving and administrative efficiency) lacks sufficient importance to warrant overriding fundamental rights. And even if the Court accepted the legitimacy of that objective, the means chosen - complete destruction of the pay equity system - lack rational connection to efficiency goals and represent maximum rather than minimum impairment of rights. The devastating impact on affected workers far outweighs any administrative convenience gained.

Submission of Petition to New Zealand Parliament

On 23 July 2025, a petition with over 93,900 signatures was delivered for presentation to Parliament. The petition called on Parliament to restore all 33 pay equity claims that were dropped by the government legislation, to reverse the EPAA 2025 and to deliver pay equity settlements to all affected workers. The petition must be heard by a Parliamentary Select Committee and places opposition to the 2025 legislation on the Parliamentary record.

The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)

Racial or ethnic equality is a fundamental human right, especially promoted and protected under the Convention on the Elimination of Racial Discrimination (CERD) that was ratified without reservations by New Zealand on 22 November 1972[41]. Racial and ethnic equality is also guaranteed under CEDAW, CESCR, ICCPR and ILO Convention 111, and in New Zealand's Human Rights Act 1998 and Bill of Rights Act 1990.

In terms of indigenous and other ethnicities represented, the composition of Aotearoa New Zealand's population and workforce has become vastly different since 1972, It is now estimated[42] that by 2028 around 52% of the national population will identify as NZ European, and the rest will identify with other ethnicities. Pay equity aligns closely with both Te Tiriti o Waitangi (discussed in a later section of this report) and UNDRIP. And UNDRIP has been of effect. The original pursuit of equality, essentially as between men and women, in the Equal Pay Act 1972 has evolved to include ethnicity and other associated characteristics. While UNDRIP does not explicitly mention pay equity, it affirms the rights of Indigenous peoples to equality, non-discrimination, fair employment, and improved economic and social conditions.

In April 2010, New Zealand formally endorsed the United Nations Declaration on the Rights of Indigenous Peoples under the National Government. That Government described the endorsement as 'aspirational,' saying it complemented the Treaty of Waitangi, but did not override existing New Zealand law.

The Asian Legal Network noted the important link between Te Tiriti and UNDRIP:

> Te Tiriti provides a guarantee of equity through Article three as well as international obligations under the United Nations Declaration of the Rights of Indigenous Peoples ('UNDRIP'), in relation to employment rights, self-determination and economic development. The guarantees in Te Tiriti o Waitangi

41 International Convention on the Elimination of All Forms of Racial Discrimination

42 https://www.stats.govt.nz/information-releases/national-ethnic-population-projections-2023base-2048/

> include consultation at a bare minimum, and, ideally, co-development, co-design, and co-governance of legislation. (PCPE1509, Asian Legal Network)

The Network further stated that they support upholding obligations under Te Tiriti o Waitangi and UNDRIP, both as a matter of principle, and as important measures to address the harms caused by colonisation, in particular, the financial colonisation that relates to pay inequity.

Convention on the Elimination of All forms of Racial Discrimination

Numerous submitters called for the recognition of ethnicity in pay equity discourse including P.A.C.I.F.I.C.A. Inc, PSA Pasefika, Tapa Talanoa, PSA ALMA[43] Network, Asian Legal Network, Rights Aotearoa, Business and Professional Women - National branch, PSA Youth, Te Kāhui Tika Tangata Human Rights Commission, and Parents of Vision Impaired People:

> Legislate for intersectional equity, recognising the impacts of gender, ethnicity, disability, rainbow identities, and migration status. The law must recognise that pay gaps do not exist solely along gender lines. Intersectional inequities - particularly those impacting women of colour and migrant workers - must be formally acknowledged. (PCPE 1578, PSA ALMA Network)

> Embed race and gender in the Equal Pay Act's principles and processes. Any system redesign must address the intersectional nature of Pacific women's pay inequity, hence incorporate race, gender, and sectoral funding realities. (PCPE 1615, P.A.C.I.F.I.C.A Inc.)

> Pay equity to be treated as a constitutional and human rights commitment consistent with Te Tiriti o Waitangi, CEDAW, and CERD obligations, and not a negotiable budget item. (PCPE 1395, PSA Pasefika)

Migrant workers and their experiences: silenced pay inequity

The term 'migrant' worker' is often used in daily discourse to refer to workers, originally from other countries, who have settled in NZ (e.g. Pacific, Asian, European diasporas) and those on temporary work visas such as the Accredited Employer Work Visa scheme (AEWV).

Aotearoa' New Zealand's increasing diversity and the importance of ethnicity in pay equity policy development, can be seen in our health sector. In 2024, approximately 41.8% of Health New Zealand Te Whatu Ora's workforce was made up of the combination of Asian (28.2%), Māori (8.6%) and Pacific (5.0%) peoples[44]. The New Zealand Nurses Organisation Tōpūtanga Tapuhi Kaitiaki O Aotearoa says the health system has become heavily reliant on migrant talent or 'international imports': their numbers have grown from about 13% of nurses in 2008 to almost 50% now. Nations of origin were initially Britain, Ireland, and South Africa. Recruits now also come from the Philippines and India[45].

[43] ALMA represents Asian, Latin American, Middle Eastern, African, and other ethnic workers.

[44] Health New Zealand Employed Workforce Quarterly Report 1 July to 30 September 2024; p.9. This quarterly report is the first to include data for all Health NZ employees

[45] http://www.thepost.co.nz/nz-news/360620286/who-are-our-biggest-migrant-employersNikki Macdonald, 22 March 2025

Aged Care Association Chief Executive Tracey Martin estimated that 70% of its carer staff are on Accredited Work Visas. Health NZ's figures reveals 3900 of its AEWV visas – more than half – are for registered nurses spread across general medical, specialist nurses, critical and emergency care. Junior doctors accounted for about 31% of the visas.[46]

Vicky, a Level 4 Care Worker, here under an AEW visa, presented an oral submission to the PSCPE. He spoke of his highly skilled clinical responsibilities, describing his role as underpaid and unfairly renumerated. Vicky explained that workers on visas tied to employers often fear complaining about unsafe staffing and work conditions. He spoke of daily exposure in his job as a carer to emotional and physical harm from patients as well as personal health risks from daily tasks such as moving and turning patients weighing over 100-120kg with (and without) a hoist available, watching in case a patient stops breathing and having to respond quickly. Vicky said his L4 Care role was clinically like that of a nurse, but his pay was similar to that of a warehouse worker who did not have to face death threats nor have responsibility for someone's life. "We are treated like shelf packers instead of health care professionals."(PCPE 1152, Vicky, Hearing Day 9, 2:15:54)

Pay is intrinsically tied to other fundamental human rights, including the right to be safe and free from violence in the workplace. Workers on accredited work visas however are often reluctant to complain or report serious health as safety concerns to employers, skip union meetings (thus missing out on support), and will not change employers if they feel exploited because of potential 'visa jeopardy.' He said:

> "There's a real fear of being punished or losing our jobs if we raise concerns …because we are on accredited work visas…our visa and pathway to residence rely on the employer." (PCPE 1152, Vicky, Hearing Day 9, 2:21:54)

Retribution for raising concerns can take the form of reduced hours, unplanned roster changes, and employment contracts not renewed. Urgent protection is therefore needed for whistle blowers or serious risks and concerns will remain hidden, even when there is a system of internal reporting, due to the fear of repercussions. The extent of this pay inequity and potential human rights breaches suffered by workers on AEW visas needs urgent identification and elimination.

Despite the absence of ethnicity, race or colour as grounds in the EPAA 2025 for making a claim under the EPAA, numerous submitters to the PSCPE advocated for ethnicity/racial equality, such as PSA ALMA, Te Kāhui Tika Tangata Human Rights Commission, Age Concern Auckland He Manaakitanga Kaumātua Aotearoa, CEVEP, Te Uru Tangata, ZONTA, Project Gender, Soroptimist International, and the Pay Equity Coalition Aotearoa.

There is also active work led by Te Kawa Mataho Public Service Commission (closing gender, Māori, Pacific, Asian, disabled pay gaps), the Ministry for Women, and a slowly growing number of private businesses to identify and eliminate unjust pay using the characteristics of gender and ethnicity.

[46] ibid

United Nations Guiding Principles on Business and Human Rights (UNGPs)

The Committee noted that UNGPs[47] outlines three main pillars: the State's duty to protect human rights, the corporate responsibility to respect human rights, and access to remedy for individuals affected by business-related human rights harms. New Zealand has expressed support for the UNGPs.

Pay equity is related to the United Nations Guiding Principles on Business and Human Rights (UNGPs) through their mutual emphasis on non-discrimination, fair treatment, and respect for human dignity in the workplace, although pay equity is not specifically mentioned in the principles.

The New Zealand Government noted five recommendations[48] from the 2024 Universal Periodic Review urging it to create a National Action Plan on Business and Human Rights, which would help address pay equity, workplace equality, and corporate accountability.

By 'noting' a recommendation it means the Government did not reject the intention but could not support them at this time due to constitutional or future decision-making processes.

2.4 International Reporting and Reputational Risk

Many submitters were critical of the damage done to New Zealand's international reputation describing the EPAA 2025 as regressive in women's economic and social rights and incompatible with New Zealand's international and domestic human-rights commitments. Comments were made that future reports to CEDAW, the Universal Periodic Review (UPR), and other UN treaty bodies will have to admit regression.

> The international community watches. UN treaty bodies will review our compliance. Trading partners who value human rights will note our regression. Future generations will judge whether we stood for justice or accepted injustice. But beyond international reputation lies deeper truth: we diminish ourselves when we diminish others. Every underpaid teacher aide represents not just individual injustice but collective failure. Every care worker struggling to make ends meet reflects not just economic inequality but moral inequality—our willingness to consume care while denying carers dignity. (PCPE 1616, Rights Aotearoa)

> "New Zealand has slumped I think from poster girl for gender equality to international pariah." (PCPE 1145, Dame Judy McGregor, Hearing Day 2, 00:26:51)

> The place of international law is not something to be disregarded. International laws, conventions, and monitoring processes provide important frameworks and support in realising equity and human rights. These regressive steps on gender equity places New Zealand's international reputation at risk. (PCPE 1393, Pay Equity Challenge)

> Aotearoa New Zealand has historically been considered a global leader in gender equality, with progressive pay equity legislation emerging from landmark cases like Kristine Bartlett v Terranova Homes & Care Ltd (2013) that addressed historical undervaluation of female-dominated professions. The recent coalition government's actions have fundamentally undermined this legacy through radical legislative

[47] http://www.ohchr.org/sites/default/files/Documents/Issues/Business/Intro_Guiding_PrinciplesBusinessHR.pdf

[48] http://www.mfat.govt.nz/en/peace-rights-and-security/human-rights/new-zealands-universal-periodic-review

> changes enacted without consultation or democratic process. (PCPE 1491, Pay Equity Coalition Aotearoa)
>
> "I predict that this issue will become something of significance internationally and we can't ignore our international reputation." (PCPE 1597, Dame Silvia Cartwright. Hearing Day 1, 1:04:22)
>
> New Zealand's international reputation as a leader in gender equality is at stake. Rolling back protections enshrined in the Pay Equity Act sends a troubling message, both domestically and to the global community, about the value placed on women's work. (PCPE 1545, Soroptimist International of Aotearoa New Zealand)
>
> "It has been surprising around the international tables that I've sat on that New Zealand would go backward on this particular matter, especially when it was such an important factor in recognising both the relationship between employers and employees and also recognising how important pay equity is as an economic enabler for communities and families which are the building blocks for our nation." (PCPE 1453, Traci Houpapa, Hearing Day 1, 00:15:42)

One final point. The People's Select Committee was told that the Human Rights Commission, Rights Aotearoa, and others had made Official Information Act requests that the redacted sections of Cabinet papers be released. When this was declined, they referred the matter to the Ombudsman. The Ombudsman declined these requests on the grounds that the Minister was entitled to withhold the information at issue under section 9 (2) (h) of the Official Information Act.

This section says that a government department can withhold available information where that information would be likely to prejudice the substantial economic or commercial interests of New Zealand or any person. In making the decision, the Ombudsman must still weigh up the harm of disclosure against the public interest in transparency.

These withheld sections, especially those that deal with New Zealand's international obligations and domestic human rights law, have stopped the public from seeing whether the Government fully considered its human rights and pay equity commitments before making the changes. Allowing these redactions to stand put the Government's fiscal austerity above justice.

2.5 Recommendation

The People's Select Committee on Pay Equity recommends, in respect of human rights, our international obligations, and international reputation:

Recommendation: Section 2
That the tripartite representatives of New Zealand on the ILO Committee of Experts co-operate to seek a determination from the ILO on Convention 100 and the 2025 Equal Pay Amendment Act.

Section 3: Labour Market Experience and Economics

A summary[49] of people's experiences in the labour market as presented to the People's Select Committee on Pay Equity

3.1 Purpose and scope

This paper draws on the personal experiences outlined by individual submitters to the People's Pay Equity Committee. Their submissions provide strong evidence of how the structure of New Zealand's labour markets affects how work is valued and remunerated - especially in publicly funded, female-dominated sectors such as care, health, disability support, and education.

These submissions highlight the vulnerability of these systems, and their general unpreparedness in the face of the population and social change in New Zealand. They also enable judgements about whether many parts of the labour market as it currently operates can continue to respond to the needs of those it serves. This involves assessing the way that it makes use of the skills, expertise and responsibilities of those who deliver those services. We cannot see what we do not measure. As a consequence:

- Core assumptions for efficient labour markets - worker mobility, transparent information, and competition - are largely absent in many service sectors
- Persistent undervaluation of what workers do is associated with the concentration of power and authority to act, imperfect and asymmetric information, occupational immobility, unpriced social externalities, and short-term reliance on migrant labour
- As well as being a human rights issue, non-recognition of pay inequity has consequences for productivity and adaptability in many services as well as their responsiveness to the changing context in which they function. This is a significant economic problem.

3.2 How labour markets are assumed to work

Women have always been participants in the labour market. When not in paid employment themselves, they made it possible for men to be in paid employment, through a great variety of domestic and community activities that men rarely participated in. Nevertheless, men needed these to be done.

In 1925, most women in paid employment worked as domestic servants.

In 2026, women participate in the labour market to a similar extent as men. And on average, women are now the more highly qualified. although their employment conditions do not inevitably result in comparable rewards. Economic policies in New Zealand since the 1980s have favoured a low wage economy. As pressures in the supply of labour become more marked, they led to labour market instability through increased staff turnover, recruitment difficulties and reduced personal investment in qualifications, particularly in areas where economic rewards are significantly less than

[49] Compiled by Len Cook from submissions presented to the PSCPE The analysis was reorganised for clarity and economic focus based on advice by Dr Lisa Meehan, Professor Gail Pacheco, Dr Judith Aitken and Suzanne Snively.

personal contribution to the job. Volatile emigration levels is another consequence of a low wage economy.

Pay equity analysis is an established means for enabling quantitative evidence of differences between economic rewards received and the skill, responsibility, effort and experience and conditions required in the job.

In 'ideal' market conditions, workers are compensated according to the value of the increases in output they generate. (Few such conditions, however, are seen in practice, limiting reliance to market forces alone to establish wage rates that genuinely reflect the requirements for the job.) The 'ideal' model is characterised by:

- wages that adjust dynamically to balance supply and demand
- organisations that actively compete for workers
- workers who can move freely between jobs, responding to opportunities; and
- transparent information regarding pay and productivity, enabling informed decisions.

In practice, for many public-sector and community-service occupations, pay determination in the actual labour market is based more on administrative guidelines, funding cycles, or political considerations than on competitive market forces. In these situations, persistent pay disparities between genders or occupations have remained in many areas of work where there are not genuine differences in productivity or individual preferences[50].

In this study of the submissions provided to the Peoples' Committee on Pay Equity, we use the information they contain to highlight the various ways in which they are not manifested in the actual labour market.

How labour markets with a single dominant employer can work

Pay equity processes provide one means of enabling sectors to maintain integrity, development and adaptability of workforces, especially at a time of massive demographic change in scale massive demographic change in scale and nature of dependent populations.

The degree of labour market change will differ among cities and towns, because of the distinct economic changes and age structures of the population that are occurring around New Zealand. Assessing these enable some of the invisible and unmonitored impact of pay inequity to become transparent.

- Knowledge of the full ranges of skills required and responsibilities undertaken in work is a vital management need for ensuring that workers are appropriately skilled, receive relevant professional development and are fairly remunerated. Employer and union submissions alike expressed shock at how little they recognised the full range of skilled work undertaken prior to their pay equity process. This knowledge is critical to long-term planning of work forces whose

[50] Although pay equity methods are most usual for the lowest paid, such issues occur for jobs at any point in income distribution. For instance, the Remuneration Authority employs a range of methods when determining the remuneration of the Governor-General, the Judiciary, Parliamentarians, local government elected members and particular Public Service Chief Executive positions.

services will have to become more responsive to significant demographic change. Some of this ignorance is of long standing.
- Trends across different comparators can identify particular characteristics that contribute to workforce turnover, poor quality practice and mismatch of skills with responsibility. For example, many of the pay equity settlements seen to date have include professional development funding and new career pathways that were only previously available to male dominated roles.
- An excessive turnover of people reduces the capacity to oversee on the job training and oversee the quality of work being done by recruits.
- The impact on the ability to recruit new workers from younger age groups, will most likely make retention of existing experienced staff even more critical.

Demographic change is bringing about the conditions for an imbalance between labour supply and demand which will place pressure on currently ill-formed immigration policies. This brings uncertainties that shape personal choices, including potential for exacerbating emigration losses.

The current position of women in the labour market and how we reached it

Since 1945, the position of women in the labour market has significantly changed. Increased participation of women in employment has not only facilitated the growth in the services sector but underpinned the transformation of the economy as its manufacturing base reduced.

Each generation of women is not only better educated than its predecessor, but women are now achieving better than men in many areas. For over 30 years, girls have been leaving the school system better qualified than boys.

Much of this has occurred over a period when the employed have been receiving a falling share of national income. In many areas of work in New Zealand, ranging from general practitioners to basic clerical work, earnings have stagnated or declined.

One consequence of this is that the range of occupations filled by emigrant flows has grown significantly.

Meeting the changing demand for labour

The nature of the labour market in New Zealand, and the place of women in it, has been influenced by many factors, including an overall growth in jobs, dominated by service sector employment. The demand for labour has been substantial. It has been met in several key ways:

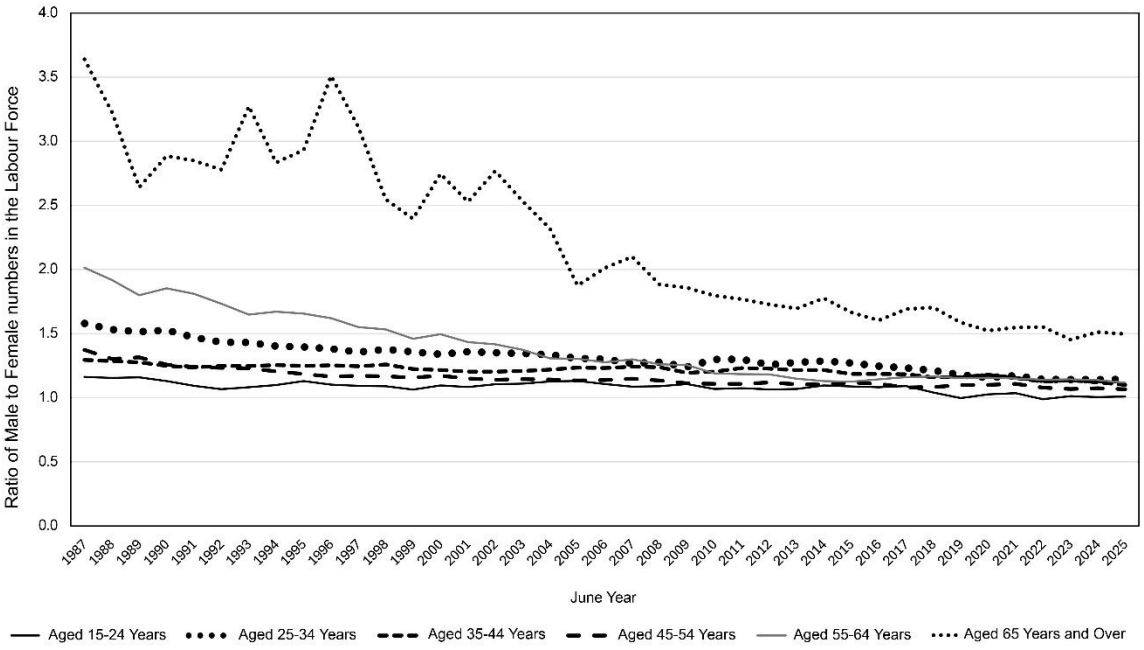
- more rapid increase in employment of women than men at all ages over the past forty years
- increased participation in the labour force of both men and women at ages 60 and over
- greater reliance on immigration in the last 30 years than in any previous period since 1900
- marked responsiveness by women to the need for a more highly trained and educated workforce.

From the mid-1990s, participation of women aged 65 and over in the workforce increased faster than that of men. It has continued to do so, albeit more gradually over

the last 15 years. At ages 60–64 years, participation rates of women are just over 90 percent of that of men of the same age.

This convergence of employment rates of women with that of men has been the most significant contributor to labour force growth since the decline in fertility[51]. Growth in the overall number of new workforce entrants aged15–19 years ceased in the early 1980s. Since then, those aged 15–19 years have been a declining share of the total workforce.

Figure 1: Ratio of male to female numbers in employment, 1987– 2025



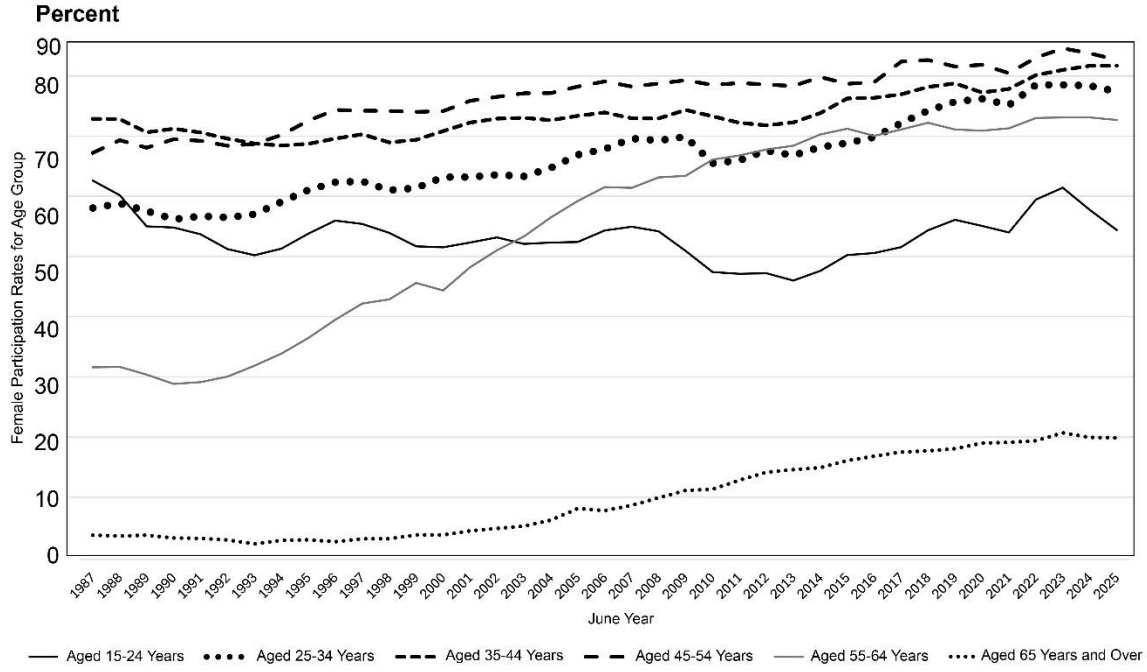
Source: Stats NZ Household Labour Force Survey

This increased participation in the labour force of both men and women at ages 60 and over was initially a response to the staged raising of the age of eligibility for NZ Superannuation from 60 to 65 years.

At ages 65 and over, labour force participation has continued to rise for both men and women. Figure 2 shows that New Zealand now has the highest 65-plus labour force participation rate in the OECD.

51 http://www.stats.govt.nz/news/lowest-natural-increase-in-80-years/

Figure 2: Female labour force participation rates 1987-2025

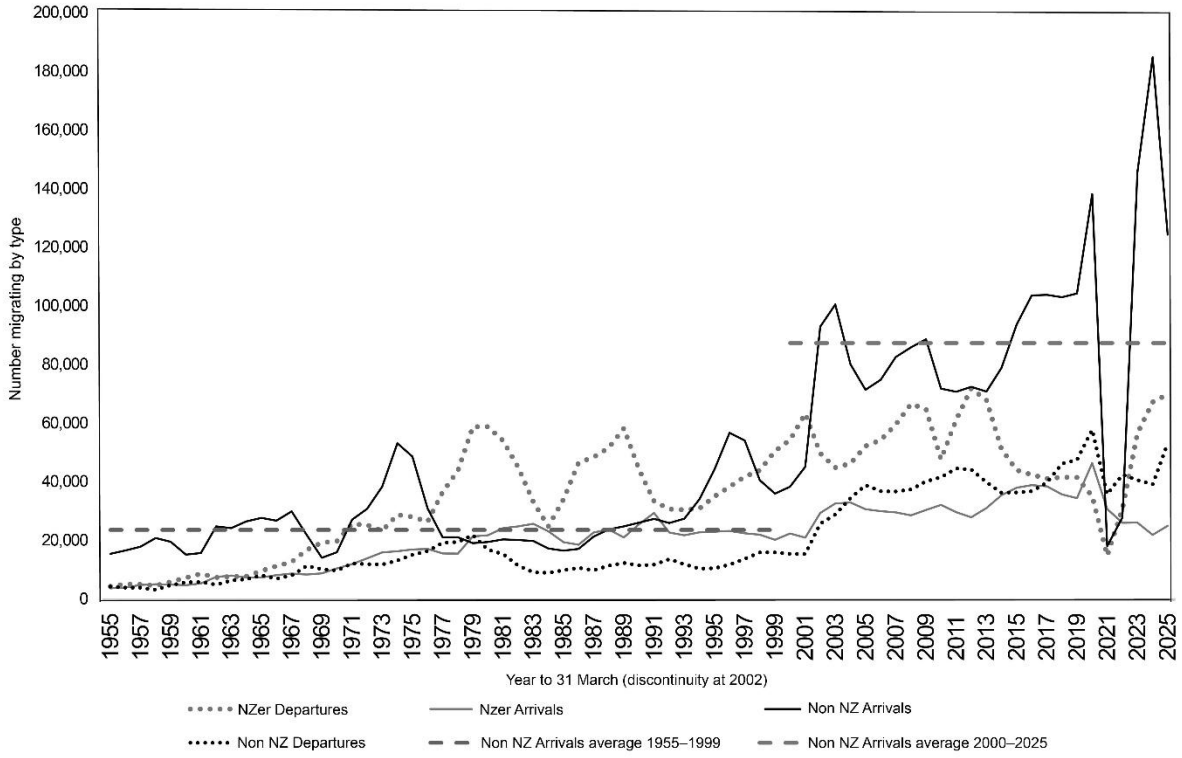


Source: Stats NZ Household Labour Force Survey

3.3 The shift in the scale and volatility of immigration and emigration flows

Growth in the work force in many fields is now dependent on the net effect of both immigration as well as the increased scale and volatility of emigration of both experienced staff and potential recruits. This has a negative effect on the stability of the workforce, and how it responds to pressures that have yet to have had an effective system response. There appear to be substantial intergenerational differences in perception of emigration as a viable option. In particular, those aged between 20-30 years continue to be the most internationally mobile.

Figure 3: The shifting contribution of migration to population change



Source: Stats NZ

Submissions to the Committee highlighted several factors that affect how New Zealand's labour markets function, particularly in sectors dominated by women.

3.4 Conditions that make pay equity necessary

Submissions provided evidence of current wage-setting processes experienced in a range of sectors that do not respond to variation in supply and demand conditions. Key indicators of policy failure provided by submissions include:

- Labour shortages and stagnant pay in aged-care, education, and veterinary services (PCPE 1101, NZDSN; PCPE 1552, Workers First Union Inc; PCPE 1522, NZEI Te Riu Roa ; PCPE 1556, NZCTU)
- High turnover and burnout, reducing service quality and productivity (PCPE 1487, Jo Wrigley; PCPE 1488, Tertiary Education Union Te Hautū Kahurangi; PCPE 1363, SSPA)
- Dependence on goodwill: staff reported staying in low-paid roles out of compassion or duty rather than adequate reward
- Falling real wages, as inflation and living costs outpaced earnings

- Demographic strain, with shrinking working-age populations and rising demand for care services
- Skills loss and dynamic inefficiencies, as underpayment discourages training and professional development (PCPE 1265, CEVEP)
- The 'shock absorber' effect where women's lower wages allow organisations to continue functioning despite underfunding, highlighting a systematic reliance on undervalued labour
- Increased risk of neglect and abuse due to higher turnover and inexperienced staff
- Underemployment and the need for second jobs to achieve a reasonable standard of living.

Concentration of labour market power

Employers or funders can exert wage-setting power due to workers' limited options and barriers to mobility. This does not require a single employer: monopsony conditions also arise where one or a few large organisations dominate hiring in a locality or occupation, or where all providers depend on a single government funder. This is evidenced by persistent labour shortages and high turnover; and often stagnant wages.

In one submission (PCPE 1438, E tū) Marianne Bishop told us, 'I have an Enrolled Nurse qualification, but I found that a lot of places I worked for didn't hire Enrolled Nurses as Enrolled Nurses, they hired them as caregivers, or Healthcare Assistants.'

New Zealand Nurses Organisation Tōpūtanga Tapuhi Kaitiaki O Aotearoa remarked, 'Without a formal and regular review mechanism for checking the factors that give rise to sex-based undervaluation, it is likely that sex-based undervaluation will recur.' (PCPE 1471)

Imperfect and asymmetric information

The educational achievement of women in the workforce now exceeds that of men. The wage gap has not changed in a comparable manner, despite the clear evidence of these changes.

Statutory pay equity mechanisms that require structured comparison between male- and female-dominated roles were viewed as one of the few ways to counter this. Submitters noted that pay adjustments tend to follow political or budget cycles rather than focus on systematic gathering of evidence. (PCPE1522, NZEI Te Riu Roa; PCPE 1440, HRC; PCPE 1265, CEVEP)

In its submission, the Victoria University of Wellington Branch of the Tertiary Education Union Te Hautū Kahurangi pointed out:

> Our underpaid sector already faces high levels of staff turnover, which causes increasing and inconsistent workloads for staff. High turnover also negatively impacts our employer, affecting the university's ability to operate in a financially sustainable and efficient manner. The low pay of our profession also makes it more difficult for the employer to hire qualified, capable staff members who are committed to contributing to their workplaces. (PCPE 1142, TEU - Hannah Jenkin)

And pay equity expert Jo Wrigley said:

> The chronic undervaluation of this work leads to:

- High turnover undermining the continuity and effectiveness of community programmes (Kuruvila, 2017).
- Burnout, especially for women who balance caregiving responsibilities with unpaid or underpaid community work (Aimers, 2011).

Dependency on short-term funding, which restricts the ability to pursue long-term, systemic change (Doan-Bao & Papoutsaki, 2019). (PCPE 1487, Jo Wrigley)

Occupational mobility

The highly specific training and experience required in caring, teaching, and support work can reduce workers' bargaining power, by locking them into jobs that have a need for their training and skills but fail to provide remuneration that recognises the responsibility that the job involves, and how that may be changing. This contributes to wage stagnation, weak understanding of how particular jobs are changing, and the potential for instability in the recruitment market. (PCPE1435, PPTA; PCPE 1552, Workers First Union Inc; PCPE 1522, NZEI Te Riu Roa).

E tū's National Women's Standing Committee described the decline:

> We have experienced lowering staff ratio to residents in aged care while residents' medical complexity increased. (dementia units 10 years ago, 1 staff member to 6 residents now 1 to 10 residents in this business model). (PCPE 1377)

Ignorance of job value

Some employers prefer to operate with incomplete information about comparative pay and job value. It is simply about paying as little as possible. Funders can operate with limited appreciation of how job complexity, skill requirements, and social value evolve over time. Some of this ignorance is wilful and lazy. However, it weakens wage bargaining and policy responsiveness.

The consequent volatility and labour force instability has an impact on, service quality and adaptability, and the investment intentions of the coming generations. When labour supply and demand vary substantially over time, this often leads to volatile immigration flows to reduce short term imbalances, without stimulating necessary longer-term investment in future labour supply.

The weakness in information means that many undervalued roles generate positive externalities that are neither recognised nor reflected in wage negotiations (PCPE 1382, Age Concern Auckland; PCPE 1265, CEVEP). For example, carers prevent costly hospital admissions, and librarians build human capital value. Failure to account for these broader societal benefits leads to undervaluation.

The library workers' pay equity claim had already established that library work is undervalued at the six councils covered by the claim. In October 2023, three representatives for the employer group and three representatives from the PSA met in person in Auckland to score the interviews gathered using Te Orowaru in 2022. The outcome of the scoring work was that library assistants scored higher than every single one of their comparators. Both parties agreed on the results of the scoring work, and it was clear that every council involved in the claim was undervaluing the work of library assistants. (PCPE 1431, Wellington City Council PSA members)

Librarian Kath Read told us:

> Libraries fill so many gaps in our society - in education, in social assistance, in childcare, in technology, in elder care, in public services and many more. When governments remove services from the public domain, librarians almost always are the ones to step up and fill the gaps. Librarians have a high burnout rate, which leads to high turnover. (PCPE 1173, Kath Read)

Vet nurse Jasmin Searle confirmed the point:

> "The combination of poor pay, poor working conditions, and a lack of support led to six resignations within 18 months at my previous clinic." Forty-one percent of veterinary nurses expect to leave animal health within five years, and only a quarter aim to stay in the profession until retirement. Many leave to Australia. (PCPE 1552, Workers First Union)

The Aged Care Association listed the skills from the point of view of an employer, and aged care workers reinforced this:

> Aged residential care is nurse-led, with healthcare assistants — often referred to as care workers — working alongside registered and enrolled nurses to deliver highly skilled, hands-on, and emotionally demanding care. Some healthcare assistants have enhanced their skills and specialize in supporting residents living with dementia or psychogeriatric conditions. This work requires a deep understanding of cognitive decline, behavioural changes, and the need for a safe, structured, and compassionate environment. In a single shift, a care worker, whether in general aged care or in a dementia/psychogeriatric unit, may provide:
>
> - Personal care with dignity – Assist residents with bathing, dressing, grooming, and toileting while preserving their sense of self and independence.
> - Clinical support – Monitor vital signs, assist with mobility aids, manage continence needs, and provide skin and wound care under nursing guidance.
> - Medication assistance – Administer medications or support residents to take them, observing for side effects or changes in health status.
> - Nutritional care – Help residents at mealtimes, adapting food textures for swallowing difficulties, and ensuring hydration throughout the day.
> - Specialist dementia/psychogeriatric care – Use de-escalation techniques to manage agitation, guide residents through moments of confusion, redirect behaviours that could cause harm, and create calm, familiar routines that reduce anxiety.
> - Emotional connection – Offer companionship, listen to stories, and maintain warmth and patience even in challenging moments.
> - Family liaison – Support families coping with a loved one's cognitive decline, providing updates, reassurance, and practical advice.
> - Emergency response – Act swiftly in the event of a fall, sudden illness, or distress episode, ensuring safety and comfort until medical help arrives.
> - Documentation – Maintain accurate, detailed care records to ensure continuity and safety for every resident. (PCPE 1472, Aged Care Association)
>
> Every shift, I am responsible for detecting the earliest signs of a stroke, a diabetic emergency, or a dangerous fall. I administer controlled medications, manage feeding tubes, change complex wounds, and use hoists to safely lift residents weighing over 100kg—sometimes while being shouted at by someone whose dementia means they can't help their frustration. I am trained and assessed in 19 clinical

competencies, not just companionship, but life-saving skills that require constant vigilance. (PCPE 1152, Vicky)

Working in hospital level aged care comes with a vast range of complex health issues, from physical issues like strokes, multiple sclerosis, ALS[52], as well as mental health issues or dementia. Most of these cross over with each other. These issues need on the spot thinking at times when the resident has a sudden change in their normal self. (PCPE 1152, Ashley)

The role of public libraries as a cornerstone of our communities has not changed over the last 25 years however the work carried out by library staff has changed immeasurably in that time. Alongside traditional book borrowing services, libraries now provide access to eBooks, audiobooks, movies, newspapers both online and physical, and digital research resources. This is by no means an exhaustive list. Our library staff support their customers to access all of these. Staff are also tasked with guiding library patrons through the modern maze of information. They provide advice not only on how and where to access information but also how to consider the quality and source of the information they are accessing. Library assistants are doing customer support work for both public and private service providers who have retreated into online spaces. Face-to-face service in government departments, banks and so on are in steady decline. People who need tech or digital support to access these services are regularly directed to public libraries, so staff find themselves supporting customers with immigration, housing, and financial support applications among many other requests.

Library assistants are delivering frontline information on council services including taking rates and dog registration payments and providing access to advice on trees and property queries. They are delivering a wide range of events and programmes. These include story times, language classes, book chats, senior tech support, ukelele clubs, and family history. They are doing all of this and much more in an environment that is increasingly challenging. Staff are subjected to increasing levels of violence and abuse. They find themselves supporting members of the community who are struggling mentally, struggling financially, and who need far greater support than ever before. (PCPE 1495 PSA Library Assistants)

Challenging pay setting in the public sector and publicly funded services

In publicly funded sectors, the very nature of the work means there is no simple way to identify and assess the links between the value of work done and payment for that work. This perpetuates undervaluation. The consequences such as staff turnover and recruitment costs, or wide system performance may not be transparent.

Many young women are taking on student loans to train in underpaid professions:

- Teachers guiding future generations
- Nurses caring for our most vulnerable
- Librarians and archivists preserving knowledge and access
- Social workers and counsellors supporting mental health and wellbeing

They’re investing years of our lives and thousands of dollars in education for careers that are vital – but consistently undervalued. It is not fair that their commitment is met with discrimination baked into the pay system. (PCPE 1186, YWCA Auckland)

[52] Amyotrophic lateral sclerosis

> However, we are experiencing an acute shortage of secondary teachers across the country and particularly in STEM subjects, te reo Māori and in rural areas. These shortages cause school principals to cancel subjects, to ask teachers to teach out of their areas of expertise, and to increase class sizes. Teacher shortages limit student achievement and force schools to make compromises which reduce the quality of education for their students. (PCPE 1435, PPTA)

3.5 Migration and Labour Supply

Recruitment of migrants can temporarily ease workforce shortages in sectors such as health, aged care, and veterinary services, where wages are too low to attract NZ job seekers. This can hide deeper structural problems and generate a volatility in the workforce that ultimately affects the long run sustainability and quality of services. While migration helps bridge immediate labour gaps, it does not resolve the underlying market failures driving pay inequity. High turnover among migrant staff also undermines workforce stability, as many move to higher-paid roles or leave NZ once eligible.

Unplanned and volatile reliance on migrant labour will suppress wage growth, deter local training investment, and, over time, add to population ageing as migrant cohorts themselves grow older.

Several submissions highlighted the growing reliance on migrant workers to sustain essential but low-paid services:

> The care provided by our members keeps people out of hospitals and emergency departments every single day. Our support worker workforce is:
>
> - Facing growing complexity, with increasing care needs of an ageing population and no clear workforce strategy to support them or grow the workforce
> - has high turnover compared to other workforces which can be directly linked to support worker pay with turnover around 25% vs HNZ less than 10%
> - generally older than other workforces with an average age reported of between 50 and 55.
>
> The key insight for Australia is that pay is necessary, but not sufficient. What moves the dial on workforce supply and sustainability are the structural enablers that sit alongside pay:
>
> - funded education and training pathways,
> - recognition of prior learning and transferable skills,
> - employer incentives to invest in training and supervision, and
> - clear career pathways that make aged care a viable long-term profession. (PCPE 1601, Home and Community Health Association)

> My partner is recently unemployed, and my income can't support us for long at all. We, like so many others, will be moving to Australia, where hopefully my efforts and abilities are valued. We can no longer afford to live in this country, and I no longer want to give so much to a country that doesn't value my work. (PCPE 1484, Esme Whiskin)

> In terms of conditions, many of our staff are from overseas, with their work visa tied to the employer, meaning they cannot with any ease move to another employer in search of better conditions. This treats them as second-class workers and is, in our view, entirely wrong.

> Because permanent staff numbers have been reduced and shifts altered, our staff is frequently supplemented with outside agency staff. While this may mean the minimum essential number of staff is present on the wards, these agency staff generally do not know our residents, meaning the care they can provide is at the most minimal level. (PCPE 1386, Village at the Park Aged Residential Care Group)

3.6 Distinguishing cost-of-living adjustments from pay equity corrections

Cost-of-living adjustments are different from addressing pay inequity. A cost-of-living increase maintains purchasing power; a pay equity adjustment corrects relative undervaluation. Cost of living adjustments alone do not resolve pay inequities and addressing cost-of-living pressures without confronting undervaluation risks maintaining whatever historical bias exists, in real terms. Without addressing pay equity, household cost of living pressure is also at risk of remaining invisible to employers of those in low paid jobs. In sectors where pay is administratively set or historically undervalued, inflationary adjustments can mask deeper structural inequities.

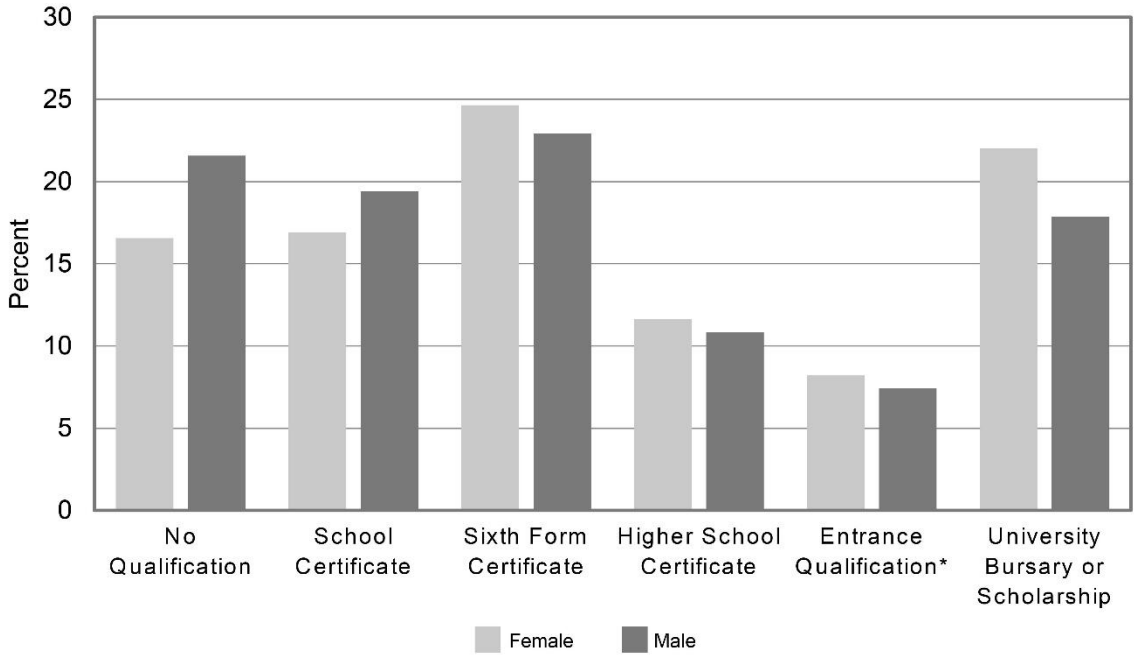
Several submissions linked stagnant pay to rising living costs, noting that wages in many public and community sectors have not kept pace with inflation. Submitters emphasised that even when wages were periodically adjusted for inflation, the underlying bias remained - particularly in sectors such as care, education, and community work. (PCPE 1186, YWCA Auckland; PCPE 1431, Wellington City Council PSA Members; PCPE 1556, NZCTU)

3.7 Changing historical attitudes

There has been a major shift in female educational experience

The educational experience of the generation born from the late 1940s was very different from that of those born before then. While historically males had gained more qualifications than females, by 1996 the high school level achievement of females outstripped that of males.

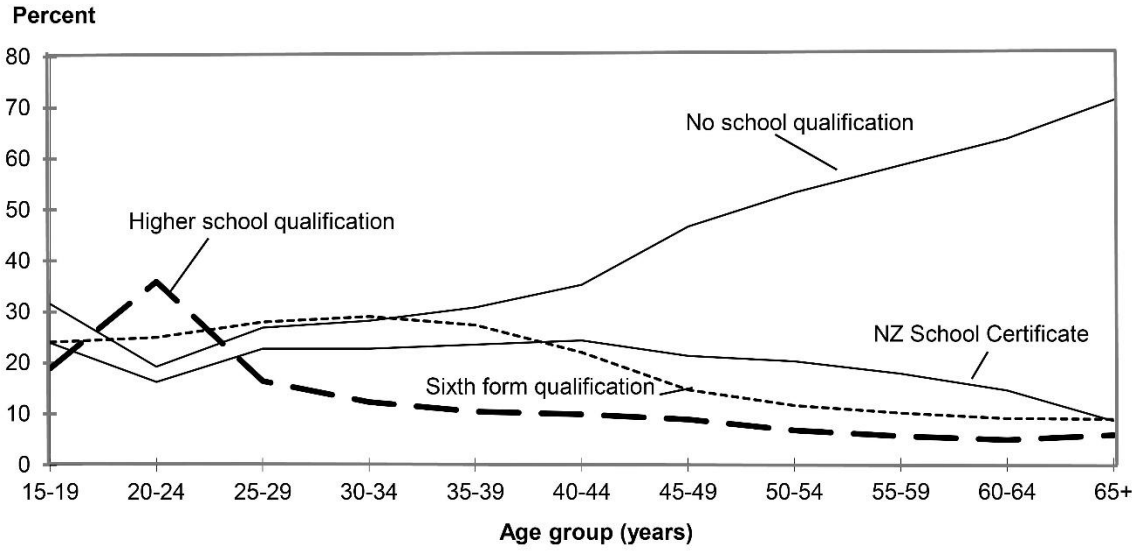
Figure 4: Highest school qualification by sex in 1996



Source: Statistics New Zealand Census of Population 1996

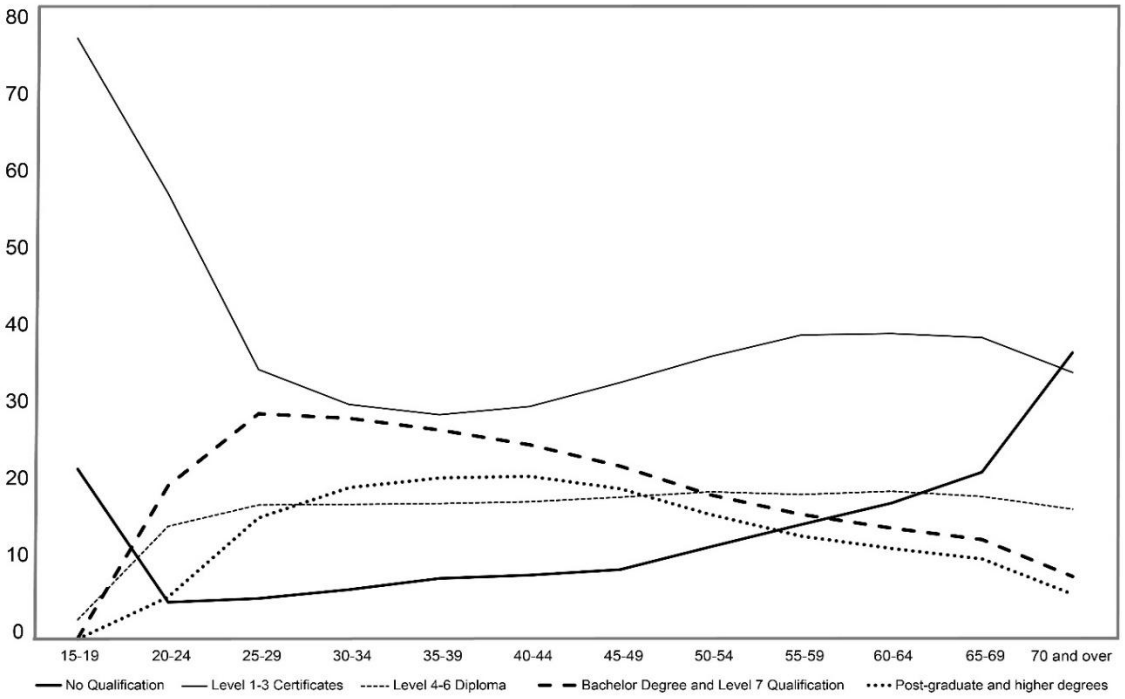
However, a history of limited opportunity to gain educational qualifications meant that even in the 1980s, most women and men in the workforce had no educational qualifications, in a period when female workforce participation was growing. Those involved in workforce planning fail to recognise this is no longer the case in various parts of the services sector, as is well exemplified in the nursing workforce. That situation has changed radically over the past three decades, and at all ages the education achievement of women has increased. Women in the workforce have higher educational qualifications than men in general.

Figure 5: Highest educational qualification of women by age in 1996



Source: Census of Population 1996, Author analysis

Figure 6: Highest educational qualification of women by age in 2023



Source: Census of Population 2023, Author analysis

3.8 Economic benefits of pay equity interventions

The pay equity process can have some positive externalities. These include strengthening unions and collective bargaining, improving information transparency regarding wages and job requirements, investing in skills and training to increase worker mobility. It offers the possibility of reforming public sector funding models to incentivise employers to value workers appropriately or implementing targeted subsidies/tax credits to supplement incomes in undervalued sectors.

Pay equity interventions provide a direct and comprehensive solution to the problem of undervalued work. By explicitly addressing historical and systemic biases in pay structures, pay equity can provide a robust measure of what is needed for workers to be fairly compensated for their contributions, regardless of gender or occupation. Moreover, pay equity interventions can complement other efforts to improve labour market efficiency.

Pay equity processes can identify and account for a wide range of factors that contribute to undervaluation, including skills, effort, responsibility, and working conditions. They also directly reduce discriminatory pay practices and, by establishing a more equitable pay structure, can have a long-term impact on workforce stability, recruitment, and service quality. Submissions presented a strong economic rationale for pay equity settlements as corrective tools.

Focusing on efficiency of the job market

Pay equity settlements enable pay to be aligned with the skill, expertise and responsibility needed for the work. Many jobs have developed around the presumption of an unpaid female partner to the worker, whose value was not only undervalued by employers but also by their male partner in the paid workforce. The false demarcation between the work of women and that of men within the household and in the paid workforce has systematically challenged the concentration of market power, which had led to accumulated benefits for men, and cumulative disadvantage for women.

The participation rates of women have now converged with those of men, while any gap between the education of women and men that exists generally favours women. This indicates an underutilised capacity for a shift of labour resources to areas of higher added value. The less desirable alternative is to increase the volatility of immigration and emigration flows, because of the downstream effects on housing and infrastructure demands.

Consequently, both the prospective scale and the volatility of demand pressures need to be recognised when seeking to balance labour supply and demand.

Productivity and output gains

Many submissions (PCPE 1602, NZIER; PCPE 1522, NZEI Te Riu Roa; PCPE 1556, NZCTU; PCPE 1440, HRC; PCPE 1440, HRC; PCPE 1363, SSPA) emphasised that undervaluation of women’s work leads to systematic under-utilisation of skills, suppresses productivity growth, and represents a misallocation of talent. This is especially evident among Māori and Pacific women. A disproportionate number of Māori and Pacific peoples will be new entrants to training and employment over the next two decades, and the number involved means that the return on investment in them will be comparable to that gained some six decades before when the European

population had a similar age structure and boost in educational qualifications. Addressing pay equity therefore advances human efficiency, not only fairness.

Empirical research demonstrates that closing gender pay gaps and improving labour-market equality can raise overall economic output. Kennedy et al. (2017) found that reducing the gender wage gap by 10% could increase per-capita GDP by about 3%. Hsieh et al. (2019) showed that up to 40% of U.S. productivity growth since 1960 stemmed from the improved allocation of talent as barriers for women and minorities declined. And in 2021 the OECD estimated[53] that closing gender gaps in participation and pay could lift GDP by 5–10% across member economies.

Workforce stability and service quality

Post-settlement research on the 2017 social workers pay settlement found it resulted in higher motivation, easier recruitment, and reduced turnover. It was a substantial pay adjustment, not a pay equity settlement. Employers reported being better able to meet community needs and contract requirements (PCPE 1602, NZIER; PCPE 1382, Age Concern Auckland; PCPE 1556, NZCTU).

> The disability sector is already facing severe workforce shortages. Providers are struggling to recruit and retain support workers. Morale is low. Without fair wages, the care and support workforce cannot be sustained. And without that workforce, disabled people are left without the support they need to live ordinary, safe, full lives.
>
> Let me give you one example: a provider recently told us they had to close two group homes because they couldn't staff them safely. The workers they lost went to jobs in supermarkets and fast food, where the pay was better and the work less demanding. This is not just a workforce issue; it's a human rights issue. (PCPE 1101, New Zealand Disability Support Network)
>
> For example, care work has long been viewed as women's work, and the skill, knowledge and experience involved in doing this job have been overlooked because of their association with an assumed innate call to care that women have. The lower status of the work means that its full impact is not understood. (PCPE 1343, Katherine Ravenswood)
>
> This approach fundamentally misunderstands how economies create value for future generations. The caring economy - education, healthcare, social support - forms the foundation upon which all other economic activity depends.
>
> When we systematically undervalue this work through bureaucratic barriers and discontinued claims, we're not saving money - we're undermining the human infrastructure and social fabric that creates prosperous societies. Countries that invest in fair wages for caring work see better educational outcomes, healthier populations, and more productive economies over the long term. (PCPE 229, Michelle Pawson)
>
> These policy changes jeopardise progress toward equitable pay in sectors that are already grappling with workforce shortages in rural areas. If the ability to seek fair pay is delayed or denied, rural communities will find it even harder to recruit and retain the staff needed to deliver essential services. Teachers in isolated areas are already harder to attract; the loss of anticipated equity adjustments reduces the

[53] www.oecd.org Pay transparency tools to close the gender wage gap, November 2021

> appeal of rural placements even further. Aged care and nursing facilities report high vacancy rates, and pay disparities are a key driver of staff loss to urban centres or the private sector. (PCPE 1536, Rural Women New Zealand)
>
> During the years the level of care residents require has risen significantly as more residents require Hospital level care, or Dementia level care now. People coming into Aged Care Facilities are also less mobile, they may mobilise with walking sticks, walkers, or they require hoisting to move them.
>
> As well as showering and/ or washing residents, dressing & undressing residents & toileting them you must continually check on residents that are a falls risk and continually answer call bells, feed residents that need feeding and assist residents that need assistance with food. You care for Residents that are dying & support their family and/or friends during this process, you even sit with residents while they are dying. You also prepare Residents that are dead before they are picked up by undertakers. You have to always be on the lookout for Health & Safety issues and Infection Control issues, these need reporting to the nurse on duty and documented, so they can be looked into and fixed. (PCPE 1438, Marianne Bishop)

Fiscal and macroeconomic benefits

Where pay equity settlement improves workforce stability, productivity, and reduces welfare reliance, it will have a strong, potentially long-term, fiscal benefit. Submitters argued that raising pay for low-income workers has wider economic benefits because these households have a high marginal propensity to consume, meaning most of their additional income is spent in the domestic economy. In this way, the resulting higher wages can stimulate local demand and increase tax revenue, even though they also raise public expenditure where government is the direct funder or employer.

Te Uru Tāngata Centre for Workplace Inclusion (PCPE 1299) emphasised the benefits:

> Pay equity is also about economic logic - money doesn't disappear into offshore bank accounts or sit dormant in property portfolios - it goes straight back into our domestic economy and that stimulates GDP growth.
>
> Other benefits
>
> - Stronger tax base – This is taxable income that supports public services and reduces fiscal pressure
> - Improved workforce participation – Fair pay attracts and retains workers, helping to ease labour shortages and lift productivity
> - Better return on education – When women are paid fairly, we're actually making use of the investments we've already made in their training and education
> - Lower poverty and welfare dependence – Higher incomes reduce hardship and reliance on government support
> - Better retirement outcomes – And as our population ages, that matters. Pay equity helps women build financial resilience for later life, reducing future strain on the next generation who'll be keeping this economy going. (PCPE 1299, Te Uru Tāngata Centre for Workplace Inclusion)
>
> I've seen many Experienced Workers leave for better paid work elsewhere. On the flip side – New Workers often lacking experience in the industry, are cheaper to employ and only stay short term. Bullying @ Work between Workers &/or

> Management is also increasing. EAP [Employee Assistance Program] is helpful, but it is only a temporary fix. (PCPE 243a, Dyalla Smith)
>
> Need to think about the variety of medical tasks we perform
>
> - Diabetes monitoring and medicating
> - Restricted drugs and monitoring protocols for behavioural issues or pain relief
> - Many of us will have changed colostomy bags and stomas
> - Tube feeding is not uncommon
> - Decisions on when and how to administer PRN medications[54] with or without guidance or protocols It is common for a protocol to require you to communicate with a manger first but often things can escalate so fast that by the time you have gotten to speak with a manger the situation is beyond being relieved by prn.
>
> Many behavioural specialists talk about a pattern of behavioural escalation but sometimes the steps between trigger and crisis are missing. (PCPE 243b, Gordon Cambridge)

For people on low incomes, effective marginal tax rates can reach very high levels as the abatement rates for allowances have a compounding effect with personal income tax rates. For those in this situation, their effective marginal tax rates on additional income can be the highest experienced by any group in the population. For this group, a comparatively small pay increase can reduce entitlements to income-tested benefits such as childcare subsidies and accommodation supplements, temporarily lowering net income for some workers. This negative consequence can be mitigated by integrating pay equity settlements with reforms to the benefit system to reduce or eliminate benefit cliffs. It reflects longstanding difficulties in adjusting benefit payment levels as other income sources change, and the piecemeal way that income support has evolved in NZ. The combined effect of both abating allowances as income changes, and of income taxation, can lead to prohibitively high effective marginal tax rates. The calculations are often so complex that can be long after this has arisen that it is known to the taxpayer or the state agency, despite the potential for highly punitive reactions by state agencies, whenever this occurs.

Recognising consequential benefits and costs across systems

In complex or poorly managed systems, where social workers, carers, or support staff are underpaid, the consequent turnover drives inefficiency by shifting complex cases to higher-paid professionals such as doctors. When these generally low paid workers are adequately paid and their value recognised, systems function more efficiently overall and prevent higher downstream costs in health and welfare. This situation is exacerbated when the value of the services provided is not assessed, and changes in the scope and quality of services are poorly recognised.

> The irony is, that when I do my job well, it reduces the amount that is needed to pay higher paid staff such as doctors. With a dearth of social workers, it is often GPs who end up carrying the complex issues of whanau living in the community. I had a specialist say to me recently that they were needing to do social work because there weren't social workers, which isn't cost effective from an economic sense.
>
> When I do my job well, I save the health system money. I keep people out of hospital, or out of care. Scrimping on social worker wages means that unmanaged health and

[54] PRN medications are drugs taken "as needed.", i.e., taken for symptoms only as they arise.

> whanau situations present in Emergency Department that are easily prevented. How we, as social workers do this is complex, skilled, and sometimes presenting personal risk which we manage, not through force or restraint but by developing relationships, showing care, and listening. (PCPE 1257, Sarah Miller)

> Many of those we support have worked their entire lives in undervalued, underpaid sectors and now face old age with limited savings, insecure housing, and declining health. The social and health consequences of this injustice are immense: financial insecurity in later life correlates with higher rates of chronic illness, elder abuse, mental distress, and social isolation. Repealing pay equity legislation denies current and future generations of women the opportunity to avoid the same fate. (PCPE 1382, Age Concern Auckland)

Where the net after cost reward from working in a particular role has failed to respond to changes in either the scale of demand for the activity, or the nature of the activity itself, then low-income employees have few options, either to seek another job, or to take on additional employment. Many of the factors that reduce a person's after-cost reward are outside the control of the employer such as travel to work costs, cost of rental housing and childcare.

> There are invisible barriers that reduce the reward received from pay, and many workers will need to work in second jobs to get by, creating additional pressures on family life, childcare[55].

At a personal level, the unmeasured personal costs may reach a point for those already employed where alternatives become actively sought. Several submitters indicated the pay increase that they know they could receive, one noting that "a position at Pak and Save would provide an extra $4 an hour*".* Many would just like to reduce the excessive hours they now have to work to obtain an adequate reward and engage with family. Having to take on secondary employment would undoubtedly reduce the unrewarded flexibility that seems to be implicit in such roles. It would also impact significantly on the scope of potential unpaid contributions made within whanau.

3.9 Responding to demographic change

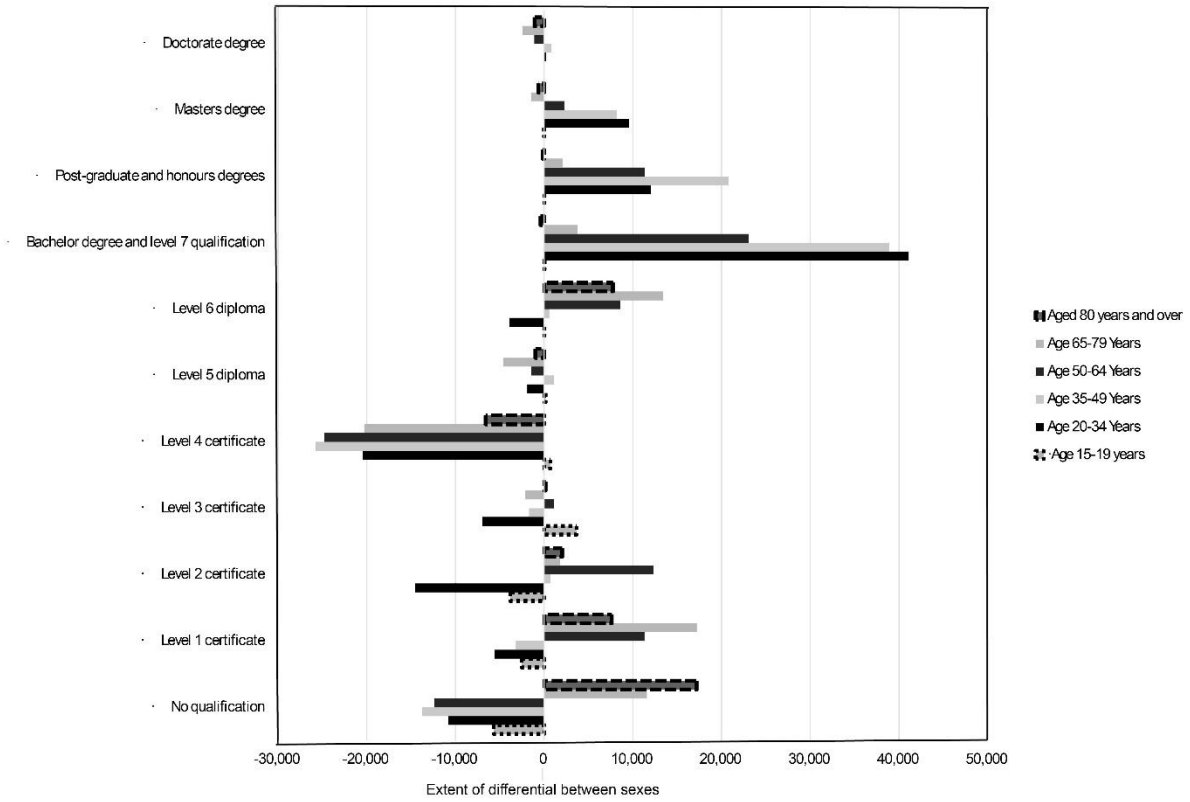
Demographic and social change is exacerbating existing problems (PCPE 1601, Home and Community Health Association; PCPE 1382, Age Concern Auckland). The submissions told us that many sectors are experiencing a mix of effects of long-term trends in population structure. These have a wide range of consequences, with different generational consequences. These pressures will continue to grow, and an increase of nearly 45 percent in the population that will be aged 75 and over will challenge care and support services. Over that same period the working-age populations are declining, especially outside major cities in almost all places. This imbalance increases demand for care, health, and education workers precisely where pay equity issues are most acute.

Key services, systems and practices may not adapt with the speed that will be needed to maintain service quality.

[55] Te Whare Tiaki Wāhine, 2022

An ageing population and static birth rates mean rising demand for care and health services. As noted in paragraph 3.2, the capacity to increase the supply of labour over the next 30 years will be much less than has occurred over the past 30 years. The main increases that occurred then resulted from the convergence of participation rates of men and women, and the substantial shift in educational attainment of women. An increased productive capacity in services and other sectors will need to be anchored in ways to increase the efficiency and effectiveness of systems, rather than having to find ways, such as expediting immigration, simply to add to the labour force.

Figure 7: Generational differences in female education levels compared to males



Source: Census of Population and Dwellings 2023

Submitters emphasised that fair pay is essential for sustaining a viable workforce, as younger workers are seen to be increasingly avoiding undervalued sectors (PCPE 1552, Workers First Union).

> If you examine the industry closely there is an aging workforce that is not attracting new entrants as there is a poor wage for hard work with no career path or solid training structure.
>
> The industry has been propped up over the last 5 years in particular with a migrant workforce who quickly move on to other occupations or other countries.
> Why wouldn't they when new entrants to the industry in Australia earn around 30% more than the top of the pay scale here.
>
> New entrants often accept lower pay and conditions than local workers, reducing pressure on employers and funders to address wage inequities. (PCPE 1593, Gordon Cambridge)

> Women are the primary unpaid caregivers in Aotearoa – for children, partners, disabled family members, and ageing parents. As the population ages, more middle-aged and older women will be caring for very elderly parents while still supporting children or grandchildren. These "sandwich generation" women often reduce work hours or exit the workforce entirely, losing income and sacrificing their own health and savings. (PCPE1382, Age Concern Auckland)

For many families, the high rates of participation in the paid workforce have reduced the likelihood that there will the 'nearest living female relative' of earlier generations to provide care for older family members, or to be a substitute for the community or to supplement health and other care services that should be available.

3.10 General issues related to pay equity and its implementation

A number of submissions and commentators raised concerns about specific challenges or potential unintended consequences related to implementation.

One submitter (PCPE 1555, Jim Rose) argued that wage differences primarily reflect productivity, hours, or occupational preferences rather than discrimination, and that external intervention risks distorting labour markets. This argument does not account for the evidence of monopsony power and dismisses evidence of clear gender discrimination against women in employment throughout history.

A few employer submissions warned that large settlements could create localised inflationary pressure or trigger wage expectations in other sectors not covered by equity claims. Given that long term prospects are for difficulty in having labour supply match labour demand, the conditions for labour market competition to reduce emigration tendencies are likely to be influenced by how pay equity concerns are acknowledged. The argument that imposed relativities may flatten pay structures and weakening incentives for skill development and career progression (PCPE 1555, Jim Rose) is not substantiated by experience to date, where settlements have elongated pay structures and increased access to development and career pathways.

When only some organisations receive equity adjustments, staff may migrate toward higher-paying employers, worsening shortages elsewhere. The Secondary Principals' Council has analysed issues that are causing tension between their employees, and points to the sort of situations that can lead to this:

- An untrained classroom teacher (LAT – with limited authority to teach) is earning roughly the same pay as the teacher aide who is under their supervision in their classroom
- A special education satellite class, where the head of faculty is earning less than the Ministry therapists in her team
- Kaiārahi i te reo Māori (specialist te reo roles who work under the direction of classroom teachers and syndicate leaders) earning more than a secondary teacher of te reo Māori
- The librarian helping an English teacher's class to select novels for an assessment earning more than the teacher who is responsible for the students and their achievement
- The school science technician who is helping a year 10 science class with an experiment earning more than the science teacher. (PCPE 1435, PPTA Te Wehengarua Secondary Principals' Council)

This risk can be addressed by a strategic approach to implementing pay equity more broadly across sectors.

3.11 Synthesis and policy implications - the different generational consequences of ignoring pay equity

For the young

- Will people wish to invest their own time, money and accumulate debt from student loans when future income seems undervalued from the jobs that they seek?
- Will young people consider emigration, which at present is at an unprecedented scale?

For those of younger work force age

- Will those with skills and experience that may be better valued elsewhere remain in low-paid sectors of the economy? (Other, better paid, sectors also face labour supply issues.)
- Options of emigration to Australia are easy
- Invisible barriers reduce the reward received from pay. Many workers will need to work in second jobs to get by, creating additional pressures on family life and childcare.
- In this cohort, substantive pay equality is concerned not only with rates of pay but also working time equality, guaranteed hours and job security, access to flexibility, leave arrangements and entitlements, training, and career progression
- At an individual level, low-paid workers, even those in significant roles, tend to experience disrespect and uninterest in their situation
- Pay equity solutions involve not only recognising pay deficit but also identifying evolving pressures in many jobs from social change and growing inequalities.

For those in the older work force

- What expectations do employees have about when they will be able to retire from paid work?

For those who are past the normal work force age

- For most women, working life income has enabled little saving. An increasing number will be living in rented housing, which is becoming less affordable (PCPE 1299, Te Uru Tāngata Centre for Workplace Inclusion; PCPE 1382 Age Concern Auckland).
- Amounts accumulated at age 65, since KiwiSaver was put in place in 2007, will be small for those now reaching age 65, as only part of their working life was covered by the policy.
- Although women have a longer life expectancy at age 65, they can still have diminished health given the physical demands of a lifetime of paid and unpaid work. This generates a fragile post-retirement financial situation, only possibly ameliorated by continued employment.
- This generation is less likely to have access to the continued quality of care that they were paid to provide while in the workforce, as workforce pressures impact on staff turnover.

3.12 Conclusion

The submissions reveal that large parts of New Zealand's service labour market operate with increasing fragility. Dominant employers, imperfect information, limited job mobility, reliance on migrant labour, and the undervaluation of socially vital work have kept wages below their economic value, and they remain depressed unless there is some way to make visible the impact on the services that they provide.

During times of fiscal pressures, eroding the quality of services available to the general public has become a long-established political means of avoiding and deferring a sustainable response.

Since 2015, the population of working age in all except a few territorial authorities has fallen. The growth in the employed has resulted from the near convergence of labour force participation rates of women and men at all ages under 65 years. New Zealand's labour force participation rates of people 65 and over are the highest among OECD countries. We have little room for increasing productive capacity except by immigration - and by better recognising the contribution of the workforce we have now. Given that, for some thirty years, girls have been leaving high school more highly qualified than boys, there needs to be serious consideration of how properly to recognise and reward the capability they bring in a time of increasing workforce pressures.

Pay equity settlements, while fiscally significant, also facilitate economic corrections that enhance efficiency, retention, and social welfare. Those involved maintain the integrity of services that underpin the welfare of the community as a whole.

Section 4: Pay Equity, Kaupapa Māori and the Treaty

> *"I am a Māori, fifteen-year-old girl and I look forward to studying Health Science and Dentistry before specialising in Orthodontics.*
> *I would like to be a Doctor, a Doctor of Dentistry and Orthodontics…*
> *We need to start paying people fairly and what they are worth." (PCPE 1549, Taylor Maree Pita)*

4.1 What this section is for

The Equal Pay Amendment Act 2025 was passed into law under urgency, a legislative process that immediately halted 33 active pay equity claims and significantly altered the process for all future claims. This action has drawn widespread and unified opposition from a diverse range of civil society organisations, including human rights commissions, unions, professional bodies, and Māori and community groups.

Kaupapa Māori submitters viewed the Government's changes to the Equal Pay Act as a deliberate rollback of hard-won rights, a breach of Te Tiriti o Waitangi, and an assault on intergenerational equity for wahine Māori, their whānau and communities. At stake is not only the quantum of pay, but the integrity of a Tiriti-anchored social contract in which work that sustains life, culture, and community is recognized as tāonga rather than treated as a fiscal liability.

This section draws together the main arguments from submitters who presented to the People's Select Committee concerning the 2025 Amendment Act. It intends to highlight kaupapa Māori aspects of the argument and Te Tiriti o Waitangi obligations alongside the other substantive components of this report in order to provide a clear and comprehensive overview of submitters' concerns.

A distinct feature of a kaupapa Māori analysis is the elevation of the pay equity issue from a labour dispute to a question of the spiritual and cultural value of women in the workplace and how Te Tiriti o Waitangi provides substantial context to recognise the value of 'women's work', referencing virtues of mana wahine as articulated in WAI 2700, Mana Wahine Kaupapa Inquiry[56], currently before the Waitangi Tribunal. Submiters argued that the Equal Pay Amendment Act 2025 dehumanises wahine by failing to recognise their value, contribution, leadership, and responsibility as a critical feature of key sectors of the modern economy.

To illustrate this point, Denise Messiter of Te Whāriki Manawahine o Hauraki contrasts colonial economic views with Māori world views. She asserts that 'Pay equity is more than just wages - it's about mana, whakapapa, and resisting systems that have historically devalued our labour'. She further explains that while wahine are the 'cosmological source of creation', colonial systems reduce them 'to labourers rather than protectors of whakapapa and whenua'. (PCPE 094, Te Whāriki Manawahine o Hauraki – Denise Messiter)

Amokura Panoho framed the repeal not just as a loss of money, but as a dishonouring of ancestors. She submitted that, 'To repeal the Pay Equity Act... is a theft of protections

[56] http://www.waitangitribunal.govt.nz/en/inquiries/kaupapa-inquiries/mana-wahine

our tūpuna fought hard to secure', calling it a 'betrayal of these legacies' left by leaders like Dame Whina Cooper and Titewhai Harawira. (PCPE 032, Amokura Panoho)

4.2 A Flawed and Undemocratic Process

A primary and foundational objection to the Act concerns the process of law-making. Submitters argue the process was fundamentally undemocratic, rushed, and deliberately avoided the standard mechanisms of public and expert scrutiny that are cornerstones of a healthy democracy.

By inference submitters assert that consistency with the principles of Te Tiriti o Waitangi were deliberately ignored and tugs at the constitutional conventions that have previously been seminal to law-making in Aotearoa New Zealand.

Passed Under Urgency, Bypassing Scrutiny

Multiple organisations, including Te Kāhui Tika Tangata Human Rights Commission, Rights Aotearoa, and the Aotearoa New Zealand Association of Social Workers Te Rōpū Tauwhiro i Aotearoa (ANZASW), have condemned the government's use of urgency to pass the Act. In practice, this meant the law was introduced and passed in just over a week, completely bypassing the usual Select Committee process. This legislative shortcut prevented any opportunity for public submissions, expert testimony, or democratic debate.

Submitters argue this approach violates core principles of democratic accountability and legislative best practice, setting a dangerous precedent for passing laws that have profound impacts on the rights and livelihoods of hundreds of thousands of people.

Lack of Consultation and Transparency

According to submissions from Rights Aotearoa and the National Advisory Council on the Employment of Women (NACEW), the lack of consultation was a severe breach of good governance. No meaningful engagement occurred with the groups most affected by the changes, including workers, unions, Māori, and women's advocacy organisations.

This lack of transparency was further compounded by the government's refusal to release its own human rights analysis of the Act. Submitters argue that this secrecy prevents the public from understanding the government's reasoning, particularly how it justified the Act's clear inconsistencies with domestic and international human rights law. This flawed process resulted in a law whose very substance is now being challenged on fundamental legal and human rights grounds.

4.3 Breaches of Te Tiriti o Waitangi and Fundamental Rights

Submitters view the Act not merely as poor policy but as a direct violation of fundamental rights enshrined in domestic and international law, as well as a profound breach of the Crown's obligations under Te Tiriti o Waitangi.

Kaupapa Māori submissions are unequivocal that the Crown's process and intention breach core Te Tiriti principles of partnership, active protection, and ritetanga (equity). Passing the Equal Pay Amendment Act 2025 under urgency, without meaningful consultation or a transparent Treaty and human rights analysis, is described as a

constitutional failure that mirrors patterns already identified by the Waitangi Tribunal in other kaupapa inquiries.

Article 2 obligations to uphold tino rangatiratanga over taonga are interpreted by submitters as extending to Māori labour, Māori-led services, and the knowledge systems that underpin culturally grounded work such as care, health, and education. Article 3 Ōriretanga is invoked to argue that the Crown must not only avoid discrimination but take affirmative action to dismantle structural pay gaps that disproportionately harm wahine Māori and their whānau. The legislative rollback of pay equity rights thus represents a retrogressive step inconsistent with Te Tiriti, as well as with international instruments such as ICESCR, CEDAW and ICCPR cited by Rights Aotearoa and Te Kāhui Tika Tangata Human Rights Commission.

Breach of Te Tiriti o Waitangi

Multiple submitters, including the PSA Rūnanga, the Tūwharetoa Iwi Māori Partnership Board, and Rights Aotearoa, assert that the Act is a profound breach of Te Tiriti o Waitangi. Their arguments centre on two key principles:

Breach of Partnership

The complete exclusion of Māori from any consultation on a law that disproportionately affects them s a clear violation of the principle of partnership. Te Tiriti requires the Crown to work with Māori as partners, particularly on issues that impact Māori rights and wellbeing.

Te Kāhu Tika Tangata Human Rights Commission notes that the principle of partnership requires the Crown to 'consult and partner with Māori genuinely,' and the failure to do so 'appears to breach this obligation'. (PCPE1440, HRC)

Te Pāti Māori reinforces this, stating, 'The Crown does not get to opt in and out of Te Tiriti when it becomes politically inconvenient'. They describe the legislation as 'retaliation' rather than reform, noting that Article 2 guarantees authority over 'our labour, our value, and our economic futures'. (PCPE 1542,Te Pāti Māori)

The Asian Legal Network supports this analysis, identifying the legislation as a continuation of 'financial colonisation' that has led to historical inequalities through 'structural dispossession and economic marginalisation'. They argue that the ethnic-gender wage gap is a result of these colonial enterprises. (PCPE 1542, Asian Legal Network)

While this analysis does not propose to juxtapose interpretations about the intent of the articles of the Treaty, it is sufficient to restate that the coalition Government's lack of regard for the relevance of the Treaty to pay equity issues further diminishes the spirit of partnership, economic autonomy and self-determination as it applies to women's work.

Failure to Ensure Equity (Ōritetanga)

Article 3 of Te Tiriti obliges the Crown to not only protect Māori from discrimination but to *actively* address disparities and promote equity. Wahine Māori are dramatically overrepresented in the undervalued occupations affected by this Act. By cancelling claims and erecting new barriers, the Crown is not addressing inequity but actively

entrenching it, with tangible, intergenerational consequences for whānau hauora (health and wellbeing).

Louisa Wall, representing the Tūwharetoa Iwi Māori Partnership Board, argued that 'Pay equity is not only a labour market issue. It is a determinant of hauora'. She details the human cost: 'Whānau incomes are suppressed. Housing, education, and nutrition are compromised'. (PCPE 0132, Tūwharetoa Iwi Māori Partnership Board)

The ANZASW submission provides qualitative evidence that for many, achieving pay equity meant securing 'food, shelter and warmth'. They note that fair pay allowed workers to 'meet daily expenses without feeling significant financial stress' and essentially lifted them out of the category of 'the working poor'. (PCPE 1379, ANZASW)

Amokura Panoho highlights that the legislation ignores the 'disproportionate contribution of unpaid mahi aroha – care, community, and whānau work' performed by wahine Māori, valued at $6.6 billion annually. The repeal sends a signal that women's labour is 'invisible, dispensable, and unworthy of redress'. (PCPE 032, Amokura Panoho)

These high-level violations do not remain abstract; they manifest as specific, disproportionate harm to the most vulnerable groups in New Zealand society. The submissions humanise the dry language of 'fiscal responsibility' by highlighting the visceral, daily realities of wahine Māori who sustain their communities through both paid and unpaid work. They argue that denied equity translates directly to denied sustainable wellbeing.

Submitters contend that the government's actions violate both the principles and the specific articles of Te Tiriti, specifically Article 2 (Tino Rangatiratanga) and Article 3 (Ōritetanga/Equity). The lack of consultation is framed as a dehumanising exclusion of Māori from decisions affecting their own livelihoods.

Disproportionate Harm to Women and Minority Groups

A central argument against the Act is that its negative effects are not felt equally across society but fall most heavily on already disadvantaged communities, particularly women of colour and gender-diverse people.

Impact on Wahine Māori and Other Women

In the submissions from Hauraki Wahine Māori and the Tūwharetoa Iwi Māori Partnership Board, PSA Rūnanga, Māori Women's Welfare League, Amokura Panoho, Dr Kathie Irwin and others, a shared narrative emerges: the 2025 Act is structurally biased against those in feminised workforces (such as care workers) where Māori are highly overrepresented.

They argue that the changes were deliberately designed to make pay equity claims nearly impossible. New thresholds for establishing a claim, the raising of the definition of 'female-dominated' work, the ten-year rule, and the removal of review clauses combine to lock in present and future inequity, rather than progressively eliminate it. This highlights the concept of 'double jeopardy' or intersectional disadvantage. Wahine Māori face systemic discrimination based on both their gender (in female-dominated work) and their race.

This is quantified in data from the PSA Rūnanga:

- The national *gender pay gap* is **8.2%**.
- The *ethnicity pay gap* for wahine Māori compared to Pākehā men is **21.4%**.

By making it harder to correct the undervaluation of female-dominated work, the Act compounds this existing disadvantage, directly harming the economic security and wellbeing of wahine Māori and their whānau.

Te Pāti Māori quantified the human cost of this discrimination, noting that 'over a lifetime, this gap adds up to more than $400,000 less for a Māori woman compared to a Pākehā man. That is a house. A business. A future'[57]. Te Kāhui Tika Tangata Human Rights Commission and NACEW highlighted that the new 'comparator hierarchy', which prioritises comparisons within the same industry) effectively locks women into undervalued rates because 'in sectors that are female-dominated... there may be few if any appropriate male comparators'[58].

Denise Messiter noted the double jeopardy of race and gender, describing it as a 'double bind' where wahine Māori experience higher unemployment and lower wages[59]. The repeal of the Act and the cancellation of 33 claims is described by Te Pāti Māori as 'political erasure' of women who had already 'gathered the evidence, made their case, and waited for years'[60].

4.4 Unworkable Mechanics of the New Law

Beyond the violations of principle, critics argue the new law is mechanically flawed, containing specific provisions that are designed to make achieving pay equity nearly impossible in practice.

The 'Comparator Cage'

The Act introduces a new, rigid hierarchy for selecting 'comparators' (male-dominated roles used as a benchmark for fair pay). Rights Aotearoa describes this as a *'comparator cage'*[61] because it traps female-dominated sectors by forcing them to find comparators in a strict, sequential order within their own employer, a similar employer, or their own industry.

This prevents undervalued sectors (like care or education) from looking outside their own undervalued industry to find a fairly paid comparator. Crucially, the Act now allows an employer to unilaterally discontinue a claim if they decide no appropriate comparator is available within these narrow confines.

Higher Thresholds for Claims

Several key changes make it much harder for workers to even initiate a claim.

- **From 'Arguable' to 'Merit':** Previously, a claim only needed to be 'arguable.' The new standard of 'merit' raises the evidential bar significantly, requiring more proof at the very beginning of the process.

[57] PCPE 1542, Te Pāti Māori
[58] PCPE 1440, HRC and PCPE 1379, NACEW
[59] PCPE 094, Te Whariki Manawahine o Hauraki
[60] PCPE 1542, Te Pāti Māori
[61] PCPE 1616, Rights Aotearoa

- **Raised Workforce Threshold:** The definition of a female-dominated workforce has been raised from 60% women to 70%. This may disqualify entire professions, such as secondary school teachers (64% female), from making a claim.
- **The 10-Year Rule:** The workforce must now have been 70% female for the last *10 consecutive years,* a new rule that disadvantages workforces with changing demographics.

Creating an Inequitable Future

The Act removes review clauses from all existing and future pay equity settlements. As detailed by ANZASW, these clauses were a critical mechanism to ensure that settled pay rates were regularly updated to keep pace with wage movements in comparator professions. By removing them, the Act ensures that even for the few who achieve a settlement, their wages will immediately begin to erode over time, locking in future inequity and forcing them to fall behind once again.

These technical flaws are not merely abstract legal points; they translate into severe and tangible consequences for New Zealand's society and economy.

4.5 Damaging Social and Economic Consequences

Opponents argue the Act is not only unjust but also economically shortsighted. It risks the stability of critical public services, ignores demographic realities, and reverses the tangible progress that pay equity settlements were delivering to workers and their communities.

Risking Critical Workforces in an Aging Nation

In Section 3, Experience and Economics, we highlight the unprecedented growth in New Zealand's population aged 75 and over. This places immense and growing pressure on the care and health sectors – the very sectors dominated by women whose pay equity claims have been cancelled.

Importantly, Māori and Pacific demographics are proportionately younger. They are a key contributor to sectors that have been traditionally undervalued. This will be eroded if the true value of this work is not recognised through pay equity; care, health and education sectors will become less attractive professions.

By disavowing the value of health care and educational services work, the Act will amplify serious problems with recruitment and retention, posing a direct threat to the integrity of services essential for an aging population. This is further complicated by the demographic reality of a young and growing Māori population, whose contribution to this future workforce is vital but who are being actively discouraged by the devaluing of these professions.

The Human Cost of Undervaluation

The ANZASW submission detailed the transformative, positive impacts that previous pay equity settlements had on the lives of social workers. These were not luxuries but basic necessities for a dignified life. Benefits included:

- Enabling security of housing (e.g., meeting rent without arrears)
- Allowing them to meet daily expenses for food, power, and petrol without significant financial stress

- Improved mental wellbeing and a sense of being valued for their complex work
- Enabling experienced professionals to remain in the profession, reducing burnout and turnover.

The new Act halts and reverses this progress, imposing a significant human cost on the wellbeing of essential workers and their whānau.

The opposition to the 2025 Equal Pay Amendment Act is therefore comprehensive, arguing it is an economically irrational and socially damaging policy born from a deeply undemocratic process. Critics contend that it violates fundamental human rights and Te Tiriti o Waitangi, that its flawed mechanics disproportionately harm women, Māori, and other minority groups, and that it ultimately threatens the future of critical workforces while reversing hard-won progress toward a fairer society.

The submissions provided a profound kaupapa Māori and Te Tiriti o Waitangi analysis of the Equal Pay Amendment Act 2025. Rather than treating pay equity as a purely fiscal or administrative matter, these sources humanise the narrative by framing it as an issue of *mana* (dignity), *whakapapa* (lineage), and *hauora* (wellbeing). They argue that the repeal of protections is not merely a policy change, but a breach of the constitutional covenant of Te Tiriti o Waitangi and a direct attack on the intergenerational resilience of Māori whānau.

4.6 Submitters' Recommendations

Here is what the PSCPE received as recommendations to remedy this damage, these risks, and these costs:

PCPE 1453, National Advisory Council on the Employment of Women (Tracy Houpapa)	**Engage in genuine consultation** – Establish immediate consultation processes with women's groups, Māori, unions, and community stakeholders on any proposed legislative or policy changes affecting gender equity **Undertake independent review** – Commission an independent review into the impacts of the legislative rollbacks, with a focus on equity, Te Tiriti obligations, obligations, and human rights compliance **Reaffirm commitment to gender pay equity**
PCPE 032, Amokura Panoho	• Reinstate or strengthen pay equity legislation, embedding Te Tiriti o Waitangi obligations and explicit protections for wahine Māori • Require intersectional and Māori-led analysis in all workforce and pay equity policymaking • Engage directly with kaupapa Māori providers, iwi entities, and wahine Māori leaders in designing culturally responsive economic policy

	• Publicly acknowledge the cultural and systemic harm caused by the repeal, and commit to future protections for Māori women in undervalued sectors.
PCPE 1509, Asian Legal Network	Amendments to align with obligations under Te Tiriti o Waitangi and UNDRIP
PCPE 1411, Kathie Irwin and Associates	• That all government pay equity reviews include an intersectional analysis incorporating ethnicity, gender, and ableness • That the Government fund and partner with Wahine Māori organisations to lead equity audits in education, health, and social services • That historical Treaty breaches impacting Māori women's remuneration in public service roles (such as Kōhanga Reo, kura kaupapa Māori, and Māori nursing) be investigated and redressed • That Te Tiriti o Waitangi be embedded in All Pay Equity Frameworks. Solutions should be codesigned with Māori, with explicit attention to the distinct experiences of wahine Māori.
PCPE 132, Tūwharetoa Iwi Māori Partnership Board	• Retrospective provisions in the new legislation be repealed • Reinstate a fair, accessible, and well-resourced process for pay equity claims, particularly for Māori-dominant sectors • Require government departments and funders to apply pay equity principles across contracted services, including Māori and iwi providers • Uphold Te Tiriti o Waitangi in all legislative reform processes by engaging in genuine partnership with iwi Māori and affected communities.
PCPE 1611, Māori Women's Welfare League	Support for constitutional transformation grounded in Te Tiriti o Waitangi, to fully embed equity as promised by Te Tiriti.
PCPE 1440, Te Kāhui Tika Tangata | Human - Rights Commission	Any future changes to the Act be developed through full consultation with the public, affected groups, Māori and experts

PCPE 1301, Rights Aotearoa	• Pathways forward must centre partnership with Māori, (recognising that pay equity is a Treaty issue requiring Treaty-based solutions) • Establishment of a Māori-led body to oversee pay equity implementation for Māori workers, ensuring cultural perspectives inform evaluation of work value and appropriate remedies for discrimination affecting Māori • Direct agreements with iwi on pay equity implementation in their rohe, recognising rangatiratanga over economic wellbeing of their people and ensuring local solutions to discrimination • Specific inclusion of Takatāpui voices in pay equity governance, recognising their unique position at the intersection of indigeneity and gender diversity, ensuring solutions that work for all gender-diverse Māori.
PCPE 1594, PSA Rūnanga	• Uphold Te Tiriti o Waitangi by ensuring wahine Māori are partners in all employment and equity decisions that they are impacted by • Support and embed Te Orowaru across public and NGO sectors to ensure Māori-led evaluation • Embed Māori-led models in all relevant pay equity processes and decisions • Strengthen Kia Toipoto and ensure accountability for closing gender and ethnic pay gaps.
PCPE 1545, Soroptimist International of Aotearoa New Zealand	A review of the amendments be conducted in consultation with affected communities, with an emphasis on the needs of Māori, Pasifika, disabled women, and other marginalised groups.

The Committee heard from many other submitters who actively voiced their concerns about the breaches of Te Tiriti by the Government, which made no effort to consult with Māori, breaking away from partnerships promised under Te Tiriti, adding to the future employment instability for Māori wahine. These included: (PCPE 092, Emma McLeod; PCPE 1509, Asian Legal Network; PCPE 107, Coalition to End Women's Homelessness; PCPE 1594, PSA Rūnanga; PCPE1440, Te Kāhui Tika Tangata Human

Rights Commission; PCPE 1474, Catherine Delahunty; PCPE 1578, PSA ALMA Network; PCPE 1575, Phillipa Conroy; PCPE 1453, Traci Houpapa; PCPE 1299, Te Uru Tāngata Centre for Workplace Inclusion; PCPE 337, Angela Fox; PCPE 1511, Project Gender; PCPE 1615, P.A.C.I.F.I.C.A; PCPE 1101, NZDSN; PCPE 1429, NZCCCS; PCPE 1556 NZCTU; PCPE 1395, PSA Pasifika; PCPE 1582, DPA; PCPE 1488, TEU; PCPE 1601, Home and Community Health; PCPE 1471, NZNO; PCPE 1616, Michelle Fill; PCPE 1366, Rae Julian; PCPE 1093, Tapa Talanoa Collective; PCPE 1364, Ana Pallesen; PCPE 1518, Business and Professional Women Franklin; PCPE 1363, SSPA; PCPE 1522, NZEI Te Riu Roa; PCPE 1333, National Council of Women; PCPE 1325, Joan Spence; PCPE 1392, SociaLink; PCPE 1435, PPTA; PCPE 1568, PSA Corrections; PCPE 1469, Joint Union Care and Support; PCPE 1487, Jo Wrigley; PCPE 1145, Dame Judy McGregor; and PCPE 1491, Lorri Mackness. There were many more.

4.7 Recommended: ka tukua te korero to the Waitangi Tribunal

Wai 2700 Mana Wahine Kaupapa Enquiry

This report highlights that the 2025 Equal Pay Amendment Act has had significant and direct consequences for iwi Māori, and in particular for wahine Māori. It falls within the scope of the WAI 2700 Waitangi Tribunal's inquiry, Mana Wahine Kaupapa Māori. That scope, set out in a memorandum dated 22 July 2020, centres on the alleged denial of the inherent mana and iho of wahine Māori, and the systemic discrimination, deprivation, and inequities they have endured. The inquiry is structured around four pou: rangatiratanga, whenua, whakapapa/whānau, and whai rawa.

Wai 2700 – the Mana Wahine Kaupapa Inquiry – will hear outstanding claims which allege prejudice to wahine Māori as a result of Treaty breaches by the Crown. The confirmed scope of the Inquiry covers exclusion and marginalisation of wahine Māori from consultation and policy development, and the Crown's actions and omissions in relation to wahine Māori in employment and equal pay. A representative of the PSCPE will be available to speak to the evidence in the forthcoming hearings on WAI 2700.

The People's Select Committee on Pay Equity therefore intends:

Recommendation, Section 4
To make this report, all its submission information, and data on the impact of the 2025 Equal Pay Amendment Act on wahine Māori, available to the Waitangi Tribunal as evidence in support of claims made by unions and others with standing in the WAI 2700 hearing.

Section 5: Pasifika Voices

5.1 Submissions concerning Pacific workers

A significant number of collectives that submitted expressed deep concern about the disproportionate impact of the cancelled pay equity claims on Pacific workers and their families. The claims were expected to lift incomes and living standards; their cancellation also meant the loss of real, genuine opportunity to make a future claim for meaningful and fair remedy for the inequity suffered throughout Pacific workers' careers.

Many submitters based their outrage and call for justice on the denial of fundamental rights to gender, racial and ethnic equality for Pacific peoples. A significant number of submitters quoted ethnic pay gaps and referred to the Te Kāhui Tika Tangata Human Rights Commission's Pacific Pay Gap Inquiry report 'Voices of Pacific Peoples' (2022). These submitters included:

- Unions – PSA Pasefika, PSA Youth, PSA African, Latin American, Middle Eastern; and the PPTA – secondary teachers, principals and administrators
- Women's groups – P.A.C.I.F.I.C.A. Incorporated, Pay Equity Coalition Aotearoa, Zonta, Global Women, Aotearoa New Zealand Association of Social Workers Te Rōpū Tauwhiro i Aotearoa, Business and Professional Women New Zealand, Soroptimist International of Aotearoa New Zealand, Project Gender, and the YWCA Auckland
- Employers – , Home and Community Health Association
- Associations and other civil society groups – Rights Aotearoa, Tapa Talanoa Collective, New Zealand Disability Support Network, St Peters on Willis Social Justice Group, Parents of Vision Impaired People, Disabled Peoples Association, Te Uru Tangata Centre for Workplace Inclusion, Public Health Association of New Zealand, and the Coalition for Equal Value Equal Pay
- Crown entity and political advocates - Te Kahui Tika Tangata Human Rights Commission, Te Pati Māori
- Independent experts and advocates – Dame Judy McGregor, Rebbeca Thomson, Michelle Pawson.

Other submitters referred generally (without data) to the disproportionate impact/loss of income and economic security for Pacific workers due to the amended legislation. These submitters include: Labour Women's Council, Presbyterian Support, Working Women's Resource Centre, Lattice Consulting, National Advisory Council on the Employment of Women, PSA Corrections, AUT Social Transformation, the Tertiary Education Union Te Hautū Kahurangi, and the combined submission from E tū, NZNO and the PSA.

It was not possible to deduce how many Pacific workers were covered in the submissions as most did not include Pacific workforce data. In fact, most entities outside the Public Service do not routinely collect current ethnicity data, including unions, professional associations, and businesses of all sizes.

How did the change in the law make Pacific workers feel personally?

> As Pacific peoples, we are the beating heart of Aotearoa's public and community services. We clean our schools, care for our kaumātua and elders, support our tamariki in classrooms, and work behind the scenes to keep our services running…This Amendment is a direct attack on the value of that contribution. It

> disrespects the generations of Pacific workers who have long been underpaid and overworked. It tells our mothers, aunties, and sisters that their labour of love—often carried out in silence and service—is not worthy of recognition or redress. (PCPE 1395, PSA Pasefika)
>
> The cancellation of current pay equity claims robs our communities of long overdue justice. (PCPE 1395, PSA Pasefika)
>
> If we truly value fairness, equity, and the contributions of those who hold our social systems together, then we must legislate accordingly. The Equal Pay Amendment Act 2025 fails to meet that standard. (PCPE 1093, Tapa Talanoa Collective)
>
> This Act does not reflect the values of manaakitanga, fairness, or tika. It rolls back hard-won progress and reinforces cycles of poverty and exclusion for Pacific families.' (PCPE 1395, PSA Pasefika)
>
> For every $1 a Pākehā man earns, a Pacific woman earns only 75 cents. Over a lifetime, that adds up to nearly half a million dollars in lost wages. These are not just numbers—they are school uniforms unpaid, prescriptions skipped, rent overdue, and dreams deferred. (PCPE 1395, PSA Pasefika)
>
> These policy changes disproportionately harm Pacific women by locking in existing pay gaps and removing structural pathways to redress. (PCPE 1615, P.A.C.I.F.I.C.A.)
>
> The Pacific pay gap is not caused by a lack of work ethic…. We are disproportionately represented in the very sectors targeted by this law: support roles in education, health, care, and cleaning. These are the same roles that were celebrated as "essential" during COVID-19. And now they are being erased from the conversation on equity. (PCPE 1395, PSA Pasefika)

Equal pay legislation and policy responses to recognise ethnicity and the disproportionate impact on Pacific workers

By ethnicity, Pacific people have the highest rate (28.7%) of children living in material hardship[62], and the lowest home ownership rate (19.9%) amongst the general population[63]. Despite the absence of ethnicity, race or colour as grounds for making a claim under the Equal Pay Amendment Act 2025, numerous submitters advocated for ethnicity and racial equality to be included - including PSA ALMA (Asian, Latin American, Middle Eastern, African, and other ethnic workers) Network, Te Kāhui Tika Tangata Human Rights Commission, Te Uru Tangata Centre for Workplace Inclusion, ZONTA, Project Gender, Soroptimists International, and Pay Equity Coalition Aotearoa.

Winnie Maamaloa (Tongan) from the E tū union spoke to the PSCPE on 6 October 2025. She said that when her partner died of cancer in 2020, due to COVID 19 her work took precedence over family time due to income inadequacy:

> "I didn't have time to grieve with my son because I was working 14-hour shifts, 7 days a week, just so I can make enough money to pay for my mortgage and make ends meet. Last year was the first year out of the aged care sector and was also the first year I was able to spend Christman with my kids for the first time." (Hearing Day 9, 6/10/2025, 2:04:24)

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62 www.cpag.org.nz: Child poverty statistics released 20 Feb 2025

63 www.stats.govt.nz: The current state of housing in Aotearoa New Zealand

> The rushed and retroactive nature of this Act…feels like betrayal. It shows that the government sees our equity not as a right, but as an expense to manage. That message cuts deep in our communities. (PCPE 1395, PSA Pasefika)

Racial and ethnic equality are fundamental human rights under the Convention on the Elimination of Racial Discrimination (CERD) that was ratified without reservation by New Zealand on 22 November 1972[64] among other UN and ILO conventions:

> 1. In this Convention, the term 'racial discrimination' shall mean any distinction, exclusion, restriction or preference based on race, colour, descent, or national or ethnic origin which has the purpose or effect of nullifying or impairing the recognition, enjoyment or exercise, on an equal footing, of human rights and fundamental freedoms in the political, economic, social, cultural or any other field of public life. (CERD Part I, Article 1 (1))

> 1. Each State Party…undertakes to respect and to ensure to all individuals…rights… without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. (ICCPR Part II, Article 2 (1))

> The States Parties…to guarantee that the rights… will be exercised without discrimination of any kind as to race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. (ESCR Part II, Article 22)

In relation to employment, the ILO Discrimination (Employment and Occupation) Convention (No. 111) Article 1 states:

> the term discrimination includes–

> any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation.

5.2 Why does recording ethnicity matter?

The Human Rights Commission Inquiry into the Pacific Pay Gap showed that the impact of the gap on retirement savings was significant. It estimated that over a 40 year working life, at 4% inflation, and using 2021 pay data:

European men vs Pacific women equates to $488k less for Pacific women.

European men vs Pacific men equates to $386k less for Pacific men[65].

More in-depth analysis (2022 data), of aggregate pay gaps across all industries by ethnicity, shows that Pacific women and men still carry the biggest gaps generally when compared with their European counterparts[66].

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64 www.justice.govt.nz: International Convention on the Elimination of all forms of Racial Discrimination

65 tikatangata.org.nz: Voices of Pacific Peoples – Pacific Pay Gap Inquiry Report

66 nzpri.aut.ac.nz: Gender and ethnic pay gaps – An industry-level portrait of Aotearoa

Table A: Aggregate pay gaps

European comparator	Comparison by sex	Māori	Pacific	Asian	MELAA
Women	W cf W	13%	14%	8%	Insufficient data
Men	M cf W	23%	24%	18%	Insufficient data
Men	M cf M	16%	23%	13%	Insufficient data
Women + Men	(W+M) cf (W+M)	14.60%	18.80%	10.20%	Insufficient data

Pay inequity, when systemically allowed to continue, can lead to generational transfers of economic insecurity and societal perceptions of inequality as inevitable and self-inflicted.

We were told of structural and historical undervaluation. Pacific women's work is doubly devalued: first, as 'women's work' (caregiving, service, hospitality) and second, as racialised labour associated with migrant or minority groups. (PCPE 1615, P.A.C.I.F.I.C.A.)

Routine collection of ethnicity data can help identify and measure the size of pay inequity by people of different ethnicity, including Pacific, especially when considering the demographic of our current and future workforce. Health New Zealand provides an example of how this shows up in their data[67] :

Table B: Employee Count and proportion of ethnicities by occupation group

Occupation Group	Other*		Asian		Māori		Pacific		Unknown		Total
Nursing	16,559	47.00%	13,870	39.40%	2,287	6.50%	1,303	3.70%	1,179	3.30%	35,198
Corporate and other	11,367	55.70%	3,700	18.10%	2,350	11.50%	1,436	7.00%	1,561	7.60%	20,414
Allied and scientific	8,829	66.20%	2,764	20.70%	865	6.50%	427	3.20%	446	3.30%	13,331
Care and support	3,985	38.00%	3,077	29.30%	1,784	17.00%	1,193	11.40%	446	4.30%	10,485
SMO	4,548	71.50%	1,214	19.10%	158	2.50%	56	0.90%	384	6.00%	6,360
RMO	2,790	57.40%	1,321	27.20%	367	7.50%	163	3.40%	220	4.50%	4,861
Midwifery	1,301	80.10%	100	6.20%	154	9.50%	26	1.60%	43	2.60%	1,624
Total	**49,310**	**53.5%2**	**26,035**	**8.20%**	**7,957**	**8.60%**	**4,603**	**5.00%**	**4,273**	**4.60%**	**92,178**

* 'Other' is a group amalgamation of all ethnicities that do not fall into the groups Asian, Māori or Pacific. Employee counts in the Grand Total line are slightly lower than the sum of the Occupation Groups, as some individuals may be represented in more than one Occupation Group

5.3 What messages did the EPAA 2025 send about being a (Pacific) woman?

Submitters advised that generations of Pacific women have worked in:

> …undervalued roles with little or no adjustment or recognition. This amendment cancels existing progress and entraps Pacific workers again in underpayment. Pay

[67] Health New Zealand Employed Workforce Quarterly Report 1 July to 30 September 2024; p.9. This quarterly report is the first to include data for all Health NZ employees

secrecy and bias in hiring continue to drag Pacific workers down. Lack of transparency and undervaluing skills are systemic issues that this law doesn't address—and only worsens. (PCPE 1395, PSA Pasefika)

This Government is choosing cost-cutting over justice. The cost will not be carried equally—it will fall heaviest on Pacific women, on Māori women, on the low-paid and overworked, on our communities who have already waited too long. (PCPE 1395, PSA Pasefika)

The Pay Equity Reset Cabinet Paper (June 2024) and the Equal Pay Amendment Act 2025 represent a decisive shift away from systemic equity to fiscal containment…these shifts effectively close the door on pay equity. (PCPE 1615, P.A.C.I.F.I.C.A.)

According to the P.A.C.I.F.I.C.A. Wellbeing Report (2023), many Pacific women already experience wage suppression due to their concentration in roles with limited career progression. Participants warned that limiting pay equity claims risks locking in low wages for Pacific women in already restricted career paths. (PCPE 1615, P.A.C.I.F.I.C.A.)

We also acknowledge the lived stories of our members—like support workers who fought for pay equity in good faith, only to see it fall apart at the final hurdle when the system refused to follow through. That's not just procedural failure. That's a betrayal. (PCPE 1395, PSA Pasefika)

5.4 What did Pacific submissions say about the process used?

Pay equity legislation affects thousands of workers, especially women and Māori, Pacific and ethnically diverse people, who have historically been denied the full value of their labour. Rushing this legislation through undermines democratic accountability and public trust. (PCPE 1093, Tapa Talanoa Collective)

The rushed and retroactive nature of this Act…feels like betrayal. It shows that the government sees our equity not as a right, but as an expense to manage. That message cuts deep in our communities. (PCPE 1395, PSA Pasefika)

Voiding review clauses in existing settlements disrespects the good-faith agreements already made and destabilizes the progress achieved through earlier pay equity processes. Allowing claims to only be re-raised 10 years later, and only under the new, stricter conditions, sends a message that prior inequities are no longer a concern. This will not only stall momentum, but it will weaken trust in the system, particularly among those who have already fought long battles for recognition. (PCPE 1093, Tapa Talanoa Collective)

5.5 What were the key messages from Pacific women about the Act?

The new legal thresholds are unfair and unreasonable. The shift from an "arguable undervaluation" standard to a requirement to prove the claim at the outset places an unrealistic burden of evidence on workers many of whom are in low-wage, insecure, or part-time employment. This barrier will deter legitimate claims and silence those who lack legal or financial resources to meet such a threshold. In effect, it shifts responsibility for justice away from the system and onto the shoulders of the very people it was meant to protect. That is not a fair or sustainable approach it's a retreat from progress. (PCPE 1093, Tapa Talanoa Collective)

The new thresholds require jobs to be 70% female for 10 years and demand excessive proof of undervaluation—proof that Pacific communities often don't have the time, tools, or funding to collect. Employers can now walk away from claims without reason. This isn't fairness. It's obstruction. (PCPE 1395, PSA Pasefika)

> Back-pay is banned and wage increases must be spread over three years. Fairness delayed is justice denied. Our people cannot wait another generation to be paid what they're worth. (PCPE 1395, PSA Pasefika)
>
> When people are underpaid and unheard, stress and low self-worth follow. The Human Rights Commission noted that some workers develop mental health issues as a result of chronic underpayment and discrimination. (PCPE 1395, PSA Pasefika)

5.6 Key Recommendations from Pacific Submitters

The People's Select Committee on Pay Equity found the following recommendations in its consideration of the many submissions, written and oral, from Pacific representatives:

- Repeal or significantly revise the Equal Pay Amendment Act 2025
- Embed race and gender in the Equal Pay Act's principles and processes. Any system redesign must address the intersectional nature of Pacific women's pay inequity, and hence incorporate race, gender, and sectoral funding realities
- Pay equity to be treated as a constitutional and human rights commitment consistent with Te Tiriti o Waitangi, CEDAW, and CERD obligations, and not a negotiable budget item
- Reinstate a fair and accessible threshold for workers to raise claims
- Value cultural labour – recognise and remunerate cultural safety, translation, and community liaison work as part of formal job roles
- Restore enforceability of review clauses in existing settlements
- Mandate disaggregated pay gap reporting – requiring data by gender and ethnicity, with specific reporting on Pacific women
- Restore accessible claim processes – reversing restrictive comparator and threshold changes that block claims by low-paid, racialised workforces
- Reinstate and strengthen the funded sector framework to ensure a dedicated, transparent funding pathway for settlements in government-funded services
- Engage in full consultation with Māori, Pacific, and affected communities in all future legislative changes related to pay equity
- Embed Pacific leadership in pay equity governance including Pacific women in oversight, monitoring, and advisory roles
- Invest in Pacific women's workforce pathways – funding leadership development, training, and progression opportunities in undervalued sectors
- Protect equity-related institutions – ring-fencing and expanding the mandate of the Ministry for Pacific Peoples to lead cross-government equity initiatives.

Many of these overlap with recommendations made elsewhere in this report. Two are key elements of the theme of this section:

Recommendations, Section 5
Embed race and gender in the Equal Pay Act's principles and processes. Any system redesign must address the intersectional nature of Pacific women's pay inequity
Mandate disaggregated pay gap reporting – requiring data by gender and ethnicity, with specific reporting on Pacific women

Section 6: The Employers' Predicament

What we learned about employers and pay equity during our Inquiry

6.1 Background information to the topic

The People's Select Committee on Pay Equity thought it useful to scan the history of political positions on pay equity adopted by New Zealand employers since 1972, when the first Equal Pay Act was passed.

The government is the largest employer to be affected by pay equity claims. We did not expect many – or any – private sector employers to make submissions to us.

Only one private sector employer group, private veterinarian practices, has ever been party to a pay equity claim. This was cancelled in 2025. We did not receive any submissions from employers running a vet practice[68].

We have used the public record, OIA inquiries, press statements, media reports, and submissions to the PSCPE to assist our consideration of the employer's role in the pay equity process.

The largest funded-sector employers made submissions to us. We also heard from multiple peak bodies, such as Social Service Providers Aotearoa Te Pai Ora o Aotearoa (SSPA), New Zealand Council of Christian Social Services (NZCCSS), Aged Care Association (ACA), Home and Community Health Association (HCHA) and Atamira Platform Trust, who together represent hundreds of employers. They had not been asked for their experiences or opinions by the Government or by BusinessNZ.

1972 and what happened next

In 1972 the Employers Federation was the only submission to the New Zealand Parliament opposing the Equal Pay Act. National Prime Minister Sir John Marshall described the legislation as a landmark in our social history and a matter of social justice[69]. Deputy Prime Minister Robert Muldoon criticised the Federation's major over-estimation of the costs of introducing equal pay. The Parliamentary debate shows that speakers on both sides understood the difference between equal pay and pay equity, (they refer to the mythical man), and that they were legislating for both[70].

In 2013–2014 Business NZ[71] appeared as an intervener in the Terranova case[72]. They argued against broader comparisons for pay equity claims. Women workers should be compared only with male workers at Terranova Homes, or the comparison should be limited to the same employer or the same industry. BusinessNZ wanted to limit the scope of potential claims. They argue the process should include a structured bargaining framework as opposed to leaving it to judicial interpretation that might enable more legal cases – and good outcomes for workers. They also opposed the interpretation of the Equal Pay Act to include pay equity.

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68 We did receive a submission, PCPE 1552, from private sector veterinarian nurses who successfully claimed, via their union, Workers First

69 NZPD Vol 380, page 2180, 29 August 1972

70 NZPD Vol 381, page 3255-57, 11 October 1972

71 In 2001 the Employers Federation became a foundation member of Business New Zealand, along with the Manufacturers Federation, the EMA, and others

72 NZEmpC 157, (2013) 10 NZELC 79–034 [Terranova (Employment Court)]

Following the judgments in the Courts, that the Equal Pay Act did include rights to pay equity, the government paid $2 billion over 5 years to care and support workers and established the first joint working group (JWG) on pay equity. Chaired by Dame Patsy Reddy, its purpose was to 'recommend principles to Government that provided practical guidance to employers and employees in implementing pay equity.' The members (supported by allies in these negotiations), were Richard Wagstaff (New Zealand Council of Trade Unions Te Kauae Kaimahi), Phil O'Reilly (BusinessNZ), Paul Stocks (MBIE) and Lewis Holden (State Services Commission (SSC)). The report, while unanimous, was silent on the issue of comparators, where they could not reach agreement. In addition to the JWG principles[73], the National Government added a sub-principle requiring a 'hierarchy of comparators' drawn from within the business, similar businesses, or the same industry or sector when available and appropriate.

In 2017 the incoming Coalition government of Labour, Greens and NZ First recognised that there were still some outstanding issues to resolve to make the pay equity process a collaborative and trusting partnership between employers and workers. Traci Houpapa became the Crown facilitator for a new Reconvened Joint Working Group on Pay Equity Principles in 2017 (RJWG). Their key issues were 'determining the merit of a claim as a pay equity claim' and 'how to select appropriate male comparators when assessing the work that is subject to a pay equity claim'. They were also asked to consider the principles again. The members were Kirk Hope from Business New Zealand, Richard Wagstaff from the NZCTU, Paul Stocks from MBIE, and Lewis Holden from the SSC.

Traci's was the opening submission heard at the first meeting of the People's Select Committee (PCPE 1453, Hearing Day One, 00:07:22). Traci advised us how

> "open engagement and meaningful consultation between unions, employers, business, and government led to constructive outcome-focused approaches. This group demonstrated that where parties commit to genuine dialogue, shared facts, clear processes and transparent governance, practical durable solutions for systemic pay inequity can be achieved."

We were told that the group

> "…focused on solutions, looking at support mechanisms for all employers regardless of size and a design process that had all parties participating. The group recognised that the pay equity process for many was complicated, and we wanted to smooth that process. And we also wanted to ensure that we could build capacity and capability in understanding pay equity claims and the process. We focused our solutions on outcomes for workers and businesses … that were administratively workable and sustainable. arrived on through respectful discussion and debate."

> "Pay equity is not a zero-sum contest[74] between employers and workers. It is a problem that benefits from cooperative design and shared implementation, open engagement, thorough consultation and agreed practical approaches, to build partnerships and trust necessary for enduring and systemic change."

The RJWG report was unanimous in recommending commitment to the principles and supporting the amendment of principle 2 away from merit. Both the JWG and the RJWG emphasised the need for resources and tools to help parties operationalise the

[73] These were amended. The latest iteration, published in 2018, are at Appendix D.

[74] That is, involving only a winner and a loser.

principles, including investment in the Remuneration Authority and the Courts to develop expertise. They also indicated there would be a need for a pay equity unit or similar which could provide specialists to provide information, tools, research and advice on claims.

Employer representatives were active in making submissions on both Equal Pay Amendment Bills of 2017 and 2018. Alan McDonald, Head of Advocacy and Strategy at the Employers and Manufacturer's Association (EMA), made a submission on the Equal Pay Amendment Bill in November 2018[75]. He wrote:

> The intent and spirit within both working groups was to produce a relatively easy pathway into a Pay Equity claim through a good faith bargaining process that would bypass the necessity, expense, and slower time frames of pursuing a claim through the courts. It was agreed a collaborative approach between employers and employees was the most desirable outcome and this would be achieved by minimising potential roadblocks in the Pay Equity claim process for both employees and employers. That intent and spirit of goodwill from all parties was behind the changes recommended from the second Reconvened Working Group that made it easier to begin the claim process and agreed that rather than proscribe the comparators to be used, they would be negotiated by the parties to the claim – again with the intent of making it easier to reach a claim agreement.

His issue was the 6 years back-pay clause that, he said, would drive employers to the Court.

Paul Mackay presented the submission from BusinessNZ[76]. He explained that the organisation had been represented on both working groups and so was in support of the Bill, except for the back pay issue. He reinforced that it was a bargaining as opposed to a grievance approach agreed to in the Working Groups.

After the Select Committee reported back, the NZCTU and BusinessNZ jointly approached Ministers asking them to recommend further changes to Cabinet so that so far as possible, the pay equity bargaining framework should mirror the framework for collective and individual bargaining under the Employment Relations Act 2000. This would bring the legislation better into line with the RJWG recommendations. Minister of Women in 2020, Julie Ann Genter, confirmed this at her hearing (PCPE 1506. Julie Anne Genter, Hearing Day 7, 00:11:24).

A Supplementary Order Paper was approved by Cabinet on 7 September 7 2020[77]. It read: 'The social partners' view is that this is more consistent with the recommendations of the tripartite Reconvened Joint Working Group.'

As introduced, and as reported from Select Committee, the Bill established a system for individual employees to raise claims against their employers. This Supplementary Order Paper set up

> a system for unions to raise pay equity claims with employers on behalf of their members that will automatically cover other employees who perform the same work,

[75] EMA submission to the Education and Workforce Select Committee on the Equal Pay Amendment Bill, 28 November 2018

[76] BusinessNZ submission to the Education and Workforce Select Committee on the Equal Pay Amendment Bill, 28 November 2018

[77] 7 September 2020. MBIE. Approval for Submission of a Supplementary Order Paper

> unless they opt out. It includes new provisions that set out how claims by multiple unions involving the same employer must be dealt with, how claims by unions against multiple employers must be dealt with, and how multiple employers must work together when bargaining.

National MPs Upston and Bates both criticised this SOP in their debate contributions on the Amendment Bill in 2025. They were criticising an SOP that was a direct response to a request from BusinessNZ and the CTU. They join others: there is collective amnesia about BusinessNZ's request for the SOP.

6.2 A Change of Government: National, Act, New Zealand First

February 16, 2024: MBIE held a meeting with BusinessNZ which included some discussion of pay equity. The subject was on a list of issues provided to Minister van Velden in early 2024 and to MBIE in April 2024. At the meeting BusinessNZ indicated that 'the flow on effects from public sector settlements across the labour market, particularly in health and community services, is significant[78].'

March 7, 2024: Minister van Velden receives her first briefing on pay equity (a Power Point slide show) from MBIE officials.

August 1, 2024: BusinessNZ met with the Prime Minister at 9 am. Pay equity was discussed. A 'relevant briefing' to the PM was withheld from the OIA request.

May 5, 2025: Minister Brooke van Velden announces changes to be made under urgency beginning on 6 May.

In her First Reading speech Minister van Velden advised the House that the 2020 legislation had "provided limited scope for employers to contest broadly scoped claims. The changes would "enable employers to meet their pay equity obligations in a manner that is sustainable[79]." (It is worth reminding the reader, again, that the Government is talking about itself as the major employer of the vast number of workers whose pay equity cases were cancelled, advising consultation with the Ministries of Health and Education as the 'employer' experts.)

May 6, 2025: In response to a question in the House, Minister van Velden advised that "It is for the union … to bring a claim to their employer and for that employer to determine whether or not they believe that the claim should be brought. If they disagree, they go to dispute."

Katherine Rich became the CE of BusinessNZ in September 2024 and so had no immediate engagement with the Working Groups, or loyalty to their unanimous reports. In a press statement released on 6 May 2025, at 11:49 am, just before the Bill's First Reading[80], she supported the government's pay equity changes:

> The current process [was] bringing large anomalies between the public and private sectors, in effect leading to new equity problems – between the public and private sectors. BusinessNZ supported amending the pay equity process to make it more transparent, evidence based and more able to achieve robust settlements.

[78] 13 August 2025, OIA request, Meetings and Representations, MBIE

[79] New Zealand Parliamentary Debates. 6 May 6 2025

[80] The second and third readings were on 7 May

Rich advised that increases in public sector remuneration created difficulty in the private sector

> where they can't afford those pay rates. Where they receive government funding for some services, this is not enough to cover the contracted services they provide. They are losing staff. These outcomes indicate that the pay equity process needs attention.
>
> Current problems include unclear evidence for some pay equity claims, a lack of transparency around choice of comparators for the pay equity process, and insufficient incentives for the bargaining parties to resolve pay equity claims themselves without recourse to the government.

BusinessNZ wanted "fairness and a more balanced economy," Ms Rich said.

We take issue with these claims in other parts of this report, but there are two surprising items missing from the press release. One is the failure to make any criticism of the process to be used by the Government to race the legislation through parliament. The other is not to make any mention of 'being pleased our submissions were heard,' or alternatively, to make some comment about the lack of consultation.

But Alan McDonald from the Employer and Manufacturers Association (EMA) was highly critical of the process[81]:

> What concerns us is the way it was done. We are not okay with the way they went about it because it is a complex area that needs broad agreement. That is not what was done here. And retrospective legislation is never a good look. The process around this has been pretty awful, to be honest.

He claimed barriers for making a claim were lowered in 2020. 'We had widespread agreement between both sides in 2017 and in 2020, it got changed to make it easier for unions and harder for employers to say no' – demonstrating another memory lapse about the BusinessNZ participation in the SOP request. Not many of his members were involved in claims. Since 2017 there had been only one truly private sector claim: for vet nurses.

Catherine Beard, Director of Advocacy at Business NZ, told Audrey Young, "Some settlements had had a big effect on some businesses in the private sector". For example, medical technicians in private contractors' blood testing services were leaving. "The government did not factor in the increases for the same services contracted by Health NZ from private sector providers. This had affected the labour market with staff leaving the private sector because of the differences in pay."

The changes in 2020 meant it (the pay equity process) "ran away and got bigger than Ben Hur[82]" and allowed "bizarre comparisons example between librarians and air traffic controllers[83]."

The PSCPE heard a submission about the 'blood testing services' referred to by Beard. Terry Taylor, Past President of the NZ Institute of Medical Laboratory

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81 NZ Herald, Audrey Young, 17 June 2025

82 In fact, between 2017 and 2020 three pay equity claims were settled. Between 2020 and 2023 there were 13 settled. One has been settled under the current Government. Thirty-three had been lodged

83 NZ Herald, Audrey Young 17 June 2025

Science, made a significant presentation (PCPE 131) on behalf of the 4,000 strong female-dominated medical laboratory workforce. He advised us:

> The NZ pathology sector in 2025 is in a totally predicted precarious and perilous state due to a variety of ingrained and historical issues that have directly led to the fragmented, competitive, and poorly controlled service environment that is currently in place. The lack of past and present consistent strong independent leadership and direction with poor national coordination of past District Health Board (DHB) outsourcing contracting has left the pathology sector with a mix of interests that are not always patient and/or workforce centric, have poor long term service planning and performance metrics with a lack of strategic future-proofing intent across the country. Our regional laboratories and the core pathology services a functioning health system relies on are now being severely impacted.
>
> There are 44 diagnostic laboratories that are publicly funded to provide pathology services in NZ, 32 in the North Island and 12 in the South Island. The current stakeholder providers consist of 19 Health NZ (HNZ) labs, 17Awanui labs, 5 Pathlab labs and 3 Medlab labs. There are 38 Hospital labs of which 19 (50%) are under public Health NZ governance and 19 (50%) under private company governance. The six standalone community laboratories are all contracted to private stakeholders split between Awanui and Pathlab.
>
> In Oct 2023 the Health NZ, Allied Health, Scientific and Technical workforces had a pay equity settlement accepted for a long list of medical professions that were shown to have had historical gender-based pay inequity. This included our Medical Laboratory Scientists and Technicians working in our public hospital laboratories. There was a catch, however. (The settlement) did not apply to those working in public hospital laboratories that had been outsourced to private laboratory providers. This instantly saw a 30-plus percent, and accrued backpay, disparity kick in for 50 percent of our public laboratory workforce that worked in regions that had laboratory services outsourced by past historical DHB decisions. This includes large public hospitals labs in Wellington, Palmerston North, and Dunedin hospitals.
>
> We effectively now have a 2-tier national laboratory situation due to this salary discrepancy. Staff retention across the private outsourced laboratories is best described as a revolving door as staff who are able to then move onto Health NZ laboratories in other regions. Rising demand and costs are hitting the private labs operating under fixed contracts exceptionally hard.
>
> Medical laboratory technicians working in the private sector continue to be the lowest paid registered health professionals, most on barely above minimum wage and most certainly not a living wage. Most private lab workers have lost between $40,000 and $60,000 in wages and backpay compared to those doing the same jobs in HNZ run hospital labs since 2023. (PCPE 131, Terry Taylor)

Well, you would leave if you could gain that increase in income, wouldn't you?

We heard a similar story about midwives. Midwives who do not work for HealthNZ – the 120 employed in a dozen small business maternity centres, generally in rural areas – have a significant salary difference. They have no avenue available to use the new Act (PCPE 1381, MERAS[84]). Midwives told of birthing units that had closed because of a lack of funding support, and pay equity differences that meant staff churn, waiting for jobs in HealthNZ. But this is not new.

[84] Midwifery Employee Representation and Advisory Service

In August 2024 Newsroom reported on the increasing number of birthing unit closures[85]. The funding model for maternity care was blamed. There is a severe shortage of midwives in New Zealand; more than a thousand are needed – 40% of the total workforce. Vanessa Shirlow had closed half of the River Ridge East birthing centre in Hamilton because of a lack of sufficient funding from government for pay equity. "If we can't get the Government to fund our facilities to match the Te Whatu Ora pay rates, we won't be able to recruit and retain staff." Birthing centres had closed in Waihi, Huntly, Christchurch, and Lower Hutt, also due to lack of funding support for pay equity.

Plunket has experienced high staff turnover and shortages with pay gaps of between 10–25 percent between Plunket staff and HealthNZ. Chief executive Fiona Kingsford told Law News that a claim seeking almost $11 million for about nine hundred Plunket workers was just six weeks from being lodged when the new law cancelled the claim. Kingsford said their claim took 18 months to put together and Plunket paid at least $25,000 to external contractors who conducted thousands of hours of interviews across multiple roles. "The staff were devasted," she said. "There were some in tears about this. We've had a parity issue for years."

Kingsford advised there was no guarantee the government would provide funding to Plunket for the NZNO claim, the first made under the 2025 Amendment Act for Plunket and NZ Hospice staff. She said funding the approximately $11 million pay equity claim was a "drop in the bucket'" for the government in return for the services Plunket provided. She explained: "A call to Plunket costs about $40. Compare that with turning up at an emergency service."

Hospice NZ has a similar challenge[86]. They had spent $90,000 from charitable donations on their claim. Hospice NZ CE Wayne Naylor says his organisation is now asking government for $20 million annually until 2028 to address the pay equity gap with HealthNZ nurses. Naylor noted that if the new NZNO claim is successful, there will be no funding available to pay it. Without taxpayer support for Hospice NZ, some staff will have to be made redundant. "It's the only way to increase salaries. Services to patients will also have to be scaled back and some hospices might provide just 12 weeks end of life care, instead of several months of full palliative care". Naylor estimates Hospice NZ saves the country nearly $110m annually through its services. "We save money and time (emergency services, ambulances, emergency department), we save the government as much money as we are funded," he said.

Naylor told Law News that he thought the best solution would be for the government to view the Hospice claim as a pay parity as opposed to a pay equity request since it is based on the nurses' claim settled in 2023. "That claim should have extended to all female employees in the sector," he said. The claim covered 27 independent hospices and 750 full time equivalent staff of health care assistants, enrolled and registered nurses, clinical specialists, and nurse practitioners. National workforce advisor for Hospice, Andrew Dodds, said when the HealthNZ claim was settled in 2023, Hospice NZ needed a minimum of $15m annually to address the pay gap, excluding overtime and extra hours. This sum would have increased in succeeding years.

[85] Newsroom, Staff and funding shortages blamed for surging birth unit closures. Emma Hatton, 15 August 2024

[86] Law News, Hospice NZ ask govt to fast-track and bankroll new pay equity claim. Mahvash Ikram, 23 June 2025

In a later story[87] Hospice NZ said that Te Whatu Ora had refused to adjust their funding so hospice nurses and health care assistants could be paid the same as those in Health New Zealand. Hospices could not afford to fund the widening pay gap – 33% of hospice nurses wages already came from fundraising and donations, because of chronic underfunding of the sector. NZNO delegate Donna Burnett reported that "Hospices are already facing service cutbacks, with a strong possibility of closures in smaller regions because of a lack of funding. It is not sustainable." Burnett makes it clear there are two issues: an underfunded sector and pay equity.

6.3 Wait a minute: have you noticed a pattern here?

"Where they receive government funding for some services, this is not enough to cover the contracted services they provide."

"The government did not factor in the increases for the same services contracted by Health NZ from private sector providers."

"Rising demand and costs are hitting the private labs operating under fixed contracts exceptionally hard."

"Birthing units have been closing because of a lack of funding support."

"We've had a parity issue for years."

"The government support was a 'drop in the bucket' for the government in return for the services Plunket provided."

"We save the government as much money as we are funded."

"There are two issues: an underfunded sector; and pay equity."

There are two issues here. And one, the government-funded and/or government-contracted sectors' issue, is far larger than pay equity. Over the past decades of devolution of government health, community and social services, this sector has seen a succession of restructuring, re-prioritising, changes in reporting, pressures for reductions in services, changing terms of reference and contract lengths and terms and conditions. There are delays in contracts, no certainty for businesses to plan, with a huge number of funding contracts and types and continued under-resourcing of the sector. Successive governments have added to the problem or endeavoured without success to stage a reset. When orchestrating the devolutions, governments have always guaranteed sufficient funding to run these services. But it is now obvious, that pay equity has become the proxy, the political opportunist football to blame, instead of confronting the over-riding issue of security and sufficiency of government funding in these sectors.

6.4 What Employers told us

Tracey Martin is the Chief Executive of the Aged Care Association (ACA). She told the PSCPE that the organisation was a member of BusinessNZ, but they had never been asked for their opinion on pay equity by that organisation.

[87] Law News, Struggling hospice nurses shattered by pay equity changes. 20 May 2025,

On 8 May 2025, Tracey Martin had released a press statement[88]. It spoke of the months of government working behind the scenes while businesses, representative groups and peak bodies were engaged in what they thought were good faith negotiations with government departments and agencies. She wrote of "jumping through hoops; just to keep us busy and kept in a holding pattern."

The ACA is the peak body for the aged residential care sector and currently represents close to 100 percent of that sector. In her submission (PCPE 1472), Tracey told us that New Zealand has over 670 aged residential care facilities with approximately 39,000 residents. "We have around about 40,000 beds. By comparison, Te Whatu Ora has just around 10,748 public hospital beds. We are a significant workforce (for) the health care for New Zealanders."

Funding for aged residential care is a mixture of means tested, user pays and government subsidy. Health New Zealand Te Whatu Ora contracts providers to deliver care services at a rate that is set annually.

The ACA submission advised us that the pay equity claim for care and support workers was formally lodged by unions on 1 July 2022, and was progressing through the multi-employer pay equity framework toward a potential sector-wide settlement.

> We willingly participated in the claim because we believe those caring for older New Zealanders deserve to be paid in a way that reflects both the real cost of providing that care and the true value of the work that they do. In just the last 12 months, I estimate
> employer parties and peak bodies in our sector have spent close to or over half a million dollars gathering information for that claim, much of it at the request of government. Yet while we were doing that the government was already moving behind closed doors to get cabinet approval to end all current pay equity claims including ours. No discussion, no public input. Working groups were kept in a holding pattern with repeated excuses further straining already under-funded providers. The ACA and other peak bodies spent hundreds of hours surveying our members and compiling data for Te Whatu Ora only to be told the agency would then use its own calculations. (PCPE 1472, Aged Care Association)

The Aged Care Association was not the only group experiencing deliberate delaying tactics. Local Government New Zealand employer representatives were an on-going problem in the library assistants claim. (PCPE 1495, PSA Library Assistants)

Frequent changes in who was representing the employer group contributed to delays. Some new people representing the employers did not appear to understand the underlying principles of pay equity or the processes used. Some would not accept that pay inequity should be measured by using comparators who did not do the same work as the claimants.

Sometimes, prior work done in the claim was questioned and revisited, despite all work being conducted on a joint basis (i.e. with employee group representatives and employer group representatives in agreement).

[88] The Post, 8 May 2025: Aged care Sector: Why did we spend tens of thousands on deceptive pay equity processes.

Finally, negotiations stalled, partly due to non-acceptance that library assistants could be scored against the selected potential comparator groups. (See Section 7). The lack of acceptance was most evident among people who did not contribute to earlier activities. For example, they did not accept, nor understand, the way that the factor scoring tool was used.

The submission (PCPE 1382) was able to reflect on the outcomes of a successful pay equity settlement with social workers.

> Our social workers, who provide critical elder and wellbeing services to some of the most vulnerable people in Aotearoa, have seen their salaries rise to parity with government sector roles. This has had a transformative effect. We have been able to recruit and retain highly qualified and experienced staff, ensure professional consistency, and improve the quality-of-service provision for older adults. If pay equity mechanisms are reversed, it would not only undermine staff morale and retention but create deep organisational discord. (Age Concern Auckland, PCPE 1382)

By comparison, the NZ Disability Support Network (PCPE 1101), Presbyterian Support Northern (PCPE 1254) and the Atamira Platform Trust (PCPE 1407) said the 2025 changes would de-stabilise disability services by making recruitment and retention even harder. Sally Pitts-Brown, Pathways CE and Platform Trust Board member, told us they "were flabbergasted by the decision[89]." They were paying legal fees up until the day before the Act was introduced. "The levels of data required were incredible.10-12 hours per week in meetings. Every meeting was urgent and critical."

The Atamira Platform Trust is a peak body organisation representing 93 members in the Mental Health and Addictions (MH&A) NGO and community sector. In addition to their members, they represent a wider network of NGOs who support approximately 42 percent of all people accessing specialist support for their mental health or addiction needs, an estimated workforce of 5,166 staff fulltime equivalents including around 2,652 Care and Support Workers (CSW), over 70 percent of whom are female. Platform supported, worked with, and represented over 40 Mental Health and Addiction employers named in two of the three CSW pay equity claims that have been discontinued because of the Amendment Act.

They advised us that the Amendment Act also removed a vital mechanism and legislative tools for ensuring nationally consistent fair pay for the CSW workforce in a price-controlled funding environment, creating uncertainty for employers who had invested significant time and resources into the claims process.

Employers were acting in good faith. The changes invalidated years of work and undermined the relationships and trust built between employers, unions and the workers they represent.

The employers told us that they opposed the changes that the Government claimed were in their interests. While these may reduce the burden on employers, they shifted that burden disproportionately onto workers and unions who often lack the resources to meet such demands and are often unsupported by relevant public sector agencies and government.

[89] PCPE 1407, Platform Trust – Sally Pitts-Brown, Hearing Day 9, 00:36:29

Employers told us their new powers risked undermining integrity and fairness in the pay equity process. Employers can now discontinue claims at any point up to the end of the assessment phase if they do not consider the comparator role in question to be the same or substantially similar. There is no external mechanism to review or challenge this decision, creating a serious risk of misuse. This effectively allows employers to halt claims without justification, placing disproportionate power in their hands.

Our employer submitters opposed undermining the practicality of multi-employer claims, which were often essential for establishing patterns of undervaluation across an industry. They told us the removal of pay equity claims already underway was highly disruptive. Employers were losing a trusted process for addressing undervaluation, and trust in government and policy stability had been eroded.

Traci Houpapa had some good advice for the government and BusinessNZ:

> I chair commercial companies and asset holding companies here in New Zealand and sit on international companies. The boards that I am on recognise that 50 percent of the population are women so that means that our target consumers, our market, reflect that pink dollar. The tables I sit around recognise how important pay equity is as an economic enabler for communities and families, which are the building blocks for our nation. (PCPE 1453, Traci Houpapa)

CE Tracey Martin of the Aged Care Association was resolute:

> We are and will continue to advocate for the development of an evidence-based funding model that ensures the government pays the actual cost of clinical care for older New Zealanders who have been assessed as needing it. And this includes paying health care workers the true value of their work as New Zealanders, not less simply because they are women. (PCPE 1472, Aged Care Association)

6.5 Employers' legal predicament

The PSCPE has noticed the following section of the Act remains, making clear what employer responsibilities must be. Section 2AAC of the Equal Pay Amendment Act reads:

> **Differentiation in rates of remuneration prohibited.**
>
> An employer must ensure that—
>
> (a) there is no differentiation, on the basis of sex, between the rates of remuneration offered and afforded by the employer to employees of the employer who perform the same, or substantially similar, work; and
>
> (b) there is no differentiation, on the basis of sex, between the rates of remuneration offered and afforded by the employer for work that is exclusively or predominantly performed by female employees and the rate of remuneration that would be paid to male employees who—
>
> (i) have the same, or substantially similar, skills, responsibility, and experience; and
>
> (ii) work under the same, or substantially similar, conditions, and with the same, or substantially similar, degrees of effort.

6.6 Recommendations

As a result, we have the following recommendations, explained here in full and summarised in the table below:

- The Government needs to issue expectations and guidance that section 2AACb of the Act is a proactive obligation on employers. This is consistent with previous legal advice and international frameworks. This means that non-union workplaces or workplaces with no claim still need to be taking proactive steps to use gender neutral job evaluation for their female-dominated workforces.
- The 2025 Act should be repealed.
- There needs to be resourcing for the unit to contain specialised trained interviewers, analysts and factor scoring experts and researchers to track cost benefits (or fund this externally). This team could proactively interview male-dominated comparators and support an upscaled data repository (there is no longer a repository held in MBIE).
- This unit can assist with small and medium businesses with hands on support to undertake gender neutral job evaluation proactively as well as provide technical support to progress a claim. This should reduce or eliminate the need for employers and unions to spend tens of thousands on lawyers and experts or be slow to progress due to resource constraints. It will also assist consistency and robust outcomes. Large businesses should be expected to provide resource for this however they should take technical guidance from the unit.
- The unit should also provide assurance to Government, where it is the employer or funder, on the quality of the work undertaken on the claim. This must not be an onerous or slow process. It should be a simple process where parties work should be freely available for the unit to check on work already documented as a normal part of a claims process. The purpose of any check should be ensuring that the process is fair, robust and complaint with legislation. Reports from the parties should not be required as this can generate more work. Funders or employing agencies themselves should not be involved in checks on quality due to an inherent conflict of interest. Government would receive a short report advising that the unit confirms the robustness of the process (or otherwise) towards the latter stages of a claim process.

The People's Select Committee on Pay Equity recommends, in respect of employers' position regarding the 2025 Equal Pay Amendment Act:

Recommendations, Section 6
That the Government issue guidance that section 2AACb of the Act is a proactive obligation on employers.
That the 2025 Act be repealed.
That, after repeal, simple changes in processes and milestones to cut time frames and capacity for delays be put in place.
That the government establish and resource an independent pay equity unit.

Section 7: Fishing and Finding: Comparing Jobs

7.1 Comparators, factor scoring and the pay equity process

Let's get some issues out of the way at the outset.

New Zealand was *the* leader in pay equity processes in the world[90] before the Equal Pay Amendment Act 2025.

The New Zealand Public Service Commission had developed its own pay equity tools, including the Te Orowaru factor plan. This was necessary as there was no modern gender-neutral evaluation tool available anywhere that focused on pay equity.

Pay equity claims are an evidence-based process, utilising the good faith bargaining framework recommended by the Joint Working Groups. Parties do not enter a claim process with pre-determined positions. They must come to an evidence-based determination regarding the presence and nature of any sex-based undervaluation of the work.

Pay equity does not represent a 'pay increase' in the tradition of employment relations. It removes existing systemic sex-based undervaluation and corrects remuneration to where it should be.

The Remuneration Authority states that 'Evaluating a role provides a benchmark to compare how much the role is being paid compared to other similar 'sized' positions[91]. It is commonplace in job evaluation to compare jobs that might look different but may be sized the same to determine pay. For example, what roles might they use to compare with a Member of Parliament when setting MPs' salaries and allowances?

Early days in the pay equity process

Following the Terranova court case, several workforces were preparing claims. The pay equity principles in the report of the Joint Working Group (see Appendix D) provided a practical guide for employers and unions to use in the first pay equity claims. The State Services Commission[92] and the CTU made an agreement to follow these principles for all pay equity claims in the public service prior to the law change.

Oranga Tamariki, the employer, accepted that social workers had an arguable case for pay equity. In the absence of a central government process, this claim used an evaluation of equitable jobs[93] approach. The other employer, the Ministry of Education, was familiar with the Hay system[94] and insisted on trying this to evaluate education support workers. Ultimately MoE and NZEI Te Riu Roa had to seek help to develop a new tool, as Hay was simply not fit for purpose. As each claim began the Pay Equity Aromatawai Mahi (PEAM) tool, specifically developed for education, underwent some changes. Once Te Orowaru was developed the tools were almost identical. The PEAM

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90 Revaluing Work: an examination of the legal, policy and business practice in Iceland, Sweden, Aotearoa New Zealand and the United Kingdom to close gender and other pay gaps. To correct the undervaluation of work performed by women and other marginalised groups. Amy Rogers. May 2024. It should also be noted that NZ's leading pay equity practitioner is a consultant to the EU, Iceland and Canada on the issue.

91 http://www.remauthority.govt.nz/remuneration-process/evaluation-roles

92 SSC became Te Kawa Mataaho Public Service Commission in 2020.

93 http://www.employment.govt.nz/fair-work-practices/pay-and-gender-equity/evaluation-of-equitable-jobs

94 An Overview of Korn Ferry Hay Guide-Chart Profile[sm] of Job Evaluation

tool was used to settle 6 education sector claims between 2020–2025 for teacher aides, school librarians and library assistants, school science technicians, kaiarahi i te reo Māori, and school administration support staff.

It is important to recognise the difference that employer and union resource can make. Iona Holsted was the Chief Executive of the Ministry of Education until late 2024. During that time NZEI Te Riu Roa and the PPTA lodged claims for virtually the entire public education and early childhood education sectors. Therefore, she brought expertise into the Ministry to undertake the pay equity work and resourced it properly. Having dedicated teams made up of both employer and union representatives working across numerous claims meant that claims progressed faster and more efficiently. This was quite different from the approach in Health New Zealand Te Whatu Ora, the other employer subject to a larger number of claims.

Through the social work and education support claims the JWG principles were tested with the focus on skills, responsibilities, experience and effort, and these experiences helped to inform the new legislation. The JWG principles had also made clear that there needed to be very specific tools, guidance, and resourced support in this world leading endeavour.

In early 2018 the Reconvened Joint Working Group (RJWG) unanimously proposed a change to Principle 2, to clarify and simplify the process to initiate a claim. A further 10 claims were settled using the Equal Pay Amendment Act 2020, and more than 100,000 workers had their pay corrected through equity settlements. A further 33 claims had been lodged.

Much of the success for settlements was due to the support that was available to both employers and workers, through the Pay Equity Taskforce, and having dedicated teams of unions and employer representatives as previous outlined. This unit had been established in the Public Service Commission in 2018 because of the recommendations from the JWG. The unit was disbanded by Nicola Willis, Public Service Minister, in 2024.

What happened in the pay equity process before 2025?

The claim

A worker or union made a claim in writing that the work in question was historically or currently female dominated and subject to undervaluation. The employer (in all but one case the employer was the government, or a government-funded body) agrees to investigate the claim with the union or individual who has raised it. Agreeing to progress a claim did not mean employers were agreeing there was undervaluation or they were liable for anything. Undervaluation had to be established through the collection of evidence.

Employers and unions then met to develop, agree, and sign their own pay equity bargaining process: how will they assess work, communicate with each other, resolve conflicts and work to resolve the issue. This establishes the good faith bargaining process.

Background work began together: any useful existing information about the work began to be gathered, such as job descriptions, delegations, task lists, scope of practice documents and information from collective agreements.

7.3 Work assessment

Building an understanding of the work carried out by the claimants involved extensive interviewing in accordance with an interview schedule. There was an interview guide and a training video, which rehearsed the ethical (interviews are confidential and anonymous, for example) and the logistical and practical preparations (have you booked a private space, do you have several recording devices that are charged, is water available for all participants). The training videos and guides were supported by extensive resources developed by the Public Service Commission and based on the Working Groups' pay equity principles (see Appendix D). For the research stages, the recommended assessment tool was Te Orowaru, which was developed by government agencies (many representing employers in pay equity claims) and unions. The tools included a process guide, a questionnaire, and a factor scoring booklet[95].

Gathering data

All interviews have two parties present: the employer and worker representatives. They are both trained in uncovering bias, the problem with leading questions, and asked to leave all assumptions at the door. These two people will conduct the interview, arrange for its transcription, agree that it is a fair and correct transcript, forward it to the participant for feedback, agree if there are further items to add or to amend.

Those who have volunteered to be interviewed will often be sent the questions, or a summary of them in advance. This is so they might see that the interview is not just about a list of tasks. These candidates will have everything explained to them before they begin the interview and must give signed consent before the interview. As is the practice with all New Zealand academic post-graduate social science research, they will be advised that they can stop the interview at any time, they can ask for clarification, and they can come back later if they forget something. The basic message in genuine inquiry is simple: you are the expert, we need to learn from your expertise, this is not an exam or a test, so you can't get an answer wrong.

Irina Freilekhman (PCPE 1438) told the Committee:

> Prior to conducting interviews, both union and employer representatives received training, which explained the framework we would apply. Our training included guidance on the interviewer techniques, with a strong emphasis on recognising and avoiding personal bias. We were taught to prioritise objectivity and avoid interference – our role was to probe workers thoughtfully, not to guide them or introduce information or ideas into the process. Going into the interview, both the employer representative and I were clear on the framework, how to facilitate the process, and how to capture and refine information provided by the interviewees for the final report. It was a well-designed, thoroughly planned, and well delivered process, supported and agreed upon by both employer and worker representatives. A significant amount of work went into ensuring the process was robust, fair, and reliable.
>
> I completed interviews with three support workers, one male and two female. It quickly became clear to me that support worker roles are diverse and place constant physical, mental and emotional demands on those who perform them. These are complex and taxing roles that require skill, experience, and a high level of alertness and adaptability to the shifting needs of the people they support. The work calls for

[95] This was being used by most of the 33 cancelled claims. The settled claims had used PEAM or EJE

sensitivity, intuition, and people skills, with workers remaining vigilant and fully present throughout the day – constantly applying a wide range of competencies and wearing several hats at once. (PCPE 1438, E tū)

What an aged residential care worker does

Aged residential care is nurse-led, with healthcare assistants – often referred to as care workers – working alongside registered and enrolled nurses to deliver highly skilled, hands-on, and emotionally demanding care. In a single shift, a care worker – whether in general aged care or in dementia/psychogeriatric unit — may provide:

- *Personal care with dignity – Assist residents with bathing, dressing, grooming, and toileting while preserving their sense of self and independence.*
- *Clinical support – Monitor vital signs, assist with mobility aids, manage continence needs, and provide skin and wound care under nursing guidance.*
- *Medication assistance – Administer medications or support residents to take them, observing for side effects or changes in health status.*
- *Nutritional care – Help residents at mealtimes, adapting food textures for swallowing difficulties, and ensuring hydration throughout the day.*
- *Specialist dementia/psychogeriatric care – Use de-escalation techniques to manage agitation, guide residents through moments of confusion, redirect behaviours.*
- *Emotional connection – Offer companionship, listen to stories, and maintain warmth and patience even in challenging moments.*
- *Family liaison – Support families coping with a loved one's cognitive decline, providing updates, reassurance, and practical advice.*
- *Emergency response – Act swiftly in the event of a fall, sudden illness, or distress episode, ensuring safety and comfort until medical help arrives.*
- *Documentation – Maintain accurate, detailed care records to ensure continuity and safety for every resident.*
- *For care workers in dementia or psychogeriatric units, every interaction is shaped by an awareness of the resident's unique needs, history, and triggers. This work blends clinical skill with empathy, patience, and creativity — adapting care approaches on the spot, sometimes minute by minute.*

It is complex, skilled, and physically and emotionally demanding work. It requires ongoing training, professional resilience, and an unwavering commitment to quality of life for some of New Zealand's most vulnerable citizens.

Source: ACA Oral Submission (PCPE 1472, Tracey Martin)

Karena Brown (PCPE 1438) was also engaged in conducting interviews with care and support workers. She told us:

Each team (employer and union interviewers) decided who would ask the questions and who would take the notes. Both the interviewee and both interviewers had to agree on (the transcript) before it was forwarded for development of the job profile. Fifty interviews were conducted with most taking an average of two hours each.

All the people we interviewed brought skills with them to the workplace that were essential in enabling them to do their jobs, often from their home lives but also from their communities and from their marae.

I also had the privilege of spending time with the employer representatives who also had great insight into the issues facing the sector, especially around government funding, and staff shortages, and the issue of attracting young workers into the

> sector, because the work was so hard and the wages were so low. I conducted four interviews with people who had quite different job titles. I quickly realised the skills and knowledge they brought to their employment was very similar. We asked questions around 15 areas with some of the interviewees stronger in some areas than the others. (PCPE 1438, E tū)

Monique Larsen (PCPE 1427) told the Committee:

> Our role was to evaluate the work nurses did and compare it with work in male-dominated professions. It took a lot of training. The qualitative model we were using had 12 domains and 60 questions.
>
> I did interviews with nurses. We interviewed 260 people – health care assistants, psych assistants, enrolled nurses, registered nurses, and nurse managers. We got a complete picture of the work different nursing roles do.
>
> The interviews were quite in depth. The domains were very specific – looking at all the elements of work … the full range of skills that people use at work. (PCPE 1427, PSA Te Whatu Ora)

PPTA submitters advised us: "Once the initial interviews were completed, the unions and employer parties analysed the data. We shared the findings with the people covered by the claim to give them the opportunity to highlight any missing information, and we conducted further interviews to fill those gaps".

The Local Government Library Assistants' claim (PCPE 1495) was especially interesting for our Committee, because their claim comparator, Fisheries Officers, had been highlighted in Parliament[96]. They explained

> the data collection and collation was extensive. It used detailed interviews with library assistants and senior library assistants across the participating councils. Each interview was conducted by an employee and employer representative. The interviews were recorded, and transcripts were returned to interviewees, providing them with the opportunity to clarify and confirm the correctness of the transcript. The interviews exposed work, responsibilities and degrees of effort/demand far beyond the high-level language of job descriptions and task lists commonly associated with a role. As a result, joint role profiles for library assistants and senior library assistants were developed from over 500 pages of transcripts. (PCPE 1495, PSA Library Assistants)

Role profiles were validated in reference groups within each Council (Auckland, Tauranga, Hamilton, Wellington, Christchurch, and Dunedin. Feedback from reference groups was considered for the final versions of the role profile.

During this period, an analysis and information about historic undervaluation is collated, considering the social historic context of the work, changes in the terms and conditions over time, and changes in position descriptions, for example.

The Committee did not see the summary profile describing librarians work, and a collation of all the information gathered. However, from the submissions we received we can reflect some of the material that would have been considered.

[96] New Zealand Parliamentary Debates (Hansard), Tuesday 13 May 2025, Question 1 to Prime Minister Luxon

Public librarians are archivists, educators, digital navigators, community workers, safety officers, literacy champions, and, more recently, first responders to social distress. Library assistants:

- *explain scams and fraud to vulnerable people*
- *help residents navigate online-only government services*
- *support immigration, housing, and financial aid applications*
- *provide digital literacy training to seniors*
- *manage community events, cultural programmes, and children's learning sessions*
- *process rates, dog registration payments, and access to council services.*

They are the triage point for citizens abandoned by the retreat of face-to-face government services.

Library work requires broad knowledge, technical IT skills, interpersonal skills and a lot of patience. We are front line community workers. We problem solve, design, and implement programs and give support to hard-to-reach communities especially in supporting digital literacy and access to essential services like government departments online.

Libraries are one of the few remaining public spaces where:

- *people seek shelter*
- *children learn*
- *migrants access essential services*
- *seniors navigate the digital divide*
- *communities gather*
- *misinformation is countered*
- *literacy is nurtured.*

Librarians do highly skilled, cognitively complex work. Digital literacy support, academic research assistance, community safety, database troubleshooting, pedagogical design, archival knowledge — this is not low-skill labour.

Sources: PCPE 1244, PCPE 1387, PCPE 1431, PCPE 089, PCPE 1495

Undertaking the Work Assessment

Once interviews are complete, parties move to assess the information they have gathered. Some claims would go on to factor score selected transcripts, averaging the scores reached to provide an overall score for the role. Other claims would use interview material to develop a role profile, which brings together and aggregates all the information obtained in each factor The role profile would then be factor scored.

All work assessment is carried out jointly by employer and employee parties, who are trained in work assessment and the factor methodology.

Each participant in the assessment team reads through all transcripts and/or role profiles as well as any other agreed relevant information.

It is important to note that the purpose of this exercise is to apply the same thinking and understanding of any pay equity tool to the workforces you are comparing. This is an in-depth process in which employers and unions develop a shared understanding of the tool and "sense check" at the end of process to ensure that they have applied the tool equally across all information assessed.

A factor-based analysis is very structured. Factors are a way to break down work into its component parts, looking at a role objectively from all angles to understand what it involves. This detailed way of examining work is key to ensuring that overlooked, hidden or undervalued skills, responsibilities, effort and working conditions are uncovered and included.

Those working on the factor plan are advised to work individually to score each factor including their reasoning about why they came to the conclusion they did. The individual thinking first helps avoid group think and allows for careful reasoning to be developed and shared. We see the results of that for Library Assistants in Table A on page 106.

Now the parties begin the work analysis and the allocation of a level for each factor across skills and experience, responsibilities, effort and working conditions. So, what does that mean?

It will help to look at the next page, Table A, to explain this. In the Te Orowaru factor plan used by this claim there are 4 factor families for 15 factors. You can find these down the left-hand column. Each of these is tightly prescribed with exacting precision. Let's look at the first one, Knowledge. This examines the type, depth and breadth of the knowledge required to perform the work. It considers both formal and informal learning.

Library assistant work is assigned a score of 2: "The work requires knowledge of a range of routine work procedures which are well defined. Basic literacy and numeracy skills required". The Senior Library Assistant is assigned a 5: "The work requires considerable knowledge within a specialist area or specialised knowledge across multiple areas. … needs to apply knowledge to undertake reasonably complex tasks. Some ability to adapt theoretical knowledge is required".

In Table B, (p.110) you will see that these same parties assessed cadastral surveyors[97] at 8: "The work requires expert knowledge within a specialist area or across broad fields recognised at a professional level. The jobholder will apply this knowledge using critical, creative and/or analytical thinking to perform a broad range of highly complex tasks/procedures/activities."

But this description is just surface level compared with the depth of the role profiles. Three Committee members who undertook some training in scoring the profiles have seen an example - the probation officer – and this may give some idea of the breadth and depth covered.

The knowledge factor considerations are the nature, depth and breadth of knowledge required, the level of thinking associated with that knowledge and recognition of level of knowledge regardless of how it has been acquired.

[97] Specialists in defining and documenting legal property boundaries.

Table A: Overall work assessment process results for librarians

Factors		Component	City Councils		
			Shelver	Library Assistant	Senior Library Assistant
	SKILLS				
F1	Knowledge and understanding	Level	2	4.5	5
		Score	24	49	54
F2	Problem-solving	Level	2	3.5	3.5
		Score	27	45	45
F3	Interpersonal communication	Level	1.5	4	4
		Score	22.5	60	60
F4	Te Ao Māori	Level	1	2	2.5
		Score	20	40	50
F5	Planning and organisation	Level	1	4	4.5
		Score	13	52	59
F6	Physical skills	Level	3	3	3
		Score	36	36	36
	Total Points for Skills		**142.5**	**282**	**304**
	RESPONSIBILITY				
F7	People leadership	Level	0	3	3
		Skill	0	48	48
F8	Responsibility for information	Level	0	3	3
		Skill	0	34	34
F9	Responsibility for financial and physical resources	Level	1	2	2
		Score	12	23	23
F10	Responsibility for organisational outcomes	Level	1	3	3.5
		Score	13	40	47
F11	Responsibility for services to people	Level	1	3.5	3.5
		Score	18	63	63
	Total Points for Responsibility		**43**	**208**	**215**
	EFFORT				
F12	Emotional effort	Level	2.5	5	5
		Score	30	60	60
F13	Sensory effort	Level	2	4	4
		Score	25	48	48
F14	Physical effort	Level	3	4	4
		Score	30	40	40
	Total Points for Effort		**84**	**148**	**148**
	WORKING CONDITIONS				
F15	Working conditions	Level	3	3	3
		Score	36	36	36
	Total Working conditions		**36**	**36**	**36**
	TOTAL SCORE - for Comparison of Work		**305.5**	**674**	**703**

The two-page knowledge descriptor for probation officers covered the following:

1 Nature and level of knowledge. While a tertiary qualification was not a requirement Probation Officers either have a qualification in a relevant subject or relevant experience. They know how to think critically and assess information, how to analyse and interpret the Bail, Corrections, Crimes, Parole, Sentencing and Privacy Acts, preparing reports for pre-sentencing, parole board, electronic monitoring, some expertise in Māori practice, and more.

2 Experience gained to perform the job. This included coaching or managing teams, experience in the military, police or working with vulnerable people, parenting, counselling, working as tradespeople, or in restorative justice or victim support.

3 Qualifications/registration/ training necessary for the role and need to update training. Formal qualification or relevant experience is needed, with current full driver's licence. 6 months in the job training. De-escalation training, specialised training/knowledge in areas such as working with sex offenders, family violence, alcohol and drug rehabilitation, court officer training, etc.

4 Technical and Procedural Knowledge. This included oversight of electronic monitoring and non- custodial Corrections 'clients' (30,000+ at any one time), and using up to 8 further programmes, some of which are highly sensitive.

Every factor in the role profile has this level of highly specific information. The three committee members who attended the factor scoring tutorial scored probation officers knowledge at 7.5[98].

Readers may find it surprising that senior Library Assistants scored 3 on Factor 8, 'responsibility for information', while Fisheries Officers scored a 4. The range is 1-5. The descriptor for 3 in the factor scoring guide reads "The work takes *some* responsibility for accessing, documenting or recording substantial manual or computerised information of a sensitive nature where confidentiality is paramount. The work may hold some responsibility for sacred/tapu/historically valuable information being accessed, stored or preserved correctly. Work at the level requires day to day responsibility for a small team (under 50) maintaining information systems and ensuring their security and legal compliance." The changes for descriptor 5 in the guide are twofold: the worker has *primary* responsibility for the information repository, and they are responsible for supervising work teams of over 50 people.

This was rigorous, collaborative, time-consuming work, and it does not give any room for 'gaming' the system, as some have suggested.

The factor plan analysis and scoring include the interview data, and other relevant information as agreed such as professional standards, the job description, and health and safety data. Groups have used factor scoring to get clarity on comparability between claimants and comparator work. Each factor level has points allocated to it with different weightings for skills (44%), responsibility (35%), effort (16%), and working conditions (5%).

When the work assessment process for claimants has been completed, parties move to the comparator phase of pay equity.

[98] The employer/union reviewing panel scored this at 8

Identify Comparators

Sometimes finding comparator participants was easy. “A pay equity group were putting together a claim for clerical workers in hospitals. They were looking for a male-dominated occupation group and they are not hard to find in KiwiRail. The Rail and Maritime Transport Union was delighted to participate. The men became great advocates and champions for the clerical workers, not because they did the same job, but because they did a really important job that was clearly undervalued.” (PCPE 1209, Maryan Street, Hearing Day 1, 1:40:14)

A tripartite New Zealand[99] group had established a claims data repository and could give access to claimant and comparator data from already settled claims. The list was extensive and included customs officer, corrections officer, health and safety inspector, detective, forestry technician, vet, mechanical engineers, civil engineers, air traffic controllers, youth justice workers, family violence officers, and many more. Obviously if comparators could be found there, it would save a great deal of time and resources.

The nature of the work is not relevant and does not make the work more or less comparable. The work is selected for the skill, experience, responsibility, effort and working conditions that are *potentially*[100] comparable.

Monique Larsen (PCPE 1427) told the Committee:

> Getting good male comparators was an important part of the process. The comparators were workers we could access through unions. Private sector employers did not want to … we asked them but they didn’t respond.
>
> Despite the reluctance of the private sector, we got quite good depth in public services, like vets and corrections. There was a good range of roles to compare all the different working groups. (PCPE 1427 PSA Te Whatu Ora)

NZEI Te Riu Roa (PCPE 1522) explained their experience:

> Finding the comparator occupations involved the parties working together to identify roles that could be suitable, then finding employers who were willing to have their employees participate in. This is a difficult and time consuming because there is no compensation available to workers and employers who participate. This is why comparators were limited to the public sector and why the same comparators were used for multiple claims. If the government was concerned about a lack of diversity among comparators used, they should have incentivised employers to take part.
>
> At the time the claim was cancelled, the parties had interviewed building inspector team leaders, operations managers and prison directors as potential comparators. NZEI and MoE trained members and staff undertook these interviews and provided on-going support. to ensure demographic spread, getting employer agreement and coordinating interview times…. The transcript then went through an agreed quality assurance process, checking the interview.

The PPTA (PCPE 1435) advised us that they had growing concern that employer parties (government agencies) were trying to move away from the rigorous evidence-based processes of a pay equity claim. “There came to be pushback from employers over time. They wanted to focus on lower paid and lower skilled comparator roles. There was a

[99] Business NZ, CTU, MBIE/PSC for government

[100] All comparators are treated as ‘potential’ until assessed and evidenced as comparable by the parties

growing desire to use female dominated comparators from pay equity settlements in the education sector and the nurses pay equity settlement, rather than continuing to look for new male-dominated roles. This was particularly noticeable after the release of the Pay Equity Reset Cabinet Paper in 2024.

The paper stated that Ministers would have to seek Cabinet approval to establish a pay equity bargaining contingency, sized by 'an assessment of its obligations including an appropriate pay equity comparator assessment.'

Work Assessment for comparators

All the work done for researching the claimants' claim must be done for comparators. If parties agree they can use the material from interviews with comparators stored in the government data base, as the questionnaires used are broadly comparable. The parties would then independently score these. Parties must also collect information on remuneration and terms and conditions from the same point in time as that gathered, for example, for librarians.

The potential comparators chosen for the librarians' claim were Fisheries Officers, Cadastral Surveyors, and Education Sector librarians. Their range of scores – shown in Table B – can be compared with the librarians' range of 673–703 in Table A.

The librarians were encountering more resistance as the claim progressed.

> Right from the beginning this whole process has been about the collaboration of many different groups of people – PSA delegates, library staff from other councils who offered to be interviewed and various HR managers and library managers from the six councils. However, after travelling to Auckland several times to meet and negotiate it became clear that even though undervaluation was agreed, the only way forward was to lodge the claim with the ERA. The reasons for the delay were not related to the Equal Pay Act and process. Frequent changes in who was representing the employer group contributed to delays. New people did not understand the underlying principles of pay equity or the processes used. Prior work on the claim was questioned and revisited.
>
> There was no delay in the actual scoring process once it began. All councils had the option of watching the process live and raising questions. But the employers then claimed that the role profile was scoring too highly because it included roles from Councils where the work was more complex. The claim was tested and the outcome was the work was assessed as the same or similar". (PCPE 1495, PSA Library Assistants)

Comparing work and remuneration of claimant and comparator

Monique Larsen (PCPE 1427) explained:

> There were two teams and you had to score each interview. Everyone did it individually. We would look at everybody's grades, talk about outlying examples, and discuss the process. It was in depth, extensive and accurate.
>
> Remuneration assessments are critical and lengthy: wages and salary, overtime, penal rates, bonus payments, travel expenses, professional registration fees – with many more possibilities. The remuneration comparison of claimants and comparators is not a desk exercise. It needs a very structured process of analysis. (PCPE 1427 PSA Te Whatu Ora)

Table B: Work assessment process results for potential comparators

Factors		Compo-nent	Fisheries Officers			Cadastral Surveyors		
			10213	10218	10230	10338	10334	10337
	SKILLS							
F1	Knowledge and understanding	Level	5	4	5	8	8	8
		Score	54	44	54	84	84	84
F2	Problem-solving	Level	3	3	3	4.5	4	5
		Score	39	39	39	57.5	51	64
F3	Interpersonal communication	Level	4	3.5	4	3	2	3
		Score	60	52.5	60	45	30	45
F4	Te Ao Māori	Level	2.5	2	3	1	1	1
		Score	50	40	60	20	20	20
F5	Planning and organisation	Level	3	3	3	3	3	4
		Score	39	39	39	39	39	52
F6	Physical skills	Level	3	3	3	2	2	2
		Score	36	36	36	24	24	24
	Total points for skills		**278**	**250.5**	**288**	**269.5**	**248**	**289**
	RESPONSIBILTY							
F7	People leadership	Level	2	2	2.5	5	4.5	5
		Score	32	32	40	80	72	96
F8	Responsibility for information	Level	4	3.5	4	2	2	2.5
		Score	45	39.5	45	23	23	28.5
F9	Responsibility for financial and physical resources	Level	3	3	3	1	1	2
		Score	34	34	34	12	12	23
F10	Responsibility for organisational outcomes	Level	4	3	3	4	4	4
		Score	54	40	40	54	54	54
F11	Responsibility for services to people	Level	2	3	3	3	3	3
		Score	36	54	54	54	54	54
	Total Points for Responsibility		**201**	**199.5**	**213**	**223**	**215**	**255.5**
	EFFORT							
F12	Emotional effort	Level	4	4	4	1.5	1	1
		Score	48	48	48	18	12	12
F13	Sensory effort	Level	3	3	3	2	2	2
		Score	36	36	36	24	24	24
F14	Physical effort	Level	4	4	4	1	1	2
		Score	40	40	40	10	10	20
	Total Points for Effort		**124**	**124**	**124**	**52**	**46**	**56**
	WORKING CONDITIONS							
F15	Working conditions	Level	3	4	3.5	1	1	2
		Score	36	48	42	12	12	24
	Total Working Conditions		**36**	**48**	**42**	**12**	**12**	**24**
	TOTAL SCORE - for Comparison of Work		**639**	**622**	**667**	**556.5**	**521**	**624.5**

7.4 Compiling work and remuneration assessment and comparison

At this point the parties have analysed the work and used the factor plan to allocate claimant and comparators work for each factor. Only at this point are allocated points combined to generate a score. Parties will not know how comparable the work of claimants and potential comparators is until the end of the work assessment process, which we can see in Table C, and: *fisheries officers are the closest comparator.*

Table C: Final work assessment findings with averaged factor scores for the 3 potential comparators

	City Councils			Comparators			
Factors	**Shelver**	**Library Assistant**	**Senior Library Assistant**	**Fisheries Officer**		**Cadastral Surveyor**	
Skills	142.5	282	304	272	97%	269	95%
Responsibility	43	208	215	205	98%	235	11%
Effort	84	148	148	124	84%	51	35%
Conditions	36	36	36	42	11%	16	44%
TOTAL	**305.5**	**674**	**703**	**643**	**95%**	**567**	**84%**

The guidelines from Te Orowaru advise that parties should consider all comparators who:

i. are close – within 5-10% difference in terms of factor score.
ii. are scored at a lower factor score than the claimant (more than 5-10% difference) but are paid at a higher rate; and
iii. are scored at a higher factor score than the claimant (5-10% difference) but are paid at a lower rate.

Table D: Librarians considered against closest comparators

	Score	**Potential Comparators**	**Score**	**Difference**	**Percentage**
Library Assistant Work	674	Fisheries Work	643	31	4.60%
		Cadastral Surveyor Work	567	107	15.80%
	Score	**Potential Comparators**	**Score**	**Difference**	**Percentage**
Snr Library Assistant Work	703	Fisheries Work	643	60	8.53%
		Cadastral Surveyor Work	567	136	19.35%

After an extremely rigorous and exhaustive research process, which took years, the parties found that fisheries work fell within the guidelines for a very good potential comparator for librarians.

Draw conclusions on undervaluation

Following the factor scoring and agreement of undervaluation, the librarians and Council group jointly examined the contractual terms and conditions of the comparators to understand similarities and differences, and to determine if there were any factors that

would compound inequity. For example, did all roles have equitable leave provisions, access to similar benefits, penal rates and so forth.

The parties entered the bargaining process. In the bargaining it became very clear that the parties were not in agreement about the degree of undervaluation, and they could not agree on what equitable rates should be. The PSA filed a claim with the ERA. The claim collapsed with the passage of legislation.

Negotiate and conclude pay equity claim

Ten successful claims came through this pay equity process. For those it was a celebration. Karine Stairs (PCPE 1427) from Tairawhiti summed it up.

> Hospital administrators are essential, but invisible. Everyone knows what a doctor or nurse does, but hospital administrators were never visible or valued. Pay equity has made a real difference to turnover. High turnover meant people never really learned their roles.
>
> The whole health system has benefitted from paying administrators what they are worth. (They) are working in high stakes, high pressure, high workload environments. Admin work done poorly has a serious impact on patient health. Under resourcing administration puts a strain on the rest of the health system. Hospital administrators are the glue that hold the health system together. (PCPE 1427, PSA Health Sector)

For Monique Larsen (PCPE 1427) the pay equity settlement ‘made a dramatic difference to our pay. People in male dominated areas with the same or similar qualifications were paid $15,000–$20,000 more a year. I have been underpaid for 30 years – I think about my children and what we could have done with that money’.

7.5 Final words on undervaluation

NZNO (PCPE 1471) were indignant when the government stated that the amendments were required because pay equity claims had been allowed to progress without strong evidence of undervaluation, that claims were very broad, and it was difficult to tell if the undervaluation was due to sex-based discrimination or other factors.

> NZNO disputes this. It was our experience that the process of assessing the work of both claimants and comparators was robust. The data was analysed by independent assessors, as was the remuneration. Comparability was established through robust, consistent process and quality assurance by other independent assessors was carried out.
>
> There were delays and difficulties. The requirement for ‘milestone’ reporting to the government became problematic in that the government tended to only communicate with the employer party and kept moving the requirement of the reporting, with delays in communication on whether the information provided allowed the parties to continue to the next phase of the process. Employers in the funded sector also had these issues [see Section 6].
>
> In our experience the resourcing that was made available was a challenge, and this increased when the Government removed the pay equity resources provided by the Public Service Commission that included not only advice but training in the use and application of the Te Orowaru tool, as well as other information and support. This impacted most significantly on the funded sector. Employers told similar stories [see Section 6]. (PCPE 1471, NZNO)

7.6 Conclusion

The Committee found no evidence to support the Government's suggestion that 'claims have been able to progress without strong evidence of undervaluation.' What we found was a world leading human rights vehicle, with a robust pay equity assessment methodology with incredible research integrity, ethical practice, detailed planning, and built as cooperative inquiry. It is full of checks and balances. It cannot be gamed.

We asked each professor who made a submission, and who was known to have a successful postgraduate supervisory record, how they would describe the standard of New Zealand's pay equity process in research terms. 'Highly sophisticated', 'rigorous, meticulous, arduous', and 'post-doctoral level' were the responses.

> *Here we have the resolution to a question that has been bothering the nation:*
>
> *This is how you compare librarians with fisheries officers.*

7.7 Recommendations:

The Peoples' Select Committee on Pay Equity has come to a number of recommendations, explained here in full and summarised in the table below.

An independent pay equity unit

- The Committee recommends that a new independent pay equity unit is established to provide expert advice, guidance, tools, training, community education, and oversight of pay equity in Aotearoa New Zealand. The unit should offer, free of charge, trained interviewers, assessors, and other experts in pay equity to assist or actively participate in a claim if needed and agreed by the parties.
- The Committee recommends that this unit takes over the pay equity data repository from MBIE and keeps material up to date and accessible to parties to a claim where required. The unit should also undertake proactive interviews and research with Te Orowaru to contribute into this repository.
- The Committee recommends that the unit is established with a clear and unequivocal focus on pay equity as a core human rights issue, independent of, but funded by, the Ministry of Justice. A pay equity commissioner appointed by a key stakeholder reference group from employers, union, iwi, pacific and community organisations would lead the Unit. The stakeholder reference group should remain a key group to consult and take advice from as the unit progresses. The unit must have multi-year funding and complete independence from the Government of the day.
- The Committee recommends that the Government take its technical advice about the robustness of any claim or any policy or strategic advice on pay equity from this unit. This will ensure that the Government can receive clearly separate advice on technical or strategic pay equity issues from issues of cost or political risk.
- The unit would provide working estimations, based on evidence of potential costs after analysis of comparators and claimant roles, to allow planning for money to be sought from Government for resolution of pay equity claims. It should also flag

forthcoming reviews and known movements in terms and conditions of work of previous comparators.

- The Committee recommends that oversight of the pay equity claim processes occurs from within the new independent pay equity unit. This will ensure oversight remains focused on quality of process rather than cost and removes the opportunity for political interference.

A smaller, simpler process

- The Committee recommends substantially reducing and reframing the previously established oversight processes to ensure that parties to a claim have to make available only the material they are already collating and utilising at two key points, rather than the previous six milestones. These are:
  - The completion of interviews and analysis of claimant and comparator roles (assessing for completeness, and methodological soundness)
  - The final settlement (assessing for legal compliance, and the full elimination of sex-based undervaluation)
- The committee further recommends that the unit cannot request additional reports be written specifically for the unit to avoid duplication of work and/or extension of the time a claim takes. Neither the unit nor any other government agency should be able to order the addition or removal of comparators or interfere with the decision jointly made and agreed by the parties as to factor scoring, except at the request of both parties.

Financial support

- The committee recommends that SMEs access the free services of the pay equity unit for advice, tools, training, and expertise, to undertake gender neutral job evaluation proactively as well as accessing technical support to progress a claim. This should reduce or eliminate the need for employers to spend substantial amounts on lawyers and ‘experts’ or be slow to progress due to resource constraints.
- The committee recommends that the Government provide a financial contribution to unions where a claim has been deemed arguable. This is in recognition of their obligation to represent all workers regardless of union membership without an ability to seek any costs. For unions with multiple female-dominated roles in their membership this has created substantial time and resource pressures,
- The Committee further recommends that the financial contribution be $50,000 for a small claim (one role and fewer than 500 workers) and $100,000 for a larger claim (multiple same or similar roles or over 500 workers)

Funded sector

- The Committee reaffirms the recommendation (see Section 8) that the ability to extend a settlement across a workforce as outlined in the funded framework should be reinstated.
- The Committee recommends that, considering the complexity of the funded sector and its contracting arrangements, the Government take immediate steps to guarantee that community and iwi organisations delivering public services are fully funded to implement any pay equity settlement to which they are party. Fear of

insolvency due to dependence on Government funding is very real and a substantial roadblock to the achievement of pay equity.

- The Committee further recommends government agencies improve funding and contracting processes and procurement rules for health, social and education services to support better implementation and maintenance of future pay equity settlements.

Recommendations, Section 7
That the government establish and resource an independent pay equity unit.
That previously established oversight processes in pay equity claims be reduced and reframed.
That the services of the pay equity unit be provided free of charge to SMEs.
That unions bringing pay equity claims should receive financial support to do so.
That the ability to extend a pay equity settlement across a workforce be reinstated.
That community and iwi organisations delivering public services are fully funded to implement any pay equity settlement to which they are party.
That government agencies improve funding and contracting processes and procurement rules for health, social and education services to support future pay equity settlements.

8. Against the Evidence: Examining Changes to the Equal Pay Amendment Act 2025

The Peoples Select Committee collected and analysed evidence from submitters on each change made to the Equal Pay Act 1973. The Amendment Act was passed under urgency on 6 May 2025.

This evidence was gathered from submissions, written and oral, as well as analysis of Government documents, relevant literature and available data.

In this section we examine each legislative change in detail, as a clause-by-clause analysis of the Equal Pay Amendment Bill. The Committee has examined each of these alongside the issues identified with the 2020 version of the Equal Pay Act.

We also examine how the changes were intended to address these issues, as provided in the General Policy Statement:

> The legislative settings introduced in 2020 included a low entry threshold, limited tools for employers to contest broadly-scoped claims, and insufficient requirements for comparator choice and comparison methodology. These settings have resulted in claims progressing through the entry threshold without strong evidence of undervaluation and have made it difficult for parties to attribute differences in remuneration to sex-based undervaluation.
>
> The proposed changes to the Act will improve the process for raising and resolving a pay equity claim and provide a better framework for assessing whether there is sex-based undervaluation. Changes are being made to ensure that the process is workable and sustainable. There will be a better framework for parties to use to assess whether there is sex-based undervaluation when a pay equity claim is made[101] .

8.1 Arguable to Merit

This change is described in the Equal Pay Bill 2025 as “changing the threshold for a pay equity claim being raised and progressing, from a claim that “is arguable” to a claim that “has merit”. The Committee considers this as amending the *threshold* for a pay equity claim.

Key relevant changes:

2020 Act	2025 Act
13A Purpose The purpose of this Part is to facilitate resolution of pay equity claims, by— (a) setting a low threshold to raise a claim (while recognising that entry into the pay equity claim process does not predetermine an outcome); and (b) providing a simple and accessible process to progress a pay equity claim.	**13A Purpose** The purpose of this Part is to provide a process that facilitates the resolution of pay equity claims where there is evidence of systemic sex-based undervaluation of work that is predominantly performed by female employees.

[101] http://www.legislation.govt.nz/bill/government/2025/0147/latest/d2754232e2.html

13Q Employer must form view as to whether pay equity claim is arguable 1) An employer who receives a pay equity claim must, as soon as is reasonably practicable and not later than 45 working days after receiving it, decide whether, in the employer's view, the pay equity claim is arguable. (2) An employer must act in a manner that is consistent with the purpose of this Part (to set a low threshold for raising a claim) by taking a light-touch approach when making the decision required under subsection (1).	**13 Q Employer's decision about whether claim has merit** (1A) The employer must decide whether, in the employer's view, the pay equity claim has merit.
13I Requirements for claim raised by union or unions (1) A pay equity claim raised by a union or unions— … (b) must briefly set out the information that the claimant relies on in support of the elements required for an arguable pay equity claim under section 13F;	**13I Requirements for claim raised by union or unions** A pay equity claim raised by a union or unions must include— (b) … (i) the elements required for a pay equity claim to have merit; and (ii) the evidence that the union or unions rely on in support of those elements;

What the changes do

These changes set up a fundamental shift in the way the previous pay equity framework was designed to operate. The 2020 Act was designed so a union or employee could raise a claim on the basis that there that there *may* be sex-based undervaluation present based on the characteristics and history of the work. Employers and unions could then proceed to investigate a claim together and establish evidence on whether there is undervaluation and if so, to what extent. The 2025 amendments bring in a process which requires a case of undervaluation to be largely proven by the union or employee in order to begin the claim process.

What we heard

> Changing the test from arguability to merit means some claims will simply never be able to get started. Not because they lack merit, but because the evidentiary requirements cannot be met without already having commenced the process, creating a catch 22 situation. (PCPE 1556, NZCTU)

> The Bill raises the threshold from an "arguable" claim to one that "has merit," with added evidentiary burdens at the outset. This imposes unnecessary barriers on unions and employees and creates opportunities for employers to dismiss claims early. It discourages legitimate claims from even being raised, especially by smaller unions or individual workers without access to legal support. (PCPE 035, Sam Howard)

> Our view is that the 'arguability' threshold found a good balance between requiring claims to be based on strong evidence without, however, setting the bar at a prohibitively high level and potentially blocking justice for workers from industries that suffer gender-based discrimination. It also meant that a more fulsome consideration

> of evidence was done as part of a collaborative process between employers and claimants. The latter point is important for the sustainability of pay equity settlements because it meant buy-in from both sides, leading to more agreeable settlements. (PCPE 1522, Yvette Taylor, NZEI Te Riu Roa)
>
> The decision to raise the threshold requiring claims to prove 'merit' puts a significant burden on workers and unions and requires claimants to evidence undervaluation before even beginning the process, which is designed to investigate whether or not that undervaluation exists. Advice from MBIE's General Manager to the Minister for Workplace Relations and Safety's Office of 29 November 2024 notes this exact risk in regards to raising the threshold from 'arguable': [This] would require all claims to undertake a more rigorous assessment before progressing, which could effectively duplicate the assessment. This change is not only nonsensical, but also completely inconsistent with the Pay Equity Principles that are the foundation of the pay equity process. Specifically, Principle 2: The process to raise a claim as a pay equity claim should be simple and accessible to all parties". (PCPE 1586, Hannah Drew-Crawshaw)
>
> Numbers of studies have cast doubt on the view of merit as an objective measure of ability and talent. A study looking at the BBC gender pay dispute said it cannot be assumed that merit is objective, gender neutral or that it is stable and calculable. Placing the onus to prove merit on some of the most vulnerable and under resourced workers in our society is a cynical move to lessen short term costs to the government and employers. (PCPE 1491, Gabriel Brettkelly)
>
> The removal of the arguable case threshold is also deliberate. It turns a fair entry point into a legal barricade. Under this law, you need full legal merit and detailed evidence before a claim can even begin. This isn't about making the system better. It's about making it unreachable. (PCPE 1542, Te Pāti Māori)

Findings

The Committee heard no evidence that the change to the threshold would lead to a more rigorous process which saved money and time. The process of assessing whether an occupation is subject to sex-based undervaluation, as provided for in the 2020 version of the Act was already highly rigorous and methodical as described in detail to us throughout the hearings. Evidence was gathered and analysed jointly and decisions were made based on information everyone involved had access to and agreed upon.

The key difference the legislative change generates is to force employers and unions apart and place the entire responsibility on an employee or their union to independently prove undervaluation in order to *begin* a pay equity process with an employer. The process of assessment would then need to be redone by the employer in considering whether the claim had 'merit'. It is extremely difficult to understand how this clear duplication would ever be more efficient.

The policy statement states that pay equity claims were progressing 'without strong evidence of undervaluation'. Section 13Q of the 2020 Act ensured that any employer agreeing that a claim was arguable was *not* agreeing that there was undervaluation present. Rather the agreement extended to working together only to look more closely at the work and its value. This meant that it was entirely possible that no undervaluation would be identified – as was found in some roles in the Allied Health claim.[102] This was not a design failure but a design feature and indicated that the investigation process was

[102] Allied Health Pay Equity Settlement 2023 www.tewhatuora.govt.nz

working as expected. All parties could be assured that sex-based undervaluation was not present.

NZEI Te Riu Roa pointed out in their submission that the Government already had ways to deal with concern about the progress of claims where it was the employer:

> If the Government was concerned that claims were progressing without strong evidence of undervaluation, it had every right to raise these matters with the union and seek a determination through the Employment Relations Authority (ERA), if necessary... The government, as the employer, never sought this for claims NZEI Te Riu Roa were involved with. (PCPE 1522, NZEI Te Riu Roa)

It is not a stretch to imagine that if the process of assessment of potential undervaluation was done separately, as is now required, there would be little trust in the outcome, whether it found inequality or not. The resulting conflict is likely to be more time consuming and expensive for all parties involved.

The Committee also noted that the original concept of arguability was one reached by consensus by the Joint Working Group (JWG) and the Reconvened Joint Working Group (RJWG) who designed the pay equity principles after the groundbreaking Terranova court case. The Committee saw and heard evidence that not only was the term 'arguability' one that obtained consensus but that the issue of merit versus arguability had already shown itself to be a failure in practice:

> The RJWG recommends changes to principles 2 to deal with the initial identification of pay equity claims and how they are progressed. These changes are founded in large part on the experience of parties in the education, social services and health sectors that have been negotiating pay equity claims using the original Principles. The parties involved in these early claims found the concept of 'merit' created an unintended barrier to progressing claims. We have therefore removed the term. The original intention of the JWG was that identifying and initiating a claim would be a simple and accessible process to all parties.[103]

Recommendation – threshold

The Committee recommends that the changes to the threshold are reversed, restoring the light touch assessment process and concept of arguability as agreed by the Joint Working Group and reflected in the 2020 Act.

8.2 Changing the definition of 'female-dominated'

This change is described in the Equal Pay Bill 2025 as redefining the term "predominantly performed by female employees", with respect to the work where a pay equity claim has been made, to be a workforce that is at least 70% female, and has been so for at least 10 consecutive years, before a pay equity claim is raised. The Committee considers this as an amendment to the concept of a *female-dominated* workforce.

Key relevant changes

2020 Act	2025 Act
13F Meaning of arguable For the purposes of this Act, work is or	**2 Interpretation** Predominantly performed by female

[103] Reconvened Joint Working Group Pay Equity Principles letter of transmission FINAL 2018

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.	employees— (a) in Part 2, in relation to work, means that the work is performed by a workforce that is at least 70% female; and (b) in Part 4, in relation to work to which a pay equity claim relates, means that the work— (i) is performed by a workforce that is at least 70% female; and (ii) has been performed by a workforce described in subparagraph (i) for at least 10 consecutive years immediately before the date on which the claim was raised

What the changes do

This first part of this change redefines what it is meant by the term ‘female dominated’. The new law lifts the percentage of women that a workforce is required to have from (approximately) 60% to 70%. The second part of the change introduces a new requirement that the workforce must not only be 70% female-dominated at the point of raising a claim but, to be eligible, must have been at 70% or above for a minimum of 10 years. The 2020 version had an ‘approximate’ requirement of 60% female-dominated and allowed that percentage to be current (affecting wages now) or historical (past effects on wages and pay scale development and setting mean that current pay could be still impacted).

What we heard

> The 70%/10-year female-dominated workforce requirement – This threshold is both arbitrary and historically unreflective. Many female-dominated occupations have fluctuated in gender composition over time, often in response to social or economic pressures. Imposing a rigid 70% threshold over a full decade creates an unnecessary and artificial barrier to recognising genuine cases of undervaluation—particularly in sectors like aged care, social work, and education, where workforce demographics may have changed in recent years. (PCPE 662, Ben Lawrence)
>
> Raising the female-domination threshold from 60% to 70% over a 10-year average disqualifies many professions that are undervalued yet sit just below that threshold. This is arbitrary and punishes workers in transition-heavy industries (e.g., teaching support staff, allied health, administrative roles). (PCPE 1167, Ariki Spooner)
>
> The new threshold requiring a workforce to be at least 70 percent female for ten consecutive years will immediately exclude most Māori-led services. That is not because there’s no inequity. It is because those sectors rely on part-time, casual, and contract-based work due to chronic underfunding. These realities are now being used to lock us out. (PCPE 1542, Te Pāti Māori)
>
> The change from 60 to a 70 percent threshold means that a number of the underpaid (feminised) workers covered by the 33 cancelled claims are automatically shut out of making a claim by this criterion alone. (PCPE 1488, Tertiary Education Union Te Hautū Kahurangi)
>
> The new 70% female workforce threshold over 10 consecutive years is unrealistic for small, rural workplaces with naturally fluctuating staffing levels. (PCPE 1536, Rural Women)

> The Act redefines "predominantly performed by female employees" as work performed by a workforce that is at least 70% female for 10 consecutive years before the claim is raised. This substantially narrows the range of eligible occupations, especially those that have become more gender-diverse over time, and risks excluding many roles still subject to sex-based undervaluation. (PCPE 1299, Te Uru Tangata Centre for Workplace Inclusion)
>
> The 60% threshold was changed by the 2025 Bill passed under urgency to 70% because the 33 pending pay equity claims would have cost the taxpayer an estimated $12.7 billion over 4-years. (PCPE 1555, Jim Rose)
>
> Raising the percentage of women that have been in an occupation for at least 10 years indicates a lack of understanding of how deeply embedded gender discrimination is in our systems. Systemic discrimination is produced not only by the policies and regulations imposed on our labour market, workers and employers, but also in the social attitudes towards workers and work, and the day-to-day practices of employers. (PCPE 1343, Katherine Ravenswood)

Findings

There was no evidence that gave any sense of legitimacy to the new requirement that a workforce must be 70% female-dominated for 10 years. In the documents released by the Government on the development of this Bill there was no detailed academic, economic or policy analysis to explain either the original recommended increase to 66% female-dominated by officials, or the subsequent jump, requested by Ministers, to 70%. Furthermore, there is no comparative research or international precedents cited to justify the 10-year requirement, and no explanation of why 10 years specifically demonstrates 'historical' undervaluation.

The Committee saw evidence that many female-dominated occupations, particularly those with higher turnover and/or those that have more recently shifted in demographics, have been immediately cut off from the claim process as they do not meet the new definitions. The change removes access to the legal avenues for a range of female-dominated occupations, some of whom have *already identified* sex-based undervaluation – such as community probation officers. (PCPE 1470, PSA) These groups no longer have a way to remedy unlawful sex-based undervaluation of pay in the workplace.

Employers of such groups – for instance, probation officers – are thus put in breach of section 2AAC of the Act because they are, now, knowingly underpaying based on sex. This report has already described serious breaches of Aotearoa New Zealand's international legal obligations and its Bill of Rights Act. To these we add a flaw in the pay equity legislation itself.

The Committee was particularly interested in the increase, from the officials' recommendation of 66%, appearing in early drafts of the Cabinet material, to that of 70% which finally emerged in the Bill. There is no rationale or analysis at all on this provided in Government documents. The Committee heard that there were a range of claims – most notably teachers' (combining primary and secondary) and community corrections' – which hovered around 68–69% female dominated. This suggests that the Government wished the threshold to be raised further, based solely on excluding some groups of known claimants from potential access to the system.

Recommendation – 'female dominated'

The Committee recommends restoring the percentage threshold, as outlined in the 2020 Act, as approximately 60%; and also recommends removing the 10-year requirement.

8.3 The 10-year prohibition on claims and a bar on reviews

These changes

- prohibit a pay equity claim from being raised less than 10 years after a claim in relation to the same employees and work has been settled; and
- prohibit parties from including review requirements in a pay equity claim settlement.

The PSCPE classes these as the *10-year bar amendment* and the *review amendment*

Key relevant changes

2020 Act	2025 Act
13E (6) An employee who is covered by a pay equity claim settlement may not raise a pay equity claim in respect of the work to which the settlement relates (unless the Authority or court determines otherwise in accordance with section 13ZY(5)).	13E (6) Despite subsection (1), a pay equity claim may not be raised within 10 years after the date of a pay equity claim settlement if the claim would relate to any or all of the employees covered by the settlement and the work to which the settlement relates, unless the Authority or the court determines, under section 13ZY(1)(b), that the claim may be raised.
13ZH Settling pay equity claims (3) A pay equity claim settlement agreed between the parties must— (a) be in writing; and (b) state— (viii) the process for reviewing that remuneration (which may include requirements to reconsider the matters set out in sections 13F (3) (undervaluation factors), 13ZD (assessment of the work), and 13ZE (assessment of comparators) if the parties agree) to ensure that pay equity is maintained; and (ix) the frequency of those reviews, which must be— (A) aligned with any applicable collective bargaining rounds; or (B) if no collective bargaining round applies, at least every 3 years;	**13ZH Settling pay equity claim** (2A) The parties may not agree to review, or agree on a process for the review of, a pay equity claim settlement.
N/A	**Schedule 1 Part 2** 10 Review clauses (1) On and after the commencement date— (a) a review clause has no effect; and

	(b) a term or condition of an employment agreement that is based on a review clause has no effect; and (c) proceedings may not be commenced before the Authority or in the court to the extent that those proceedings concern— (i) a review clause; or (ii) a term or condition of an employment agreement that is based on a review clause; and (d) any proceedings of a kind referred to in paragraph (c) that were commenced before the Authority or in the court before the commencement date and have not been determined are discontinued to the extent that those proceedings concern a review clause.

What these changes mean

The Committee has assessed these changes together because submitters spoke to them as interrelated changes. Their impact was seen as cumulative so assessing them together allowed us to understand the issues more completely.

The first of these changes introduced a threshold of time (10 years) in which a settled pay equity claim cannot be re-raised, even if it meets other criteria, such as the new merit test and the female-dominated percentage. So, even if a pay equity settlement had been reached say, 5 years prior, but evidence emerged that sex-based undervaluation had reoccurred over time, a pay equity claim could not proceed.

Only if the Employment Relations Authority was to determine that there are 'exceptional circumstances' could such a pay equity claim proceed. Government documents show no rationale or further explanation about what 'exceptional circumstances' could be.

The second of these changes explicitly bans employers and unions or employees from agreeing to review and maintain a pay equity settlement over time. This does not simply remove the requirement to agree on a review process as part of reaching a pay equity settlement, *it actively prohibits* any such agreement forming a part of any settlement document. It is essentially an instruction to anyone involved in a future pay equity settlement not to consider or agree any way to review or maintain pay equity over time.

The third change makes all those existing pay equity settlements which did contain a review clause unenforceable. All existing agreements about how and when a review would occur were effectively cancelled, even when they were embedded in collective agreements.

What we heard

> The 10-year mandatory ban on advancing pay equity for claims settled in the past. This means, for example, that because care and support workers, vocational and disability workers and mental health and addiction support workers had a special

arrangement in the Support Workers (Pay Equity) Settlement Act 2017, which settled the Terranova litigation involving Kristine Bartlett, they now cannot raise a claim until 2027, even though they had filed an application for fixing which was set down for August 2025. Te Whatu Ora nurses cannot raise a claim until 2033. About 65,000 low paid female workers doing critical work are denied an effective remedy for pay inequity. (PCPE 1145, Dame Judy McGregor).

Pay equity reviews are necessary to ensure that settlements are maintained over time. Systemic drivers of undervaluation, such as funding systems, were not addressed in pay equity settlements, and this means that the settled claims continue to fall behind those of comparators after settlement. For teacher aides, this gap was up to 17% by 2024. Without a requirement to maintain pay equity through a review provision, settlements are eroded, and women again begin to experience sex-based discrimination. This issue is exacerbated by another aspect of the amendments that means a new claim is not able to be raised for 10 years after a claim is settled. This shuts the door to access to justice for many groups of women. (PCPE 1522, NZEI Te Riu Roa)

Importantly, also settlements cannot be reviewed for 10 years so it is impossible to ensure the pay gap does not return or widen. The fact the Goverenment continues to argue pay equity claims can still be made demonstrates they do not understand what is required to make a claim or maybe they do and that is the point of the Act. It is to prevent future pay equity claims. (PCPE 1171, Hon. Margaret Wilson)

Repealing enforceable review clauses in prior settlements breaks faith with those who fought long and hard to secure pay equity in their sector. Reviews were put in place to futureproof gains and prevent backsliding. These changes don't "streamline" the system. They suppress claims, limit eligibility, and restrict recourse. That directly and disproportionately affects wahine Māori, Pacific women, migrant workers, and other groups overrepresented in undervalued care and service work. If left unchecked, the reforms will worsen existing disparities. (PCPE 1167, Ariki Spooner)

I believe that it is integral to the purpose of pay equity legislation to ensure that there remains a robust review process to ensure that settlements are reliable. A review process does exactly what it says it will, reviewing claims to help ensure that processes have been followed thoroughly and remain the same. (PCPE 1246, Rosa Pearce)

The removal of review requirements for settled claims will inevitably erode the pay equity achieved through a settlement. Pay gaps will re-emerge, as has been the case with the NGO social worker settlement, but the ability to address these through a review process has been removed. Further claims cannot now be raised for ten years after settlement, compounding the undermining effect of the amendments. (PCPE 1363, Social Service Providers Aotearoa)

The removal of review clauses is also concerning. It involves the state, in effect, intervening to unilaterally alter the terms of previously agreed contractual arrangements between independent parties. This action not only removes a potential future remedy but retrospectively eliminates a remedy that was explicitly agreed to as a precondition for settling the original pay equity claim. In other words, some claims may only have been resolved because of the inclusion of a right to review. Without this provision, the parties may not have accepted settlement, given potential concerns about achieving and maintaining pay equity corrections over time (PCPE 1440, Te Kāhui Tika Tangata Human Rights Commission)

The Act nullifies all "review clauses" in existing pay equity settlements. These clauses are a critical mechanism to ensure that the gains made through settlement are maintained over time, as job scopes evolve and markets shift. Removing these

> clauses not only freezes the concept of fairness in time – it guarantees future inequity. It is a legislative choice to let historic bias slowly creep back in. (PCPE 1299 Te Uru Tangata Centre for Workplace Inclusion)

Findings

Reviewing and maintaining a pay equity settlement was a principle agreed by the Joint Working Group (Principle 16)[104]. The thinking behind this principle and the subsequent legislative changes in 2020 was that labour market conditions, job requirements, and workforce composition may change over time. Attention would be needed to ensure that equitable rates of pay were sustained.

It also recognised that systemic drivers of inequality such as funding mechanisms, deeply rooted bias and social attitudes, which contribute to the pay gaps in the first place, may still linger after a settlement and have future impacts on wages.

Having an agreed methodology for review and maintenance at the point of settlement was intended to allow parties to regularly and jointly reassess whether pay equity was being maintained as circumstances evolved. The Committee considers this to be a logical and coherent approach in terms of our legal and policy commitments to eliminating the gender pay gap. The legal obligation to not discriminate on the basis of sex is active at all times for an employer. So, waiting for a decade to review, and then only if one receives a fresh pay equity claim, appears at best negligent and at worst a deliberate obstruction of the realisation of gender equality. Either attitude places employers in in breach of the Equal Pay Act.

Crown Law Advice in 2021[105] noted the following:

> Section 2AAC(b) contains the fundamental pay equity obligation on employers.
>
> It states:
>
> **2AAC Differentiation in rates of remuneration prohibited**
>
> An employer must ensure that–
>
> (b) there is no differentiation, on the basis of sex, between the rates of remuneration offered and afforded by the employer for work that is exclusively or predominantly performed by female employees and the rate of remuneration that would be paid to male employees who–
>
> (i) have the same, or substantially similar, skills, responsibility, and experience; and
>
> (ii) work under the same, or substantially similar, conditions, and with the same, or substantially similar, degrees of effort.
>
> The section 2AAC obligation applies to every employer in New Zealand, *whether or not a claim has been brought against that employer* (emphasis added).

This part of the Equal Pay Act has not been altered in the 2025 amendments. The result is that employers are both prevented from reviewing pay equity (in 2025) while also are obliged to uphold it (under the 2020 law).

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[104] Joint Working Group Pay Equity Principles www.publicservice.govt.nz

[105] Crown Law Advice – Phasing and Backpay in pay equity settlements, Ref. TKM001/3, by Crown Counsel Shaun Connolly

The Committee also observes that the removal of reviews and the bar on raising a claim for 10 years is likely to mean more expense, time and risk for employers. We heard that it took resources and time from employers and unions to undergo the pay equity process. If the new pathway to dealing with pay inequality is by raising a new claim every decade in order to address any re-emerging inequality, it creates a 'hamster wheel' that parties cannot get off.

Regular reviews, on the other hand, could ensure that there was no need for repeated new claims by staying abreast of emerging inequality. It is clear that this is likely to be cheaper and less resource intensive than correcting any emergent inequality after a decade of inattention. Fixing this in a potentially large chunk once every 10 years will be more complex and difficult for an employer's budget than smaller regular adjustments.

The Committee heard nothing and found no documentation that provided any legitimacy or gave any evidence of the concern expressed by officials that reviews were being used to 'ratchet up settlement amounts'[106]. Reviews only result in pay changes if inequality could be demonstrated.

The Committee notes that there was still ongoing work being done on developing strong agreed guidance on a review process to ensure this was as straightforward and workable for all parties as possible. We heard that the Pay Equity Taskforce was working on coordinating this agreement prior to its disestablishment. Given the importance of maximising the resource, time and effort that goes into a pay equity claims process and our legal, moral and ethical obligations to eliminate inequality in pay, an effective review process is critical.

Recommendations –10-year bar amendment and the review amendment

The Committee recommends the 2025 amendments regarding reviews and the 10-year ban on raising claims are reversed in full.

The Committee recommends that work is done on developing agreed best practice for review processes, facilitated by an independent unit and involving government, business, union, community and iwi representatives.

8.4 Scope amendments

This change requires an employer to decide whether a claim has met all requirements set out in section 13E including the 10-year bar and the requirement that all employees covered by a claim raised by 1 or more unions perform work that is the same or substantially similar. The section also allows an employer to make a new decision on that scope issue while assessing a claim.

The Committee has categorised these as *scope* amendments.

Key Relevant changes

2020 Act	2025 Act
13I Requirements for claim raised by union or unions (1) A pay equity claim raised by a union or	**13I Requirements for claim raised by union or unions** (1) A pay equity claim raised by a union or

[106] Briefing Policy Decision and Draft Cabinet Paper on Pay Equity 14 March 2025

unions— (a) must (iii) include a brief description of the work performed by the employees to be covered by the union-raised claim; (3) A pay equity claim raised by 1 or more unions with multiple employers must also include— (a) the name of each employer with whom the claim is raised; and (b) a brief explanation of how the work performed by the employees covered by the union-raised claim is considered to be the same or substantially similar.	unions— (b) must (i) explain how all of the employees to be covered by the claim perform work that is the same or substantially similar; and (ii) include the evidence that the union or unions rely on in support of that explanation, including any evidence prescribed by regulations;
N/A	**13PB Employer's decision about whether claim meets requirements of section 13E** (3) Without limiting subsection (2), the employer must, in making the decision about a pay equity claim raised by 1 or more unions, consider and decide whether all of the employees covered by the claim perform work that is the same or substantially similar.
N/A	**13ZEB New decision about same or substantially similar work** (1) An employer who is making an assessment under section 13ZD of a pay equity claim raised by 1 or more unions on behalf of 2 or more of the employer's employees may decide that, in the employer's view, the employees covered by the claim do not all perform work that is the same or substantially similar. (2) An employer— (a) may make a decision under subsection (1) even if the employer decided under section 13PB that, in the employer's view, all of the employees covered by the claim perform work that is the same or substantially similar; but (b) may not make a decision under subsection (1) if the Authority has determined under section 13ZY that all of the employees covered by the claim perform work that is the same or substantially similar.

What these changes mean

The changes introduce a new evidence requirement for the process of raising a claim. They require the union or employee raising a claim to provide an explanation and evidence of how the roles the claim is raised for meet the definition of the ‘same or substantially similar’ to each other. This was understood and spoken of as the ‘scope of the claim’, meaning, “Who would be covered by it?”. This is a change from the 2020 Act which had no such requirement for a claim raised with a single employer and asked for only a brief explanation of how roles were the same or substantially different to each other in a multi-employer claim. The changes also introduce new sections where the employer makes their own assessment of the evidence provided by the union or employee and can decide that it is not satisfied. If the employer is not satisfied that the roles are, in its view, the same or substantially similar they then notify the union or employee. This stops the claim.

What we heard

> Under the 2020 amendments as part of raising a claim, claimants had to provide a statement describing of how the work performed by employees covered by the claim was ‘the same or substantially similar’. This could be challenged by either party at any point during the claims process, and indeed scope was an ongoing a topic of conversation between parties. (PCPE 1522, NZEI Te Riu Roa)

> Under the previous pay equity process, all roles covered by the teachers’ claim—including classroom teachers, school leaders (such as principals, deputy and associate principals), and specialist teaching staff (such as guidance counsellors, itinerant teachers of music, e-learning teachers, Resource Teachers for Learning and Behaviour (RTLBs), Learning Support Coordinators, and Special Educational Needs Coordinators)—were treated as performing ‘the same or substantially similar’ work. This was because they are all required to hold a current practising certificate and meet the same Teaching Council standards. The teachers’ claim also included untrained and unregistered teachers (e.g. those holding a LAT (Limited Authority to Teach) in the schooling sector and untrained ECE teachers). This was because the unions’ view was that these roles were performing substantially similar classroom teaching work. However, the Government’s amendments create significant risk. Even if a new claim were lodged by the PPTA with NZEI Te Riu Roa, an employer could now determine that the work of certain employees is not 'the same or substantially similar', effectively reducing the scope of the claim. This amendment appears designed to allow employers to fragment claims and exclude groups, such as principals and other leaders, based on arbitrary role-specific functions (e.g. time spent in offices versus classrooms), even though they share the same professional credentials and standards as teachers. This provision could also be used to exclude other certificated roles that have always been included under the umbrella of the teaching profession in pay equity work to date. (PCPE 1435, PPTA)

> The increased requirement for workers to define the scope of a claim and provide evidence of how all work covered is the same, shifts the onus from the employer to ensure the right workers are covered, solely onto to workers to prove who should be covered. On top of this the employer has been given increased abilities to discontinue a claim if in their view, the work covered is not entirely the same. The employer can do this right up to the completion of assessment, In a care and support claim, huge effort could be made to investigate and assess work only to have employers decide, well into the process, that they think some workers should not be covered by the claim and thus the whole claim must be re raised and started again. (PCPE 1469, Joint Union Care and Support Claim)

> The employer may terminate the claim if they determine that the workers included in the claim are not engaged in work that is sufficiently similar... This legislation effectively grants the employer the authority to halt the process at any stage, thereby centralising decision-making power with the employer and leaving the workers, who may be undervalued and underpaid, without recourse (PCPE 1438, E tū)

Findings

The stated problem with how claims had been scoped is touched on in the General Policy Statement: 'The legislative settings introduced in 2020 included...limited tools for employers to contest broadly-scoped claims.'

In reviewing the 2020 version of the Act, the Committee saw that Section 13ZO provided for:

> (1) Any party to a pay equity claim may refer any 1 or more issues relating to that claim to mediation services provided under Part 10 of the Employment Relations Act 2000.
>
> (2) Issues that may be referred to mediation services include, but are not limited to, the following:
>
> (b) a dispute as to whether an employee's work is the same as, or substantially similar to, work that is the subject of a pay equity claim raised by a union with the employee's employer, for the purposes of determining whether or not the employee is, or is to be, covered by the union-raised claim[107].

Section 13ZQ also provided for the ability to go to the Authority if a dispute about whether the work is the same or substantially similar was not resolved at mediation.

If there was any dispute about scope, there were recourses available. So, the claim that there were 'limited tools to contest' is not accurate. The 2025 amendments do not provide any additional tools as such; rather, they shift the locus of responsibility, from a joint collaborative assessment to one which rests solely on evidence provided by the union or employee. The amendments also give the employer a significant power to decide at any time, right up to settlement, that in their view the work is not the same or substantially similar. They can then discontinue the claim, forcing the union or employee to begin again or give up seeking a remedy.

The Committee then considered whether the tools 'to contest broadly scoped claims' under the 2020 Act had been utilised and seen to be unsuccessful, giving rise to the concerns about 'limited tools'. We could find no applications for mediation or applications to the Authority on the issue of same or substantially similar work. The existing tools had not been used. There was no basis for concern regarding their efficacy.

There was evidence that claims had successfully changed scope, by agreement between the parties. Interpreters in hospitals were originally included in the administration and clerical claim. Further investigation showed this work was not 'the same or substantially similar'. The parties agreed to withdraw these roles and progress and settle them in a separate claim[108].

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[107] Equal Pay Act 1972 (2020 version) www.legislation.govt.nz/act/public/

[108] Pay Equity Claim Settlement Agreement Librarians and Interpreters 2023 www.tewhatuora.govt.nz/

The Committee also had evidence that 'broadly scoped claims', such as the Allied Health claim in Te Whatu Ora, successfully reached an agreed settlement through rigorous analysis and the use of a range of comparators to ensure that there was an appropriate comparator for all the different roles[109].

The Committee also considered the guidance that was provided for parties to claims under the 2020 Act. We saw that this guidance also provided support for parties to consider and revise scope of claims should this be necessary through a claims process. Among the tools the Committee noted was, first, a template terms of reference[110].

This was a document agreed by the employer/s and union/s at the start of the pay equity process which outlined how they would work together. There was a section in the template provided which covered scope. This section outlined an agreement that the scope could change and be refined throughout the assessment process without the claim halting and needing to restart. This meant that some roles could be identified to not be the same as they become better understood and drop out of the claim, while others, that were not originally captured, could be identified as being in scope if required.

This seemed to us to be a pragmatic approach that recognised that the work assessment process is likely to bring new information to light about work being done. The exact language relating to the agreement as to scope is:

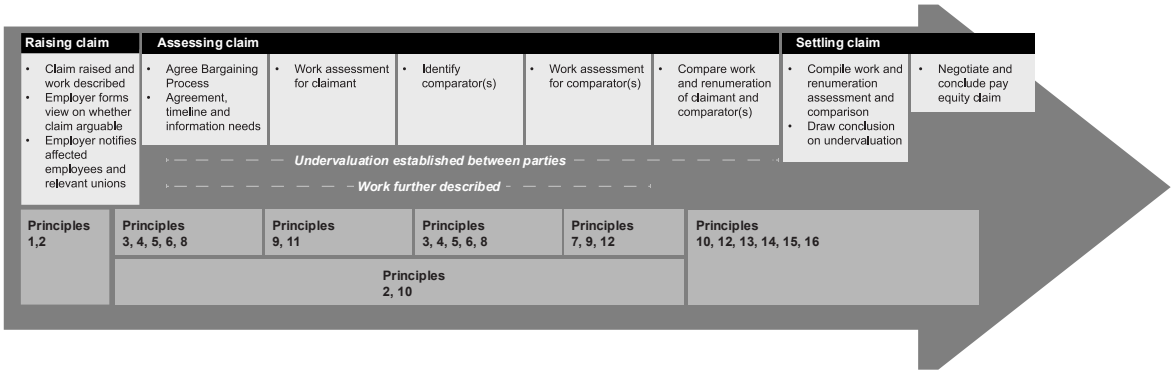
> Scope
>
> The parties agree the pay equity claim is arguable for [insert occupation/ position/description of work] and those doing the same of substantially similar work.
>
> The work performed is [briefly describe the work being performed]. The [insert employer(s)] confirms that it has notified affected employees of the employer, that is, employees who perform work that is the same as, or substantially similar to, the work performed by the claimants.
>
> Parties agree that the scope of the claim may be affected by the outcome of the pay equity investigations, that is the scope may shift to either include or exclude some roles.

Secondly, the guidance included a pay equity process diagram[111]. This diagram indicates the steps in the pay equity process. The arrow, labelled "work further described", which runs underneath the entire assessment process, indicates the expectation that the parties are jointly building a picture of the work involved throughout the process.

[109] Pay Equity Settlement Agreement APEX and PSA 3.11.23 www.tewhatuora.govt.nz/

[110] Template Terms of Reference New Zealand Government Page 2

[111] Pay equity in Aotearoa New Zealand History/Context and Principles New Zealand Government, p.5 http://www.publicservice.govt.nz/assets/DirectoryFile/Pay_Equity_Context_and_Principles.pdf



Underpinning the claims by officials and Ministers that there were 'limited tools to contest broadly scoped claims' is a fundamental rejection of the collaborative evidence-based process of pay equity claims under the 2020 Act. Established by the Joint Working Group principles, collaboration rather than 'contest' was key. As we heard from Joint Working Group facilitator Traci Houpapa:

> The 2017–2018 reconvened Joint Working Group demonstrated that pay equity is not a zero-sum contest between employers and workers but a problem that benefits from cooperative design and shared implementation. Open engagement, thorough consultation and agreed, practical approaches produced a roadmap that is both fair and workable (PCPE 1453, Traci Houpapa).

This collaborative process, underpinned by good faith and information sharing requirements (sections 13C and 13ZC), was a tool enabling employers, alongside their union or employee partners, to work through any issues on scope. In contrast, the 2025 legislation replaced this process with one in which the employers have all of the rights and little of the responsibility.

Recommendations – scope

The Committee recommends that the 2025 amendments to scope are reversed and the 2020 Act provisions are reinstated.

The Committee recommends that guidance and support for parties in navigating any issues around scope, such as was provided by the Taskforce, is refreshed by an independent unit with input from experts.

8.5 Opt out amendment

This change is described in the Equal Pay Bill as follows:

- enhancing the ability of an employer to opt out of a multi-employer claim by allowing them to opt out without giving reasons (an *opt out* amendment):

Key Relevant Changes

2020 Act	2025 Act
13L Opting out of multi-employer pay equity claim *Employers may individually opt out* (1) An employer may opt out of a multi-employer pay equity claim by giving notice	**13L Opting out of multi-employer pay equity claim** *Employers may individually opt out* (1) An employer may opt out of a multi-employer pay equity claim by giving notice

to all other parties only if the employer has genuine reasons, based on reasonable grounds, to do so. (2) If an employer opts out of a multi-employer pay equity claim, the claim in respect of that employer must be progressed as a separate claim.	to all other parties. (2) If an employer opts out of a multi-employer pay equity claim, the claim in respect of that employer must be progressed as a separate claim.
13Z Parties may refer issues to mediation (1) Any party to a pay equity claim may refer any 1 or more issues relating to that claim to mediation services provided under Part 10 of the Employment Relations Act 2000.	**13L Opting out of multi-employer pay equity claim** Party may not apply for determination concerning employer opting out (10) A party may not apply to the Authority under section 13ZY for a determination concerning an employer's decision under this section to opt out of a multi-employer claim.

What these changes mean

This change means that wherever multiple employers have been included in one pay equity claim, (for example the five community organisations with whom the PSA raised a claim for social workers), any of the employers can simply decide they do not want to be part of a joint claim. They do not have to have or give a reason for this. This is a shift from the 2020 version where employers needed to have a strong reason for opting out. The change also ensures that there is no ability to seek a determination from the Employment Relations Authority if an employer decides to opt out and the union feels this has been done in bad faith.

What we heard

> In the opinion of NCWNZ, the settings have been changed to benefit the employers, including the government, for example by allowing employers to opt out of a multi-employer claim without needing to provide a reason. (PCPE 1333, National Council of Women)
>
> There is a significant issue with the ability of employers to opt out of multi-employer pay equity claims…This situation poses challenges for achieving comprehensive coverage for all workers, as employees of employers who opt out will not benefit from any wage increases negotiated through pay equity settlements (PCPE 1438, E Tū).
>
> Additionally, the Amendment Act allows employers to opt out of multi-employer claims without providing a reason or being challenged by the Employment Relations Authority. This undermines the practicality of multi-employer claims, which are often essential for establishing patterns of undervaluation across an industry. Smaller employers, who may not have a representative gender distribution on their own, will now be isolated from broader claims making it harder for their employees to access pay equity processes. While the Government frames these changes as providing "tools" for employers, in practice they remove accountability and reduce incentives to engage in good faith. Rather than strengthening the pay equity process, these provisions risk rendering it ineffective. (PCPE 1407, Atamira Platform Trust)

> Employers can now more easily withdraw from multi-employer claims, undermining coordinated sector-wide approaches. (PCPE 1363, Social Service Providers Aotearoa)
>
> Employers can also choose to opt out of a multi-employer claim without needing to provide a reason. In some sectors/claims, this is certainly not 'workable and sustainable', as the Minister insists this new pay equity legislation needs to be. A claim covering Early Childhood Teachers spans hundreds of independent Early Learning and Early Childhood Education centres – this could mean hundreds of claims covering employees doing the same work. (PCPE 1391, Sabine Pinguet)
>
> Many of the new rules added in to making claims easier to see which are 'genuine' is another way of saying 'let's give tools to the employers so they can get out of equity claims.' A good example of this is "enhancing the ability of an employer to opt out of a multi-employer claim by allowing them to opt out without giving reasons (an opt out amendment):" How does this make any sense? This is just a more complex way of saying 'Not it!' Like 8-year-olds at lunchtime. (Dekin Altman, PCPE 260)
>
> The Equal Pay Amendment Act 2025 has made pay equity effectively impossible to pursue, thanks to changes like the unrestricted ability for an employer to opt-out of a multi-employer claim. (Workers First, PCPE 1552)
>
> Employer opt-out rights without justification.
>
> Employee opt-out provisions that fragment collective efforts.
>
> These changes hinder unions' ability to represent workers, weakening collective bargaining and advocacy. This directly threatens the freedom of association, a right protected under section 17 of the Bill of Rights Act (Ana Pallesen, PCPE 1364)
>
> Employers can now unilaterally discontinue claims or opt out of multi-employer claims without cause. This chills collective bargaining and undermines the good-faith principle of the Employment Relations Act 2000. (Bharath Kotaru, PCPE 183)
>
> The removal of the most low-level requirement to provide a reason for an opting out and thus requiring an individual employer process makes multi-employer claims, as was needed in care and support, even more difficult. There are over 1,000 employers in care and support. It simply is not possible to run 1,000 individual employer claims, and it would make no sense to do so. (PCPE 1469, Joint Union Care and Support claim)
>
> Multi-employer claims enable resource sharing in the pay equity process, increasing the efficiency, quality and provisioning of the process. (PCPE 1142, Tertiary Education Union Te Hautū Kahurangi)

Findings

The Committee neither heard nor could find rationale to justify this legislative change. There is nothing in the documents released by Government that frame the 'problem' that is to be solved. The Committee noted that the 2020 wording of the Act in relation to multi-employer claims and opting out was connected directly to how multi-employer bargaining is expected to occur under the Employment Relations Act 2000. This connection was at the explicit request of the Joint Working Group, which located the pay equity principles firmly and deliberately within New Zealand's bargaining framework.

> The recommended approach therefore is based upon the notion of the parties to a pay equity claim resolving these issues at the earliest time at the most appropriate

> level, using the existing good faith bargaining arrangements of the Employment Relations Act 2000 as the platform. The benefit of this approach is that it uses the existing good faith provisions in the law, and where necessary, the Employment Relations Authority and the Court to assist parties in settling pay equity claims…Our preferred approach may be summarised as having the parties who would benefit from the claim bargain in good faith, using a set of principles designed to identify and confirm, assess and resolve a claim[112].

Removing the need for a reason to opt out means that the concept of what constitutes good faith has begun to diverge between the Employment Relations Act and the Equal Pay Act, despite their connection (and cross-referencing). Employment New Zealand explain that good faith provisions form the expectation that employers cannot opt out of a multi-employer collective in the collective bargaining agreement process without a genuine reason based on reasonable grounds[113]. Yet there is now a different standard in place for pay equity claims.

There is no evidence that these changes make the pay equity process 'more workable and sustainable' as outlined in the policy statement. They appear to make the process more time consuming, expensive and administratively complex, possibly to the extent of unworkability. Throughout the hearings the Committee heard from employer and union parties to multi-employer claims (early childhood teachers, care and support workers, library assistants, nurses etc) who expressed grave concerns with this change. Employers noted that there was a risk in multi-employer claims of the larger employers opting out, leaving smaller employers to navigate the process on their own.

Smaller employers are less likely to be able to resource the progress of a pay equity claim process on their own, leaving them at a real disadvantage. For claims covering multiple employers, the opt out provision raises the very real concern that unions would be left trying to progress hundreds (or even thousands) of claims for a single workforce. This is clearly unsustainable and inefficient. There are real and tangible risks of duplication of work and effort in progressing multiple claims.

The cost of the pay equity process for all involved is likely to dramatically increase should there be a need for more claims for the same work. The ability for economies of scale would no longer be able to be realised. There are also real concerns regarding the stability of a workforce that is spread across multiple employers if multiple claims (early childhood teachers for example) were required and progressed at different speeds. Employers paying different wages could lead to recruitment and retention challenges, morale issues and workforce shortages[114].

The Committee also considered evidence here regarding the Funded Framework, a policy agreed by the Labour Government that bears some relationship to the multi-employer consolidation provisions. This Funded Framework gave the ability for multi-employer pay equity settlements to be extended further. The Cabinet paper, 'Pay equity in the funded sector' stated:

> Where different employers have workforces that may be the same, or substantially similar, the Act provides for claims to be consolidated as long as it is a union-raised claim on behalf of a member in that workplace. However, the volume of employers in

[112] Recommendations of the Joint Working Group on Pay Equity Principles 2016 www.publicservice.govt.nz/

[113] Code of Good Faith in Bargaining Employment New Zealand www.employment.govt.nz/

[114] Implementing pay equity for social services 2021, Social Wellbeing Agency www.sia.govt.nz/

> the Funded sector, accompanied by low rates of unionisation, make it unlikely that all employers in the sector would ever be consolidated into one claim. Multiple claims are therefore likely to be needed for the same or similar work. This is likely to increase the cost of managing claim processes, delay the delivery of pay equity and disrupt the delivery of important public services[115].

We heard that this aspect of the Framework was operationalised for community social workers. An original settlement for 5 employers and 500 workers went on through the process to be extended to another 381 employers and 5008 workers[116]. We also heard:

> The NGO social worker pay equity settlement and its extension were historic landmarks for pay equity and for the profession of social work. It had a stabilising and affirming effect, providing significant benefits to the social worker part of the social service workforce. Some 5,000 social workers received an average pay increase of 27% - an indication of the extent of their undervaluation. (PCPE 1363, PSA)

While the Funded Framework was a policy solution, and according to submissions was likely to need further refinement from lessons learnt, the impact of being able to deliver pay equity across a whole workforce clearly had a positive impact. Money and time was clearly saved by employers and unions by not having to progress potentially hundreds of additional claims in the 381 additional employers covered by the extension. Employers were on an equitable footing in terms of remuneration and were not locked into separate processes to understand the value of work. The research report, 'Revaluing Work', which examined a range of international pay equity frameworks, commented:

> This Funded Framework is the only international example of a policy mechanism that can achieve systemic pay equity for women doing work of equal value in female dominated sectors, by overcoming the need for multiple, complex and time and resource-consuming legal processes[117].

The positives of sector wide settlements casts further doubt on the legitimacy of the weakening of multi-employer consolidation provisions in the legislation.

Recommendations – the opt out amendments

- The Committee recommends that the changes allowing employers to opt out of multi-employer claims without a reason is reversed.
- The ability to take any issues arising in a pay equity claim to mediation and to the Authority, if required, is restored
- The Committee recommends that the ability to extend a pay equity settlement which covers multiple employers, as outlined in the Funded Framework, should be:
  - strengthened with input from experts and consideration of lessons learnt
  - catered for in legislation (consideration of the fair pay framework which allowed for a sector-based agreement on wages may be relevant here)
  - managed by an independent taskforce or unit.

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[115] Pay Equity in the Funded Sector 2021 Te Kawa Mataaho Public Service Commission Page 2

[116] Approval to appropriate funding to extend Pay Equity Settlement for social workers in community and iwi organisations 2023 Te Kawa Mataaho Public Service Commission Page 2

[117] Rogers, Amy: Revaluing Work 2024: An examination of legal, policy and business practices in Iceland, Sweden, Aotearoa New Zealand and the United Kingdom, to close gender and other pay gaps and correct the undervaluation of work performed by women and other marginalised groups, p. 299

8.6 Comparator amendments

This change is described in the Equal Pay Bill 2025 as "enhancing the assessment of whether an employee's work is undervalued by requiring parties to select appropriate comparators by using a new hierarchy that ensures the selection of comparators most closely related to the employer. The Committee considers the changes made to be *comparator* amendments.

Key relevant changes

2020 Act	2025 Act
13ZE Identifying appropriate comparators (1) For the purpose of identifying 1 or more appropriate comparators against which to assess a pay equity claim as required by section 13ZD, comparable work may include any of the following: (a) work performed by male comparators that is the same as, or substantially similar to, the work to which the claim relates: (b) work performed by male comparators that is different to the work to which the claim relates, if the comparators' work involves 1 or more of the following: (i) skills and experience that are the same as, or substantially similar to, those required to perform the work to which the claim relates: (ii) responsibilities that are the same as, or substantially similar to, those involved in the work to which the claim relates: (iii) working conditions that are the same as, or substantially similar to, those involved in the work to which the claim relates: (iv) degrees of effort that are the same as, or substantially similar to, those involved in the work to which the claim relates: (c) work performed by any other comparators that the parties or the Authority or court considers useful and relevant, including comparators who perform work that has previously been the subject of a pay equity claim settlement. (2) Despite subsection (1), work performed by a male comparator may not be selected for the purposes of assessing a pay equity claim under section 13ZD(1) if there are reasonable grounds to believe that the	**13ZE Selecting appropriate comparators** (1) This section sets out how parties select appropriate comparators against which to assess a pay equity claim under section 13ZD. *Method of selection: hierarchy* (2) The parties to a pay equity claim involving 1 employer must select comparators that are most closely related to the employer by approaching the task as follows: (a) if the employer employs 1 or more comparators, the parties must select 1 or more of those comparators: (b) if the employer does not employ any comparators, the parties must select 1 or more comparators from 1 or more similar employers: (c) if neither paragraph (a) nor paragraph (b) applies, the parties must select 1 or more comparators from 1 or more other employers within the same industry or sector. (3) The parties to a multi-employer pay equity claim must select comparators that are most closely related to the employers by approaching the task as follows: (a) if 1 or more of the employers employ 1 or more comparators, the parties must select 1 or more comparators from 1 or more of those employers: (b) if none of the employers employ any comparators, the parties must select 1 or more comparators from 1 or more employers that are similar to the employers in the claim: (c) if neither paragraph (a) nor paragraph (b) applies, the parties must select 1 or more comparators from 1 or more other employers within the same industry or

work performed by that male comparator— (a) has been historically undervalued for 1 or more of the reasons set out in section 13F(3)(a) to (d); and (b) continues to be undervalued for the reasons set out in section 13F(3)(e).	sector. (4) In addition to acting in accordance with subsection (2) or (3) (as applicable), the parties may, by agreement, select as a comparator the employees covered by a pay equity claim that has previously (but not before the Equal Pay Amendment Act 2025 comes into force) been raised and been the subject of a pay equity claim settlement. *Method of selection: comparators perform comparable work* (5) A comparator selected under subsection (2) or (3) (as applicable) must be a male workforce that performs— (a) work that is the same as, or substantially similar to, the work to which the claim relates; or (b) work that is different to the work to which the claim relates, but that involves 1 or more of the following: (i) skills and experience that are the same as, or substantially similar to, those required to perform the work to which the claim relates: (ii) responsibilities that are the same as, or substantially similar to, those involved in the work to which the claim relates: (iii) working conditions that are the same as, or substantially similar to, those involved in the work to which the claim relates: (iv) degrees of effort that are the same as, or substantially similar to, those involved in the work to which the claim relates.
N/A	**13ZEA Employer decides no appropriate comparators available** (1) If the employer decides that no appropriate comparators are available for selection, the employer must give notice to the claimant that— (a) sets out the reasons for the employer's decision; and (b) describes the effect of the decision as set out in subsection (2); and (c) explains the steps that the claimant may take to challenge the employer's decision, including advice that the claimant may— (i) seek further details of the reasons for the employer's decision; and (ii) refer the decision to mediation

	under section 13ZO; and (iii) refer the decision to the Authority for facilitation under sections 13ZP to 13ZX if 1 or both of the grounds in section 13ZR(2) exist; and (iv) apply to the Authority under section 13ZY for a determination on the decision and that, if the claimant does so, the Authority will first consider whether an attempt has been made to resolve the question by facilitation or mediation. (2) A notice under subsection (1) has the effect of discontinuing the pay equity claim from the date on which the employer gives the notice, but the discontinuance of the claim does not prevent— (a) the parties from agreeing to reverse the employer's decision; or (b) the claimant from applying to the Authority for a determination in relation to the employer's decision; or (c) a new claim that complies with section 13DA from being raised.

What these changes mean

These changes completely alter how comparators are selected for a pay equity claims process. Comparators are a key part of how work is assessed to understand whether there is any sex-based undervaluation present. In a pay equity claim you need at least one other occupation for comparison to determine if the occupations require the same or similar level of skill. This is known as a comparator group.

In the 2020 Act parties could agree to any comparators for this assessment, as long as they were male dominated and not themselves subject to any undervaluation (usually by close proximity to an undervalued role). Alternatively, a comparator could be a female dominated occupation that had already had a pay equity settlement so it could be guaranteed to be free from sex-based undervaluation.

The 2025 Act changed this to introduce more requirements for agreed comparators. A new hierarchy was introduced requiring a pay equity claim to consider occupations within the same organisation first. If there were none, then occupations from similar organisations must be considered. If none could be found there, then comparators can be drawn from the same industry or sector. If comparators cannot be identified in any of these locations, then the employer can discontinue the claim.

What we heard:

> ...most devastating to our claim is the requirement that comparators need to come from within the sector. This demonstrates this government's fundamental misunderstanding of the pay equity process. Because teaching is a female dominated profession and has been for a considerable time, there is no viable comparator. The absence of a comparator is not evidence that there is no

equity claim to be made, but rather an indication that there is a claim. (PCPE 1450, Barbara Curran)

There is now a strict hierarchy of comparators, prioritising those workforces from the same employer, thus making it harder to compare worth across different workplaces. This strikes at the fundamental point of the previous Pay Equity legislation, namely, to value work done predominantly by women on an equitable basis with work done predominantly by men. This single requirement, to prioritise workforces from the same employer, is the most profoundly ignorant comment about Pay Equity – the purpose of Pay Equity is to correct that remuneration imbalance across industries reflecting the different treatment between traditional 'women's' work and traditional 'men's' work. (PCPE 1209, Maryan Street)

Our international obligations and BORA 1990 are breached by the Amendment Act because it restricts access to potential claimants in a number of ways, including but not limited to the introduction of a strict hierarchy of comparators – prioritising those from the same sector– limits the ability to find fair benchmarks. This prevents legitimate claims from proceeding if no suitable comparator exists and perpetuates undervaluation by drawing only from the sector that is undervalued on the basis of gender, for example, disproportionately affecting female-dominated roles in health, education, and social services, thereby undermining efforts to correct systemic undervaluation. (PCPE 1364, Ana Pallesen)

All the previously successful claims in the Health Sector have relied upon using comparators from outside the health sector. That will not be possible under the revised Act because if no appropriate comparator is available with from within the employer, then comparators can only be sought from 'other employers within the same industry or sector'. More than any other provision, this amendment reduces the chances of successful future claims within the Health Sector to zero! There are no qualifying comparators, and the data from previous comparators is neither available nor permissible for use. (PCPE 1381, MERAS)

One of the most damaging amendments is the narrowing of what constitutes a valid comparator. Pay equity is grounded in the principle that work predominantly performed by women should be compared to work of equal value, regardless of whether the comparator job is in a different sector, industry, or employer. By limiting comparators, the amendments risk perpetuating systemic undervaluation, as the available comparisons may not accurately reflect the true worth of women's work. This change could result in fewer successful claims and a slower pace in closing the gender pay gap. (PCPE 1545, Soroptimist International of Aotearoa New Zealand)

The new requirement that only male-dominated roles within the same sector can be used as comparators defeats the purpose of identifying gender-based undervaluation. It removes the ability to look across sectors where systemic sexism may be more apparent and where historical evidence of fairer wages can be found. Undervaluation is not confined to one workplace or one industry it is built into the system. This change ignores that reality and the lived experiences of those who continue to shoulder the burden of society, unfairly. (PCPE 1093, Tapa Talanoa Collective)

The effect of this hierarchy is to strictly limit what comparator can be used and removes a focus on skills, responsibilities, conditions, and the degree of effort and experience, which is at the heart of determining equal pay for work of equal value. Most concerning is the restriction on comparators being taken from outside of the industry. This is particularly problematic given the gendered nature of some industries or sectors, which lack appropriate comparators within the same industry/sector. It also misunderstands the underlying concept of pay equity, which is

> based on the idea that we should have equal pay for work of equal value irrespective of the similarity of the type of work or industry or sector in which it exists. (PCPE 1440, Te Kāhui Tika Tangata Human Rights Commission)
>
> As now amended, male comparators may only be selected if they are employed by the same employer, a similar employer or in the same sector or industry as the claimant (s.13ZE). The new wording prevents full and proper assessment of female-dominated jobs in female-dominated industries compared with male-dominated jobs in male-dominated industries. (PCPE 1265, CEVEP)
>
> Contrary to the Minister's assertion it is indeed possible to compare very dissimilar jobs – that is the nature of both job evaluation and a pay equity process – by breaking down the components of the roles into factors such as knowledge, responsibility and job demands – just as recruitment job advertisements and other HR process do and have always done.
>
> The selection of comparators was done following specific criteria – the allegation by the Minister that this was somehow random and self-fulfilling in outcome is just a nonsense (PCPE 986, Retired Unionists Movement)

Findings

The Committee heard evidence that this change was one of the most concerning for submitters. This was due, not only to its impact on limiting some pay equity claims from being raised and investigated, but also because the reasoning for the change as articulated by Officials and Ministers represented a fundamental and wilful misunderstanding of what pay equity is and how it is achieved. The Committee considered the evidence presented to us against the problem definition of the comparator process in the 2020 version of the Equal Pay Act provided by Officials to Ministers[118]. This was outlined in a series of bullet points:

- The current Act provides little direction on how comparators should be selected.
- Parties can choose comparators more favourable for their bargaining position, rather than the comparators most closely connected to the work
- Choosing comparators in closer proximity to the work better addresses what the workforce would be paid if it were not predominantly female
- Settled claims can be used as a comparison. In some situations, this could have a ratcheting effect.

Our understanding of the comparator process is, that establishing the value of any role which responds in a gender-neutral way to the skills, responsibility, effort and conditions present, requires a methodical process. This process involves clearly identifying what skills are required for the role or roles the pay equity claim is raised for, particularly any skills which may have been overlooked or undervalued. Other occupations with different work, which are known not to be undervalued based on sex (due to being male dominated or have already received a pay equity settlement) are selected as *potential* comparators. These roles are then assessed to understand whether they *are comparable*.

> The parties will not know how comparable the work of claimants and comparators is until the end of the work assessment process. For this reason, it is more accurate to

[118] Briefing Policy Decisions and Draft Cabinet Paper on Pay Equity 14 March 2025

> refer to them as potential comparators until the level of comparability is understood[119].

While the Act did not prescribe how potential comparators were to be selected for assessment, guidance had been developed by the pay equity taskforce that provided a framework.

> The first step to select potential comparators is for the parties to agree criteria to help identify who may be appropriate potential comparators. These selection criteria will inform the sifting and sorting of potential comparators and help to narrow and finalise the selection process. Some example selection criteria may include:
>
> - same or similar ANZSCO code
> - the role is currently male dominated, or the role has been historically male dominated
> - there is a reasonable sample size (i.e. not a role with only one or two jobholders)
> - the role is covered by a collective agreement (or data about remuneration and allowances could be accessed another way)[120].

All settled claims used a version of these criteria to identify their potential comparators, so this was not an issue at this point in the process. If the concern was that this framework did not sit in the legislation then it could have been bought within the Act, given it had proof of concept.

The concern expressed that parties could choose comparators more favourable to their bargaining position highlights another profound misunderstanding of the pay equity process. The impact of such claims is serious. The process does not simply end with the selection of comparator occupations. These occupations must then then undergo a rigorous and methodical assessment with a gender-neutral job evaluation tool. This work was required to be done in agreement between the parties and undergo validation from workers, managers and employers. The resulting analysis provided agreed evidence about whether the chosen potential comparators *were in fact* comparable, and to *what degree*. This process can and did identify that comparators were not appropriate, and others were chosen[121].

Conclusions on comparability needed to be carefully documented and were subject to a high degree of scrutiny. There was no way that comparators could be cherry picked as more favourable. The contention that using settlement claims as comparators could cause a ratcheting effect also makes no sense. For a settled claim to be used as a comparator it would have to be evidenced to be work operating at the same or substantially similar level of skill. Therefore, any pay correction would be based on an accurate reflection of skill, not artificial 'ratcheting'. The Committee rejects these aspects of the problem definition as wholly inaccurate and without evidence.

The statement that proximity and similarity of work would allow for a better understanding of undervaluation is evidence again that the pay equity process is clearly not understood, or is being subverted, by officials and Ministers. We heard clear

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[119] Pay Equity Process Guide Te Kawa Mataaho Page 20

[120] Pay Equity Process Guide Te Kawa Mataaho Page 21

[121] Probation Officer and Senior Practitioner's Pay Equity Claim – update on additional comparators required Memo to Central Agency Governance Group 2024

evidence that many female-dominated occupations operate in entire industries or sectors which are female-dominated without a male-dominated comparator to draw from. This does not mean there is no undervaluation. It means that the entire sector is likely to suffer from the suppression of wages due to systemic bias, discrimination and misogyny. Yet these occupations no longer have access to the pay equity framework.

The idea that work which is more similar in nature would be more comparable again shows ignorance. As Coalition for Equal Value Equal Pay clearly articulated

> The Minister seems not to grasp that it is not the different work itself being compared, but rather the levels of **'skill, responsibility, experience, effort and conditions of work'** that each job requires. These criteria for assessment are the distinctive feature of New Zealand's 1972 Equal Pay Act, designed to address and remedy gender discrimination by occupation across the labour market. (PCPE 1265, CEVEP).

If work is undervalued, then comparing it to similar work to reveal the undervaluation is nonsensical. It's like trying to make a picture straight by lining it up next to one that is already crooked. Comparing very different work for different employers and/or sectors allows for an objective focus on the skills responsibility, effort and conditions underneath any task.

The primary concerns the Committee heard in relation to the existing comparator process focused on the accessibility of male dominated occupations with which to compare female dominated work. Consent was required from employers of male dominated occupations to interview their workers and obtain remuneration information. This process also took time and resources from comparator employers. This meant that accessing enough comparator occupations could prove challenging.

This issue was being addressed under the previous framework. A repository was set up in 2020 at MBIE, managed by NZCTU Te Kauae Kaimahi, Business NZ and government representatives, which was designed to hold interview information from pay equity claims. The Terms of Reference for the Repository state that:

> The Repository should ensure that good quality, meaningful data and information which has been gathered on claimants and comparators for previous claims is accessible to parties undertaking another pay equity claims process. The intent of storing this data and information is to: expedite the process of information gathering for future claims, maintain transparency and reduce duplicate requests to claimants and comparators, and improve the consistency of data used across claims[122].

The Pay Equity Taskforce was also undertaking work to proactively interview male dominated occupations, to ensure this repository was well supplied and that some of the time and financial pressure to undertake these interviews was off employers and unions, when it was disbanded. At the time Nicola Willis stated '...the process for settling pay equity claims has now matured to a point where the same level of governance support and facilitation from the taskforce is no longer required[123].'

[122] Terms of Reference Pay Equity Data Repository 2020

[123] Willis Nicola Government recommits to equal pay http://www.beehive.govt.nz/release/government-recommits-equal-pay

Recommendations – comparators

- The Committee recommends that the comparator amendments introduced in the 2025 Equal Pay Bill are repealed in full and the 2020 version is restored.
- The Committee recommends that the government establishes an independent taskforce to undertake proactive interviews of male-dominated occupations across the economy ensuring there is a wide range of available male dominated occupations available to support a robust pay equity assessment process.

8.7 Phasing amendment

This change is described in the Equal Pay Bill as allowing parties to a pay equity claim settlement to agree that the agreed increase in remuneration will be introduced at settlement or in agreed phases over a maximum period of 3 years from settlement; allowing the Authority to decide, where parties can agree on remuneration but not on phasing, whether the agreed remuneration between the parties will be phased and, if so, the number of phased instalments and their amounts (or proportions) and timing over a maximum of 3 years from settlement; and requiring the Authority, if it fixes remuneration, to specify that it will be increased in 3 annual phases of equal amounts or proportions starting at the date of settlement. The Committee describes this as a *phasing* amendment.

Key Relevant Changes

2020 Act	2025 Act
N/A	**13ZH Settling pay equity claim** (iii) if the parties have agreed on remuneration that does not differentiate between male and female employees in the manner set out in section 2AAC(b), but have not agreed on whether the remuneration is to be increased in phases, issues a determination— (A) that remuneration is to be increased to the agreed level on the date of the pay equity claim settlement; or (B) that remuneration is to be increased to the agreed level in phases and that specifies the number of phased instalments, their amounts or proportions, and their timing (over a maximum period of 3 years from the date of the pay equity claim settlement).
N/A	**13ZW Recommendation by Authority** (1A) If the Authority makes a recommendation under subsection (1)(c), it must also specify that remuneration is to be increased in 3 annual phases of equal amounts or proportions starting at the date of the pay equity claim settlement (see section 13ZQ(2A)).

What the changes mean

Once a pay equity rate has been identified and agreed, this change allows employers to work towards that rate, rather than implementing it all at once. Three years is the maximum time allowed for claims which are settled by agreement. All claims which are referred to the Authority for settlement must always be phased in over the full three years.

What we heard

> This not an especially egregious provision. Whilst the moral argument runs that a successful pay equity claim in effect remedies decades of undervaluation that will never be made-up, the reality is that settlements can be substantial – as much as 30% or more in the Health Sector – and paying increases of that sort in one hit can compromise the viability of an employer in some cases. Phasing in settlements can be reasonable in such circumstances (PCPE 1381, MERAS)
>
> It is immoral for the Government and employers to even suggest "phasing" to the lowest paid, vulnerable female workforce at a time when crown body fees have risen and when politicians took their July pay rises without demur. (PCPE 1491, PECA)
>
> NZNO does not support this concept. The pay equity process is about correcting pay rates that have arising from persistent undervaluation of the work. Once the undervaluation is established and agreed by the parties, it should be unlawful to continue the discrimination. Phasing in settlements would effectively devalue the settlement due to inflation and other market forces. (PCPE 1471, NZNO)
>
> "We keep treating equity and justice is something that can be incremental and actually incrementalism kills–it kills people." (PCPE 824, David Cairns, Hearing Day 8, 1:47.36)
>
> Employers being able to meet their pay equity obligations in a way that is sustainable for their business – for example through phasing of settlements. If employers are unable to meet pay equity obligations, then they do not have a sustainable business. (PCPE 1117, Erin McNaught)
>
> Delaying fair pay through phased payments by allowing settlements to be staggered over three years dilutes the impact of justice and further delays dignity for workers already left behind (PCPE 447, Umniyah Ali Ali Adil)
>
> Allowing phased implementation of settlements over three years delays justice for workers who may already have been underpaid for decades. (PCPE 662, Ben Lawrence)

Findings

There were different views on phasing heard by the Committee. A small number of submitters viewed phasing as justifiable, primarily in order to reduce the resistance from employers to engage with a pay equity process. Others suggested it may help reduce gaming from employers who, when faced with a requirement to correct pay, may reduce hours or otherwise restructure to avoid or minimise costs. We also heard from those who considered phasing to be both unlawful and immoral.

The legislation does seem to set up an inherent contradiction within itself, as Part 2AAC of the Act remains unchanged. Part 2AAC of the Act states that an employer must ensure that—

> (a) there is no differentiation, on the basis of sex, between the rates of remuneration offered and afforded by the employer to employees of the employer who perform the same, or substantially similar, work; and
>
> (b) there is no differentiation, on the basis of sex, between the rates of remuneration offered and afforded by the employer for work that is exclusively or predominantly performed by female employees and the rate of remuneration that would be paid to male employees who—
>
> (i) have the same, or substantially similar, skills, responsibility, and experience; and
>
> (ii) work under the same, or substantially similar, conditions, and with the same, or substantially similar, degrees of effort.

Crown Law advice on record indicate that this obligation exists *at all times*.

> The section 2AAC obligation applies to every employer in New Zealand, whether or not a claim has been brought against that employer. Bringing a claim under the Act is a method of initiating a process to determine whether an employer is complying with its s 2AAC obligation and, if the outcome of that process is that it is determined that the employer not complying, to rectify that non-compliance[124].

This creates a legal paradox. If Part 2 remains permanently in force, an employer who phases in a pay equity rate over three years (as permitted by section 13ZHb) would simultaneously violate the ongoing non-discrimination requirement in section 2AACb. The employer would be following one part of the Act while breaching another.

Hon. Paul Goldsmith, in his role as Acting Attorney General. undertook a review of the Equal Pay Amendment Bill 2025 and its compliance with the Bill of Rights Act. In this opinion he stated:

> As pay equity claim settlements are intended to remedy undervaluation of work performed predominantly by female employees, delayed implementation of a pay equity settlement will inevitably have a disproportionate effect on women. I consider this amounts to discrimination on the grounds of sex and prima facie limits s. 19 of the Bill of Rights Act[125].

However, this opinion goes on to conclude that the limitation is justified to reduce risks to employer viability and to their willingness to engage in claims.

The impacts and repercussions of this have been heavily weighted to the employer viewpoint. Arguments in favour of phasing focus heavily on affordability, convenience and needs of the employer. To a degree this focus is warranted as no one wants to completely destabilise a workplace. However, these arguments must be weighed alongside the affordability, convenience and needs of the workers as well. The following points were well made by submitters:

- pay equity claims can take time – this allows employers time to plan, budget for or engage funders to discuss potential changes in wage costs
- pay equity settlements for female dominated workforces have been experiencing sex-based undervaluation for as long as they have been around (or

[124] Crown Law Advice -Phasing and Backpay in pay equity settlements Ref TKM001/3 by Crown Counsel Shaun Connolly

[125] Consistency with the New Zealand Bill of Rights Act 1990 The Equal Pay Amendment Bill Page 3

female dominated) which is often decades. Why should they be required to wait longer still?

- employers, including the government as a significant employer, have already saved billions over multiple decades based on underpaying women, in effect forcing women into involuntarily subsiding the economic system
- the same affordability challenges that the employer claims also apply to a worker's household. For many being underpaid for their whole working life has had impacts on their retirement savings, family life, ability to have holidays, own property, save and more
- there is a false economy to phasing when considered against the damage to the morale of a workforce who know they are working for less than their value. Recruitment and retention is likely to be difficult into these workforces until fair rates of pay can be delivered. This is even more likely when considered against the multi-employer provision changes. These changes mean there are likely to be multiple settlements for workers doing the same work for different employers, with rates being phased in at different speeds. This could cause significant instability.

The Committee considers that the new requirement, which obliges the Authority to phase in settlements if they determine a rate, rather than leaving it to their discretion, or expecting them to hear submissions on the matter, incentivises employers to let things escalate to the Authority, rather than engage in good faith. This undermines the intent of the Joint Working Group consensus which stated that:

> The recommended approach therefore is based upon the notion of the parties to a pay equity claim resolving these issues at the earliest time at the most appropriate level... having pay equity claims treated as grievances addressed solely by the courts was not seen as good faith reconciliation of this type of employment issue[126].

Recommendations – phasing

- the Committee recommends that the ability to phase pay equity settlements is removed from the Act
- the Committee recommends that comprehensive longitudinal research is done into the impacts of pay equity settlements to allow a better evidence base of not only the costs of pay equity but the downstream economic benefits
- The Committee recommends that government as a substantial employer plans and budgets to fully fund evidence-based pay equity settlements to ensure that affordability challenges do not destabilise the pay equity process or the implementation of settlements.

8.8 Evidence amendment

This change is described in the Equal Pay Bill as 'making it clearer that parties must assess market factors that affect remuneration but are not related to sex-based discrimination'. In the Committee's view this is *evidence* amendment.

Key Relevant Changes

2020 Act	2025 Act
13ZD Matters to be assessed In making the assessments required by	**13ZD Matters to be assessed** In making the assessments, the parties

[126] Recommendation of the Joint Working Group on Pay Equity Principles

subsection (1), the parties— (a) must consider matters objectively and without assumptions based on sex (and prevailing views as to the value of work must not be assumed to be free of assumptions based on sex); and (b) must recognise the importance of skills, responsibilities, effort, and conditions that are or have been commonly overlooked or undervalued in female-dominated work (for example, social and communication skills, taking responsibility for the well-being of others, cultural knowledge, and sensitivity);	must— (a) consider matters objectively and without assumptions based on sex, taking the following into account: (i) prevailing views as to the value of work are not necessarily free of assumptions based on sex: (ii) undervaluations or other differences in remuneration that are identified are not necessarily based on sex;

What the changes mean

This change asks parties to a claim to consider whether there may be some under-valuation or pay difference that is not related to sex and may have been generated by another reason. What a legitimate reason for a difference in pay may be is not specified.

What we heard

> 'Differentiation between sex-based discrimination and "other factors" was not clear' [This statement] relates to the belief that other factors such as high demand and/or specific skill shortage within a labour market may be a feature of differentiated wages between female and male-dominated occupations rather than sex-based under-valuation. However, supply and demand may lead to short-term wage fluctuations but does not explain wage patterns by gender and ethnicity that persist over time. The government's introduction of the requirement for parties to assess market factors that affect remuneration but are not related to sex-based discrimination creates a significant barrier to the progress of pay equity in Aotearoa. Determining what components of differentiation within remuneration can be attributed to sex-based discrimination and which can be attributed to other market forces will create significant complexity and lead to delays in the progress of claims. This requirement is also founded upon an ideology that market forces are neutral and are free from gender bias. (PCPE 1586, Hannah Drew-Crawshaw)
>
> Pay inequity is an historical and structural phenomenon, making it is very difficult to reduce to causal factors. Jobs in female-dominated industries are always paid less than jobs in comparable male-dominated industries in every case. Market forces (which we take to be the potential 'other factors' the Government refers to) amplify and exploit existing social inequities, including race-based inequities and the devaluation of work performed by women. This fact is well borne out in history. In many cases social inequities had to be manufactured in order to create labour markets, e.g. enclosure of common lands, dispossession of Indigenous land, misogyny and enforcement of a gendered division of labour. (PCPE1522, NZEI Te Riu Roa)
>
> We also have concerns that an employer's financial status will become grounds for rejecting a pay equity claim, despite pay that isn't determined by gender being a human right. We see this in the increased focus in the Bill on an employer's ability to meet pay equity obligations in a 'sustainable' manner and "that parties must assess market factors that affect remuneration but are not related to sex-based discrimination" (General policy statement). In the university sector, for example, the argument could be made by the employer that decreased government funding and

> financial instability is what has contributed to low rates of pay in clerical and library professions. This is despite these professions (within and outside the university sector) being undervalued because they are historically female-dominated. (PCPE 1142, Tertiary Education Union Te Hautū Kahurangi)
>
> Comparable worth assessments attempt to work out what different jobs are worth in light of the skills and experience and responsibilities of the workers and the compared jobs. No regard is paid to whether the two compared workers produce the same amount of output or whether the pay equity adjustment pushes the wage of the worker beyond the revenue they earn for the firm. (PCPE 1555, Jim Rose)

Findings

The Committee first wished to better establish what was intended or referred to by 'undervaluations or other differences in remuneration that are identified are not necessarily based on sex'. This is not specified or defined in the legislation, regulations, or guidance that is available. When reviewing comment by Ministers, there were also no concrete examples given in media statements or comments. The most specific comments referenced the need to require assessment of 'market factors.'

The lack of definition means there is a real possibility that employers unwilling to pay for any correction to wages will simply be able to state that any and all differences in pay between similarly skilled work are not based on sex. As there is no clear list, guidance or agreed matrix of measuring 'market factors' (and different economic perspectives) this appears to introduce a 'get out of jail free' card to an employer, which renders the entire Act or objective work assessment processes redundant.

Despite this lack of clarity, for the purposes of this report we will take two issues considered to impact wages in traditional economic theory. These are supply and demand and productivity.

Supply and demand

The theory of supply and demand can be summarised as follows:

When many workers are available and willing to do a job (high supply), but few employers need them (low demand), wages tend to fall because workers compete for limited positions. Conversely, when few workers are available (low supply), but many employers need them (high demand), wages tend to rise because employers compete to attract scarce workers. The "market wage" is where supply and demand balance—the point at which the number of people willing to work at that wage equals the number of workers employers want to hire at that wage.

The idea to be tested is whether, in having identified the same level of skill, responsibility and effort between two occupations yet a difference in pay, do supply and demand impacts explain any gap. We considered the supply and demand pressures on both comparators and claimants in the pay equity settlements under the 2020 Act.

We found that there were claims settled for roles on the skill shortages (now called green) list, such as nurses and midwives. These health roles had been compared with many male dominated roles not on the green list (Detectives, Corrections Officers, Customs Officers, Fisheries Officers). According to the supply/demand theory, being on this list should have had an impact on increasing wages of nurses and midwives.

Yet parties found undervaluation for both when comparing with a similarly skilled male-dominated role who were not facing supply challenges to the same degree.

We also found that there were some claims which used a male dominated occupation on the skill shortage list when the claimant occupation was not. For example, kāiarahi i te reo used a green list role – civil engineers as one of their comparators. Yet they also had multiple other comparators not on this list (iwi liaison officers, parking compliance officers, corrections officers and customs officers). These comparators were all used analysing remuneration. This is likely to have balanced out any issues raised by the skills shortage present in civil engineering.

The Committee saw no evidence that supply and demand as a market factor had contributed in any way to unjustifiable conclusions on the level of undervaluation. If anything, it appears that the impact of supply and demand is in itself gendered, having less than expected impact on female dominated roles which face chronic skill shortages.

Productivity

In economics, productivity typically means:

- Output per worker or output per hour worked
- The value of goods/services produced relative to inputs (labour, time, resources)

The Productivity Commission in their 2017 research state that productivity measurements themselves are fundamentally gendered because they were developed for industrial, male-dominated sectors and fail to capture the value of work predominantly performed by women in care, social services, education, and health. The social sector involves extensive "coping tasks" and "craft tasks" where both outputs and outcomes are largely unobservable or impossible to attribute to individual workers. Care work by nurses, support workers, social workers, and teachers relies heavily on co-production. Outcomes depend on complex interactions between the worker, the client, family members, and multiple agencies making it impossible to isolate any individual's "productivity[127]."

This research goes on to state that trying to measure productivity in feminised sectors risks "goal displacement," where workers focus on easily measurable but less important activities, potentially compromising the quality of care. Moreover, these roles involve significant emotional labour, relationship-building, and discretionary judgment that cannot be captured by traditional output-per-input ratios. Using productivity measures in pay equity claims would systematically undervalue women's work because the framework itself is incompatible with the nature of female dominated care and social services. Focusing on this kind of measurement "could risk doing more harm than good" and represents "mindless bean counting" rather than meaningful assessment of value[128].

Pay equity must therefore be based on skill, responsibility, effort, and working conditions as described in the Equal Pay Act, not on flawed productivity metrics that

[127] Social sector productivity: a task perspective Research Note 2017/01 May 2017 www.treasury.govt.nz/
[128] ibid

inherently disadvantage female dominated occupations where the most important work is precisely what cannot be easily observed or measured.

Let us assume that despite the challenges and different methodologies of measuring productivity, we were able to do this in an agreed way for a pay equity claim. Let us further assume that we subsequently found that the female dominated claimant role was impacted by low productivity. We heard evidence throughout the submission process that productivity can lifted by pay equity settlements. The New Zealand Institute of Economic Research (NZIER) told us:

> Kennedy et al. (2017) examined the relationship between labour productivity and the gender wage gap in all the states and territories of Australia between 1986 and 2013. All the states and territories had a gender pay gap, and in some states, it was increasing. Discrimination, occupational segregation and differing work experiences were identified as the main drivers contributing to the gender pay gap. Using four different estimation methods, the study found that reducing the gender wage gap by 10 percent could boost per capita output by 3 percent. The authors suggest that the argument for pay equity is as much about economic efficiency as social equity (Kennedy et al. 2017, 23) (PCPE 1602, NZIER)

This research seems to indicate a relationship between lower productivity and inequality in pay.

Recommendation – evidence

The Committee recommends that the requirement to 'consider undervaluations or other differences in remuneration that are identified are not necessarily based on sex' is removed and the Act is refocused on the assessment of skills, responsibility, effort, experience and conditions.

Recommendations

The People's Select Committee on Pay Equity recommends, with regard to the changes made by the Equal Pay Amendment Act 2025:

Recommendations, Section 8
That the changes to the threshold are reversed, restoring the light touch assessment process and concept of arguability as agreed by the Joint Working Group and reflected in the 2020 Act.
That the percentage threshold for a female-dominated workforce is returned to approximately 60%, as outlined in the 2020 Act; and that the requirement for the stated level of a female-dominated workforce to have been at that percentage for 10-years is removed.
That the 2025 amendments regarding reviews and the 10-year ban on raising claims are reversed in full.
That work is done on developing agreed best practice for review processes, facilitated by an independent unit and involving government, business, union, community and iwi representatives.
That the 2025 amendments to scope are reversed and the 2020 Act provisions are reinstated.
That guidance and support for parties in navigating any issues around scope, as provided by the Taskforce, is refreshed by an independent unit with input from experts.

Recommendations, Section 8
That the changes allowing employers to opt out of multi-employer claims without a reason is reversed.
That the ability to take any issues arising in a pay equity claim to mediation and to the Authority, if required, is restored.
That the ability to extend a pay equity settlement which covers multiple employers, as outlined in the Funded Framework, should be: - strengthened with input from experts and consideration of lessons learnt - catered for in legislation (consideration of the fair pay framework which allowed for a sector-based agreement on wages may be relevant here) - managed by an independent taskforce or unit.
That the comparator amendments introduced in the 2025 Equal Pay Bill are repealed in full and the 2020 version is restored.
That the government establishes an independent taskforce to undertake proactive interviews of male dominated occupations across the economy ensuring there is a wide range of available male dominated occupations available to support a robust pay equity assessment process.
That the ability to phase pay equity settlements is removed from the Act.
That comprehensive longitudinal research is done into the impacts of pay equity settlements to allow a better evidence base of not only the costs of pay equity but the downstream economic benefits.
That government, as a substantial employer, plans and budgets to fully fund evidence-based pay equity settlements to ensure that affordability challenges do not destabilise the pay equity process or the implementation of settlements.
That the requirement to "consider undervaluations or other differences in remuneration that are identified are not necessarily based on sex" is removed and the Act is refocused on assessment of skills, responsibility, effort, experience and conditions.

Section 9: Appendices

Appendix A—Committee procedure

The Committee resolved early to adhere as closely as possible to procedures followed by an ordinary select committee which had had a piece of legislation referred to it by the House of Representatives.

This principle, however, was seriously compromised by the fact that the legislation in question had already been passed by the House. The recommendatory powers of ordinary select committees – to propose amendments to a Bill still in formation – were therefore not available. Accordingly, the Committee's process took on the flavour of a subject-matter inquiry rather than a clause-by-clause critique intended to refine and improve the policy intentions of the legislation put before the House.

In other respects, the Committee acted as if it were an ordinary select committee. Public submissions were sought, and as they came in were given a unique identifier. The substance of each submission, ranging from a blank entry to attachments many pages long, were all noted. There were 1590 of these. Blank entries (name and address, no comments) are counted in the statistics for submitters because these people – 207 in total – were deemed to be sufficiently interested in the topic to at least engage in the Committee's work. Duplicate submissions and obvious spam were eliminated as best possible. 1383 substantive submissions, expressing the writer's views on the new pay equity law, were received and considered by the Committee.

Oral hearings were organised on a mixed basis of responding to those submitters who asked to be heard in person, and inviting others whose submission was sufficiently striking or unusual to merit further examination. A standout among these was the number of young people who were willing to appear online and speak to the Committee on hearing days 7 and 8. Over the ten hearing days a total of 65 organisations and 38 individuals made submissions. In all, 171 people and one singing group came before the Committee. Many were asked for further information which they readily and willingly supplied. Some of this was extensive and very important for a full understanding of the costs and impacts of the Government's decisions. All contributions, written, oral, and sung, were appreciated and taken into account during Committee deliberations.

After oral hearings had concluded, the Committee went into its deliberation phase. Each member took on one, sometimes more, speciality topic to collate evidence on and offer insights and conclusions. The Chair of each oral hearing reviewed her session and provided notes for Committee consideration. Special advisors provided background papers, informed by the submission evidence as well as outside expertise. All were shared with the whole Committee and some are included in this report.

Each section of this report has been reviewed and endorsed by the whole Committee. A last, and significant, deviation of the People's Select Committee on Pay Equity is that, contrary to Parliament's Standing Orders, it has functioned throughout without a Chair. This Report is a collective effort whose process demonstrates that a select committee can be genuinely collaborative and based on consensus, while maintaining critical appraisal of policy positions that give force and purpose to the democratic process.

Appendix B—Terms of reference

The scope and purpose of the People's Select Committee on Pay Equity was stated on its website as follows:

The Committee wants to provide the opportunity for the public to see what submissions would have been made on the proposed changes via the Select Committee process.

The Government statement announcing the changes notes:

"Claims have been able to progress without strong evidence of undervaluation and there have been very broad claims where it is difficult to tell whether differences in pay are dues to sex-based discrimination or other factors".

The Committee is interested to see the specific evidence behind this rationale for changing the legislation and discontinuing claims that were in progress. Where there were delays or difficulties during a claims process, the Committee is particularly interested in understanding whether those issues were a result of the legislation itself, the resourcing made available to claims parties, issues relating to political decisions around funding, and/or the approach of different funding or employer agencies to the process.

The Government has also stated that:

"These changes will mean the pay equity claims process is workable and sustainable"

The Committee is looking to understand the views on this statement of people directly and indirectly affected by these changes, including any impacts of these changes on gender and ethnic pay gaps.

The Committee is also keen to receive views on the impact of the specific changes made to the Equal Pay Act 1972, including:

Raising the threshold of "predominantly performed by female employees" from 60 percent to 70 percent and requiring that this has been the case for at least 10 consecutive years.

Raising the threshold for entry to a claim process from a light-touch assessment of arguable undervaluation to having to prove the claim has merit at the start of an investigation, with the onus on employees/claimants to provide fulsome evidence of historical and current undervaluation.

Restriction on the male-dominated comparators able to be used to establish undervaluation to those within the same sector as the female-dominated occupation.

Employers being able to meet their pay equity obligations in a way that is sustainable for their business – for example through phasing of settlements.

New claims can be raised under the amended Act if they meet the new, stricter requirements.

Review clauses in existing settlements will become unenforceable.

Settled claims can be re-raised 10 years after settlement, if the claim meets the new requirements.

The Committee will deliver a report at the end of this process that will provide a summary of the key themes and conclusions of the submissions. This report will be provided to Parliament and available to the public in early 2026.

Appendix C—Timeline for this inquiry

Date	Process stage
7 May 2025	Equal Pay Amendment Bill passed
26 May 2025	Committee established: Jackie Blue MNZM; Ria Bond; Dr Sue Bradford; Hon. Steve Chadwick QSO; Hon. Lianne Dalziel CNZM; Jo Hayes; Lynne Pillay; Belinda Vernon; Prof. Marilyn Waring DNZM
May-July 2025	Call for submissions
11 August 2025 – 14 October 2025: Hearings	**Hearing 1** – National Library, in person and streamed via YouTube, 9:00 am – 12:00 pm **Submitters:** **National Advisory Council for the Employment of Women (NACEW):** Traci Houpapa, Melissa Ansell-Bridges, Bernadette Pereira **New Zealand Council of Trade Unions Te Kauae Kaimahi (NZCTU):** Richard Wagstaff, Melissa Ansell- Bridges, Morgan James Tresidder, Latayvia Tautai **Aged Care Association (ACA):** Tracey Martin Dame Silvia Cartwright **Te Kahu Tika Tangata Human Rights Commission:** Gail Pacheco Maryan Street **Coalition for Equal Value, Equal Pay (CEVEP):** Prue Hyman, Linda Hill, Rachel Brown **Zonta Club of Wellington:** Jill Ritchie, Jen McKinlay Burton Tony McCombs **PPTA Te Wehengarua:** Jo Brunskill, Kirsty Farrant, Fran Renton, Adela Towgood **NZEI Te Riu Roa:** Yvette Taylor, Kalesha Segatta, Melissa Burgess, Stephanie Mills, Ripeka Lessels **New Zealand Nurses Organisation Tōpūtanga Tapuhi Kaitiaki O Aotearoa , E tū, Public Service Association:** Glenda Alexander, Rachel Macintosh, Melissa Wooley, Nanette Cormack Zoe Eccles
13 August	Hearing 2 – online, streamed via YouTube, 9:00 am – 12:00 pm Submitters:

Date	Process stage
	Hon. Margaret Wilson Dame Judy MacGregor **Midwifery Employee Representation and Advisory Service (MERAS):** David Munro, Caroline Conroy **Public Service Association (PSA):** Fleur Fitzsimon, Kerry Davies, Alex Davies **Age Concern Auckland He Manaakitanga Kaumātua Aotearoa:** Rebecca King **YWCA Auckland:** Anna Beard Rae Julian **Social Service Providers Aotearoa Te Pai Ora o Aotearoa:** Belinda Himiona, Brenda Pilott **New Zealand Disability Support Network:** Bernadette McEvoy Amokura Panaho Lynda Stuart
25 August 2025	Hearing 3 – online, streamed via YouTube, 9:00 am – 12:00 pm John Ryall Jim Rose **Top Door Consultants:** Janice Burns **New Zealand Nurses Organisation Tōpūtanga Tapuhi Kaitiaki O Aotearoa :** Anne Daniels, Glenda Jackson **Tertiary Education Union Te Hautū Kahurangi:** Sandra Grey, Megan Morris **Lattice Consulting:** Philippa Hayes **National Council of Women:** Rosemary du Plessis **Parents of Vision Impaired:** Dr Rebekah Graham **Rural Women New Zealand:** Nicola Eccleton, Sandra Matthews
28 August 2025	Hearing 4 – online, streamed via YouTube, 9:00 am – 12:00 pm

Date	Process stage
	Asian Legal Network: Aria Zhang Ana Gilling **Project Gender:** Erin Jackson **Home and Community Health Association (HCHA):** Lisa Foster, Murray Penman Graham Kelly **New Zealand Educational Institute Te Rui Roa (NZEI):** Stephanie Mills, Kate Drury, Yvette Taylor, Claire Forrest, Ally Kingi **Workers First:** Jasmin Searle Carol Hamilton Bernard O'Shaughnessy **Disabled Person's Assembly:** Patti Poa **Kathie Irwin and Associates:** Kathie Irwin
8 September 2025	Hearing 5 – online, streamed via YouTube, 1:00 pm – 3:30 pm **PSA Youth:** Rijo John, Susannah Rendell **Young People's Resource Centre:** Caitlin Wilson, Nicola Paul **Worth the Wage:** Sylvana Perumalia, Shreya Karizma Grey Ripeka Wairau Eden Whare Bronwyn Ropiha
10 September 2025	Hearing 6 – online, streamed via YouTube, 9.00 am – 12:00pm Catherine Delahunty Denise Messiter Michelle Fill Gordon Cambridge Taylor-Maree Pita **Post Primary Teachers' Association:** Jo Brunskill, Fran Renton **Grey Power Wellington:** Colleen Singleton, Alistair Duncan **E tū:** Rachel McIntosh, Tamara Baddeley,

Date	Process stage
	Monique Behan-Kitto, Pam King **St Peter's on Willis Social Justice Group:** Gail Duncan **Te Uru Tāngata Centre for Workplace Inclusion:** Marethe Smit
22 September 2025	Hearing 7 – online, streamed via YouTube, 2.00 pm – 5:15 pm Julie Anne Genter, MP **PSA Pasifika:** Mele Tonga-Grant, Amanda Vaotuua **Pacific Allied (Women's) Council Inspires Faith In Ideals Concerning All (P.A.C.I.F.I.C.A):** Repeka Lelaulu Bridget Conor **New Zealand Institute for Economic Research (NZIER):** Christina Leung **Tertiary Education Union Te Hautū Kahurangi, Victoria Branch:** Hannah Jenkin **Working Womens' Resource Centre (WWRC):** Fiona Johnstone **Tuwharetoa Iwi Māori Partnership Board:** Louisa Wall **Working Students – Victoria University:** Charlotte Lawrence Kath Read Terry Taylor
25 September 2025	Hearing 8 – online, streamed via YouTube, 9:00 am – 12:00 pm **Engaging Communities:** David Cairns **Auckland Women Lawyers' Association (AWLA):** Karlene O'Halloran and Erica Burke **Cogo Research:** Tania Domett Lillian Pak Jo Wrigley **Rights Aotearoa:** Paul Thistoll **Good Shepherd New Zealand:** Tania Pouwhare, Emma Saunders

Date	Process stage
	PSA Corrections claim: Josephine O'Connor Carole Gordon Ellen Blake
6 October 2025	Hearing 9 – online, streamed via YouTube, 9.00 am – 12:00 pm **Soroptimist International Aotearoa New Zealand:** Melanie Plaisted **Atamira Platform Trust:** Sally Pitts-Brown **Business and Professional Women New Zealand (BPWNZ):** Sherryl Markie-Brookes, Janet Gibb, Siobhan Dilly **Business and Professional Women Franklin:** Helen Bourke **Business and Professional Women Hawkes Bay:** Tessa Mee **Project Gender; Hi Money Consultancy:** Angela Meyer **PSA Library Assistants Claim:** Nanette Cormack **Longview Home staff:** Winnie Maamaloa, Alexis Stanley, Ashley, Vicky **Village at the Park group:** Dr Jillian Greer, Therese O'Connell, Marie Russell Tessa Bowler Angela Fox
14 October 2025	Hearing 10 – online, streamed via YouTube, 9:00 am – 12:00 pm Sophie Moullin **PSA Te Rūnanga o Nga Toa Awhina:** Mike Tana, Marcia Puru **PSA Women's Network:** Nancy McShane, Karina Myers, Christie Cox, Anna McLean **E tū Women's Network:** Monique Behan-Kitto, Susan Stewart, Nia Bartley, Sue Carter Naomi Maderios **Disability Support group, E tū:** Gordon Cambridge, Nicky Garmonsway, Dyalla Smith **Coalition to End Women's Homelessness:**

Date	Process stage
	Victoria Cockford, Kathie Irwin **Aotearoa New Zealand Association of Social Workers Te Rōpū Tauwhiro i Aotearoa (ANZASW):** Bronwyn Larsen, Nathan Chong-Nee Sally Scott Emma McLean **Feisty Feckin Full-Time Feminists (The Feisties):** singing group
October – November 2025	Deliberations
December – January 2025	Writing the report
24 February 2026	Report release

Appendix D— Pay Equity Principles 2018

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:

B. The work is currently or has been historically undervalued due to, for example:

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:

i. Features of the market, industry or sector or occupation which may have resulted in continued under-valuation of the work, including but not limited to: 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.

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:

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:

- 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:

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:

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.

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 in establishing equal pay, other conditions of employment cannot be reduced.

Principle 14: The process of establishing equal pay should be orderly, efficient, kept within reasonable bounds and not needlessly prolonged.

Principle 15: Any equal pay established must be reviewed and kept current.

Appendix E—Acknowledgements and Accountability

This is the place where the People's Select Committee on Pay Equity attempts to name and acclaim those who contributed practical support, financial help (described below) and expert advice to help our work.

They are, of course, far too many to mention. Some of them in fact did not wish to be mentioned. A sad outcome of this initiative is the realisation that many good and dedicated workers in the numerous workplaces affected by pay inequity feel that their job, badly remunerated though it is, would be under threat if their names appeared in this report. Others have ostensible equality but nonetheless feel job insecurity is too real to be risked. We understand their position. We know that many of them quietly helped by way of their membership of organisations that front-footed this issue. We applaud both this collective commitment, and their sensible courage, to do what they could.

Organisations giving significant support for the PSCPE's work were:

- Clare Foundation
- Global Women
- Project Gender
- Zonta International

Individuals who helped in many and various ways, from providing nourishment both intellectual and edible, to monitoring emails, checking swathes of text and creating finely detailed tables, are: Jeremiah Boniface, Tim Bradley, Jools Joslin, Dot Louie, Lisa Meehan, Kate McKegg, Lynn McKenzie, Christine Ross, Jenny Rowen, Christine Sheehy, Marion Shrama, Adrienne von Tunzelmann, Peter Williams, Myra Williamson and Kirsten Windelov.

The People's Select Committee on Pay Equity also wishes to thank all those who generously donated to its Givealittle page. In total our donations reached $40,006. The purpose of this fundraising effort was to create and sustain a democratic, transparent and inclusive process that would allow individuals, community organisations, experts, unions, employers and workers to have their voices heard.

A Memorandum of Understanding between the PSCPE and the New Zealand Council of Trade Unions Te Kauae Kaimahi (the NZCTU) set out the terms and mutual understanding regarding financial stewardship and use of funds raised through the Give a Little campaign. The NZCTU received and held these donated funds in a fiduciary capacity on behalf of the PSCPE. All funds were allocated to ensure that:

- Oral hearings were made accessible through live-streaming services that increased transparency and public engagement. All hearings are available on YouTube @PayEquityPeeps
- The final report of the Committee's findings was printed and distributed widely to Members of Parliament, community libraries and stakeholders to maximise reach and impact
- Communications and public awareness activities, including social media, were supported to ensure broad participation and understanding of the issues raised.

All funds collected were managed responsibly and used solely for these stated purposes.

This, the first-ever People's Select Committee, was created and accomplished by volunteers. And volunteers 'volunteer' others. Those who put in free, uncounted hours of personal time were themselves supported by the efforts and engagement of whanau and friends who put up with home-office Zoom hui, late-hour chat groups, erratic attention to household care, and very often found they had to make the meals. To them, the members and team of the People's Select Committee on Pay Equity extend their deep-felt thanks. We can never make it up to you, but we will try.

Section 10: Terms and Definitions

10-year bar – A rule introduced in 2025 that prevents a new pay equity claim from being raised for 10 years after a settlement, except in limited circumstances.

ACA – Aged Care Association
Peak body representing the aged residential care sector in New Zealand.

Accredited Employer Work Visa (AEWV) – A visa that allows migrants to work in New Zealand for an employer accredited by Immigration New Zealand.

Aged residential care sector – Facilities providing long-term care and support for older people.

AEWV – Accredited Employer Work Visa
New Zealand temporary work visa tied to an approved employer.

ALS – Amyotrophic Lateral Sclerosis
Progressive neurodegenerative disease affecting nerve cells controlling movement.

Allied health workforce – Health professionals who support medical care, such as therapists and technicians.

Arguable (in respect of a pay equity claim) – A lower entry threshold used in the 2020 law, meaning there was a reasonable basis to suspect sex-based undervaluation.

Asymmetric information – A situation where employers or funders have more information than workers about pay, job value, or funding constraints.

AUT – Auckland University of Technology Te Wānanga Aronui o Tāmaki Makaurau
Public university in Auckland.

Back pay – Payment owed for work that was agreed, by all parties to a pay settlement, to have been underpaid.

Bad faith – Conduct that is dishonest or misleading, including avoiding obligations or engaging in processes without genuine intent.

Bargaining framework – The legal rules governing how parties negotiate which apply to pay equity negotiations or employment agreement negotiations.

Benefit cliff – A situation where a small pay increase results in the loss of income-tested benefits, leaving a worker worse off overall.

Bill of Rights Act 1990 (BORA/NZBORA) – New Zealand law protecting fundamental rights, including freedom from discrimination and freedom of association.

Burnout – Physical and emotional exhaustion caused by sustained stress, heavy workloads, and insufficient support or pay.

BusinessNZ – Business New Zealand
National employer organisation representing New Zealand businesses.

Cabinet paper – An official document prepared for Ministers outlining policy proposals, analysis, and recommendations.

Care and support workers – Workers providing personal care and daily living support, often in health or disability services.

CEDAW – Convention on the Elimination of All Forms of Discrimination against Women. A United Nations treaty protecting women’s rights and promoting gender equality.

CERD – Convention on the Elimination of All Forms of Racial Discrimination A
United Nations treaty combating racial discrimination.

CE / CEs – Chief Executive(s)
Senior executives who lead organisations.

CEVEP – Council of Enabling Vision-Impaired People
New Zealand advocacy organisation representing blind and low-vision people.

Clause-by-clause analysis – A detailed examination of each provision of a Bill to understand its legal effect.

Comparator – A job or group of jobs used to compare pay fairly.

Comparator cage / Comparator hierarchy – Rules introduced in 2025 that restrict how comparators are selected, often preventing fair comparisons outside the same employer or sector.

Comparator group – The set of jobs selected for comparison in a pay equity claim.

Community and social services sector – Organisations providing community, social, and support services.

Consolidation (of claims) – Combining multiple pay equity claims into a single process to improve efficiency and consistency.

Consultation – The process of seeking and considering input from affected groups or the public.

Concentration of labour market power – When one or a small number of employers or funders have significant control over wages.

Contracted service providers – Organisations delivering services under contract to government agencies.

Cost-of-living adjustment – A pay increase to keep wages in line with rising prices; it does not correct historical pay inequity.

COVID-19 – Coronavirus Disease 2019
Global pandemic caused by the SARS-CoV-2 virus.

CRPD – Convention on the Rights of Persons with Disabilities.
A United Nations treaty protecting the rights of disabled people.

CSW – Care and Support Workers
Employees providing direct care and support in health, disability, and aged care sectors.

CTU / NZCTU – New Zealand Council of Trade Unions Te Kauae Kaimiahi
National organisation representing affiliated trade unions.

Departmental Disclosure Statement (DDS) – A document accompanying a Bill that outlines policy intent but does not require full cost-benefit analysis.

Declaration of inconsistency – A court statement that a law conflicts with the Bill of Rights Act, without invalidating the law.

Demographic change – Population shifts, such as ageing, that affect workforce demand and service needs.

Determination (by the Authority) – A binding decision made by the Employment Relations Authority when parties cannot reach agreement.

Disaggregated pay gap reporting – Reporting pay differences by worker identity characteristic, e.g. gender, ethnicity, gender-ethnicity.

Document dump – Release of previously confidential government documents related to pay equity amendments.

DPA – Disabled Persons Assembly NZ
National organisation representing disabled people in New Zealand.

Due process – Fair procedures in law-making and decision-making, including transparency and the opportunity to be heard.

E tū – E tū Union
New Zealand trade union representing workers in manufacturing, aviation, infrastructure, and public services.

ED – Emergency Department
Hospital department providing urgent and emergency medical care.

EEO – Equal Employment Opportunities
Principle and policy framework aimed at eliminating discrimination in employment.

EEO Commissioner – A Human Rights Commissioner responsible for promoting equality and fairness in employment.

Effective marginal tax rate – The proportion of additional income lost through tax and reduced benefits when earnings increase.

Employment Relations Authority (ERA) – An independent body that resolves employment disputes, including pay equity matters.

Employer opt-out – The ability for an employer to withdraw from a multi-employer pay equity claim.

EPAA 2025 – Equal Pay Amendment Act 2025
Legislation amending New Zealand's pay equity framework.

Equal pay – The same pay for people who do the same job and have similar levels of experience.

Equal Pay Act 1972 – The law providing for equal pay and, through later interpretation and amendment, pay equity.

Equal Pay Amendment Act 2025 – Legislation that changed how pay equity claims are assessed, including thresholds and comparators. The subject of this report.

ERA – Employment Relations Act 2000
Legislation governing employment relationships, collective and individual bargaining.

Ethnic pay gap – The difference in average hourly pay between ethnic groups, expressed as a percentage, for a role, an organisation, an industry, or at national (aggregate) level. This report uses aggregate (across-industry) ethnic pay gaps.

Evidence-based policy – Policy developed using research, data, and analysis rather than assumptions.

Exceptional circumstances – Limited situations where statutory restrictions may be overridden by the Employment Authority or courts.

Externalities (social benefits) – Wider benefits of work not reflected in wages, such as improved public health or education outcomes.

Factor scoring – A method of evaluating work by breaking it down into its component parts, allowing the examination of all aspects of skills, effort and working conditions.

Fairness / Equity – Renumerating people appropriately for their work and ensuring equal opportunity for all to develop and progress.

Female-dominated sector / workforce – Areas or workforces where women comprise the majority of employees.

Fixed funding contracts – Contracts where funding is set in advance and does not automatically adjust for increased costs to the provider, such as changes to wages or terms of conditions of employment.

Flow-on effects – Consequences of pay equity settlements spreading to other roles or sectors.

Freedom of association – The right of workers to organise collectively, including through unions.

Funded sector– Community, iwi and not for profit organisations funded in whole or in part by Government to deliver health, education or social services

Funded sector framework – A now-superseded government policy that provided for oversight of pay equity settlements in the funded sector and created a pathway for settlements to be fully funded and extended across a whole workforce.

GDP – Gross Domestic Product
Total value of goods and services produced in an economy.

Gender-neutral job evaluation – Assessing the value of work using objective criteria without gender bias.

Gender pay gap – The difference between average earnings of men and women across the workforce.

Good faith – A legal obligation to act honestly, openly, and constructively in employment and bargaining.

Good law-making – Law-making that is transparent, consultative, evidence-based, and consistent with human rights.

GPs – General Practitioners
Primary care doctors providing first-contact medical services.

HNZ / Te Whatu Ora – Health New Zealand
Government health agency responsible for the national health system.

HR – Human Resources
Organisational function responsible for staffing, employment relations, and workplace management.

HRC / Te Kāhui Tika Tangata Human Rights Commission – The Crown entity responsible for promoting and advocating for human rights including racial equality, equal employment opportunity and pay equity.

Human capability – The skills, knowledge, and experience workers bring to their jobs.

Human rights impact analysis – An assessment of how a policy or law affects protected rights and freedoms.

ICCPR – International Covenant on Civil and Political Rights
A United Nations treaty that protects civil and political freedoms.

ICESCR / CESCR – International Covenant on Economic, Social and Cultural Rights
A United Nations treaty that protects rights relating to work, pay, health, and education.

Indirect discrimination – When a seemingly neutral rule unfairly disadvantages a particular group.

Intergenerational impact – How current pay and workforce decisions affect future generations.

Intersectional equity / Intersectionality – An approach recognising that overlapping factors such as gender, ethnicity, or disability can combine to create compounding disadvantage.

International Labour Organization (ILO) – A United Nations agency that sets global labour standards.

ILO Convention 100 – An international agreement requiring equal remuneration for work of equal value.

Joint Working Group (JWG) – A tripartite group that developed the original pay equity principles.

Kaupapa Māori – An approach to service delivery, thinking writing or living which is by Māori, for Māori and grounded in Māori culture and values.

Labour market – The arena where employment relationships are formed, shaped by the interaction between employers seeking workers and people seeking employment. Its operation is determined by legal protections, collective bargaining structures, and policy decisions.

LAT – Limited Authority to Teach
Teaching authority allowing unregistered teachers to teach under restricted conditions.

Legitimate expectation – The reasonable belief that legal processes will continue under existing rules.

Market factors – Policy settings, legal frameworks, and strategic choices by Government and employers which impact pay rates and staffing levels

MBIE – Ministry of Business, Innovation and Employment, ki Hīkina Whakatukituki
Government department responsible for employment law and pay equity policy.

Mana / Mana Wahine – Dignity, authority, and prestige; mana wahine specifically refers to Māori women.

Mahi Aroha – Unpaid work of care, community, and whānau, often undervalued in economic terms.

MELAA – Middle Eastern, Latin American, and African
Statistics New Zealand ethnic grouping category.

Merit (pay equity claim) – A higher threshold introduced in 2025 requiring sex-based undervaluation to be proven before a claim can be raised.

Mental Health and Addictions (MH&A) sector – Services supporting people with mental health and addiction needs.

Migrant labour – Workers from overseas employed to fill job shortages.

MoE – Ministry of Education Te Tāhuhu o te Mātauranga
Government department responsible for New Zealand's education system.

Monopsony – A labour market with a dominant purchaser of labour, so there is no competitive market.

Multi-employer pay equity claim – A single pay equity claim covering workers across multiple employers.

NACEW – National Advisory Council on the Employment of Women
Independent advisory body that provides advice on women's employment and equality issues.

NGO provider – A non-government organisation delivering public or community services.

NZCCCS – New Zealand Council of Christian Social Services
Umbrella organisation for Christian social service agencies.

NZDSN – New Zealand Disability Support Network
Peak body representing disability support service providers.

NZEI Te Riu Roa – New Zealand Educational Institute
Union representing primary, early childhood, and education support staff.

NZNO – New Zealand Nurses Organisation Tōpūtanga Tapuhi Kaitiaki O Aotearoa
Union representing nurses and health sector workers.

Occupational immobility – When workers are effectively locked into a job or sector due to limited alternatives.

OECD – Organisation for Economic Co-operation and Development
International organisation of developed economies conducting economic research and policy analysis.

Official Information Act (OIA) – Law giving the public the right to request government information.

P.A.C.I.F.I.C.A. – Pacific Allied (Women's) Council Inspiring Faith in Action
Pacific women's organisation advocating for equity and wellbeing.

Pacific people – those who identify as having indigenous Pacific heritage. Pasefika, Pasifika, Pacifika are words from different indigenous Pacific languages that refer to Pacific peoples and are commonly used in public debate.

Pacific women's pay inequity – Lower pay experienced by Pacific women, as compared to workers of European ethnicity or the general population (all ethnicities), for different work of the same or similar level of skill, responsibility, and effort.

Pay equity – Fair pay for work of equal value, correcting historical undervaluation.

Pay equity analysis – A structured assessment comparing jobs to identify undervaluation.

Pay equity claim – A process by which an investigation into potential undervaluation of an occupation based on gender can be initiated.

Pay equity framework – The legal and procedural system governing how pay equity claims are made and resolved.

Pay equity principles – Standards agreed by business, unions and Government on how pay equity claims can be progressed outside of court.

Pay equity settlement – An agreement resolving a pay equity claim, which removes all sex-based undervaluation in pay.

Pay inequity – An unfair pay difference not explained by legitimate job-related factors.

Pay parity – Same or similar pay for the same work in different sectors or areas, for example between primary and secondary teachers.

Pay equity adjustment – A pay increase correcting historical sex-based undervaluation.

Peak body – An organisation representing and advocating for a sector or industry.

PEAM – Pay Equity Aromatawai Mahi
Pay equity work assessment tool developed for the education sector.

PHANZ – Public Health Association of New Zealand Kāhui Hauora Tūmatanui o Aotearoa
Organisation representing public health professionals and promoting population health.

Phasing (of pay equity) – Implementing an identified equitable rate of pay gradually over time.

Policy stability – Consistency in government policy that allows planning and reliance on the law.

PPTA – Post Primary Teachers' Association Te Wehengarua
Union representing secondary school teachers.

Price-controlled funding environment – A setting where funding rates are set by government, limiting wage flexibility.

PRN – Pro Re Nata ("as needed")
Medical term for medications taken only when required to deal with a patient's symptoms.

Productivity – The value or output produced through work.

Proactive obligation (on employers) – A requirement to actively address pay equity, not wait for claims.

PSA – Public Service Association Te Pūkenga Here Tikanga Mahi
New Zealand's largest public sector trade union.

PSC – Te Kawa Mataho Public Service Commission
Government agency overseeing the public service and pay equity support.

PSCPE – People's Select Committee on Pay Equity
A community-led forum that gathered public submissions on pay equity.

Publicly-funded services – Services mainly paid for by government funding.

Reconvened Joint Working Group (RJWG) – Re-established Joint Working Group that refined pay equity principles in 2018.

Regulatory Impact Statement (RIS) – An analysis of costs, benefits, and risks of proposed legislation.

Retrospective effect / Retrospective legislation – When a law changes the legal impact of actions already taken.

Review clauses – Provisions in pay equity settlement agreement that required regular monitoring of roles to ensure that sex-based undervaluation did not return over time

Right to effective remedy – The right to meaningful action or compensation when rights are breached.

Rule of law – The principle that laws are applied fairly, predictably, and through proper processes.

RWNZ – Rural Women New Zealand Ngā Wāhine Taiwhenua o Aotearoa
Organisation advocating for rural women and communities.

Same or substantially similar work – Work that may have a different job title or even be in a different organisation but is akin to the original role named in a pay equity claim.

Same or substantially similar level – Work that is different in nature and function, but that analysis of skills, responsibility, effort and conditions have identified as work that is comparable.

Scope (of a pay equity claim) – The range of roles covered by a pay equity claim.

SDG / SDG 5 / SDG 8 / SDG 10 / SDG 16 – Sustainable Development Goals
Global development goals adopted by the UN; specific numbers refer to Gender Equality, Decent Work and Economic Growth, Reduced Inequalities, Peace, Justice and Strong Institutions.

Sector-wide settlement – A pay equity outcome applying across an entire industry or sector.

Select Committee process – The parliamentary stage allowing public submissions and scrutiny of Bills.

Sex-based undervaluation – When work is paid less because it is currently and/or or has historically been done by women.

SSC – State Services Commission
Former name of Te Kawa Mataaho Public Service Commission (renamed in 2020).

SSPA – Social Service Providers Aotearoa Te Pai Ora o Aotearoa
Peak body representing community-based social service organisations.

STEM – Science, Technology, Engineering, and Mathematics
Collective term for technical and scientific disciplines.

Structural undervaluation / Undervaluation – Long-term under-recognition of the value of work, especially in female-dominated occupations.

Supplementary Order Paper (SOP) – A document proposing changes to a Bill while that legislation is in the Parliamentary process.

Systemic discrimination / Systemic pay inequity – Widespread unfair pay differences embedded in employment systems.

Te Tiriti o Waitangi / Treaty of Waitangi – Founding document establishing partnership between Māori and the Crown; includes principles of partnership, protection, and equity (ritetanga).

Te Whatu Ora / Health NZ – The national body responsible for publicly funded health services.

Terranova case – A landmark court decision confirming that the Equal Pay Act 1972 was intended to require both equal pay and pay equity.

TEU – Tertiary Education Union Te Hautū Kahurangi o Aotearoa
Union representing staff in universities, polytechnics, and wānanga.

Threshold (legal / claim thresholds) – The minimum standard that must be met for a legal process to proceed.

Tied work visa / Visa-tied employment – A visa that restricts a migrant worker to a specific employer.

Transitional provisions – Temporary rules managing the shift from old law to new law.

Transparency – Openness in decision-making and access to information.

Two-tier workforce – A workforce where workers doing similar jobs receive different pay or conditions.

UN / UNGPs / UPR – United Nations / United Nations Guiding Principles on Business and Human Rights / Universal Periodic Review
International organisations, standards, or processes for human rights, governance, and corporate accountability.

UNDRIP – United Nations Declaration on the Rights of Indigenous Peoples

Urgency (parliamentary) / Legislative shortcut – A procedure allowing legislation to be passed quickly with reduced scrutiny by the House of Representatives.

W+M – Women and Men (combined)
Statistical grouping combining female and male populations.

WAI 2700 – Waitangi Tribunal Claim 2700 – Mana Wahine Kaupapa Inquiry
A national inquiry into prejudice, inequities, and discrimination against wahine Māori arising from Treaty breaches.

Voices of Pacific Peoples (2022) – Te Kāhui Tika Tangata Human Rights Commission report on their national inquiry into causes and impacts of Pacific and ethnic pay gaps; contains recommendations for businesses, unions and government.

Wahine Māori – Māori women; a focus group for understanding pay equity and systemic disadvantage.

WCC – Wellington City Council
Local government authority for Wellington City.

Whānau Hauora – Wellbeing of family and community, encompassing health, education, and economic security.

Whakapapa / Whānau / Whai Rawa – Māori concepts of genealogy and family (whānau), and control over resources or wealth (whai rawa).

Work of equal value – Different jobs requiring comparable skill, responsibility, effort, and conditions.

Worker mobility – The ability of workers to move between jobs or employers.

Workforce ethnicity data – Information about the ethnic makeup of employees, used to understand workforce composition, monitor and review fair pay and progression, plan services and target marketing, and guide recruitment and development.

Workforce participation rate – The proportion of people working or seeking work.

Workforce sustainability – The ability to recruit and retain enough skilled workers over time.

Workforce turnover – The rate at which workers leave jobs and are replaced.

YWCA – Young Women's Christian Association
International organisation supporting women's leadership, rights, and social justice.

The People's Select Committee on Pay Equity was established to gather the evidence that Parliament should have heard before the passage of the 2025 Equal Pay Amendment Act. The members wished to interrogate the reasons the Coalition Government gave for overturning the world's leading pay equity regime and processes.

The Committee received almost 1400 submissions and held 30 hours of hearings for men and women, unions, employers, advocates and experts to question the significant abuse of power by the Government, and the consequences of the legislation, to provide this record for New Zealand's political history.