

Pay Equity Fact Sheet

What is Pay Equity?

Pay equity means women are paid the same as men for work of equal value, even if those jobs are different.

Pay equity differs from equal pay and pay parity:

Pay equity is the same pay for different work which has the same or similar level of skill, responsibility, effort, and working conditions.

Equal pay is the same pay for the same work, regardless of gender (male and female nurses, male and female police officers)

Pay Parity is the aligning of pay and conditions of the same or similar workforces across different employers, organisations, and workplaces.

How is pay equity achieved?

For decades, work and roles predominantly held by women have been undervalued and underpaid.

In Aotearoa-New Zealand, the Equal Pay Act 1972 was introduced to support government, employers, and unions, on behalf of workers, to identify, quantify, and redress gender-based pay discrimination. However, it was not until the Equal Pay Act was amended in 2020 that the pay equity process was more accessible and provided the mechanism for a consistent, rigorous and a fair work assessment process was put in place where jobs are evaluated and sex-based pay gaps able to be addressed where the evidence indicates it exists.

This process has helped correct the pay for tens of thousands of workers and many thousands more were set to receive appropriate increases in the coming months and years.

How is pay equity determined?

The robust, evidence-based process was developed and implemented in Aotearoa-New Zealand beginning in 2020. This work assessment process is meticulous and painstaking, using data and drawing on detailed interviews with workers and their supervisors. It delves deep, beyond the high-level language of job descriptions and task lists associated with a role to look at:

- Skills
- Responsibilities
- Effort
- Conditions of work

Comparator occupations – roles in traditionally male-dominated professions – are used as a reference point to compare different kinds of work and to help determine if a job is underpaid because of sex-based pay discrimination.

NZNO Pay Equity Claims

Prior to the new Equal Pay Act Amendments (May 2025), NZNO had raised 12 pay equity claims lodged on behalf of workers in:

- Care & Support (3 claims)
- Aged Care Nurses
- Plunket Nurses
- Plunket Admin
- Primary Practice + Urgent Care Centres
- Primary Practice + Urgent Care Centres Admin / Med Receptionists
- Hospices
- Access, Total Home Care, HealthCare NZ, Nurse Maude
- Sexual Wellbeing Aotearoa
- Awanui/Labtests

In addition, the historic the Pay Equity Settlement for Te Whatu Ora employed nurses and healthcare assistants achieved in 2023 review process had been initiated.

We had also been working on raising a pay equity claim with the Māori and Iwi providers and were due to meet with them to discuss how the process could work.

What is the Equal Pay Amendment Act 2025?

The new Act, introduced by the Coalition Government on 06 May 2025 and passed into law with urgency on 15 May 2025, is having a detrimental impact on current and future pay equity claims.

The Coalition Government's Equal Pay Amendment Act 2025 discontinues all existing pay equity claims.

In introducing the Act with urgency, the Government ignored accepted, democratic lawmaking processes which would ordinarily include:

- Advanced warning of the bill's introduction, affording opportunity for thorough and informed debate in parliament
- Providing a regulatory impact statement
- Allowing for public submissions

- Having Select Committee review.

What is changing under the new Act?

- All existing pay equity claims are discontinued.
- All claims, including the 12 live claims to which NZNO is party to on behalf of its members, that were in progress prior to the Amendments will need to be raised again compliant with the new 'rules'.
- The three Care and Support Claims are not able to be re-raised until 2027 because the previous Support Workers Pay Equity settlement was reached in 2017 and therefore unable to be re-raised for 10 years.
- Review clauses for settled claims are also now unenforceable. This includes *the Pay Equity Claim for Te Whatu Ora employed nurses and healthcare assistants*. Reviews for the maintenance of pay equity settlements no longer exist under the Amendments meaning that pay equity claims can now only be re-raised 10 years after a settlement.
- Higher Threshold for pre-dominantly female: Threshold for claim is now 70% of the workforce is female, previously it was 60%.
- New pay equity claims must meet a threshold of 'merit' rather than the previous lighter touch 'arguability' standard.
- The evidence of merit must be provided at the point of raising the claim.
- The employer party is given the right to decide if the claim meets the requirements of merit.
- Employers are able to opt out of a multi-employer claim without needing to provide a reason.
- Restricting comparators: a new hierarchy of comparators has been introduced. In the first instance comparators should be a male workforce employed by the same employer, if there is none then another employer who employs workers who do the same or similar work and if none, then comparators may be used if they are employed in the same industry, sector, or occupation. The Amendments allow the employer to determine appropriate comparators.
- Settled claims cannot be used as comparators unless they were settled after the May 2025 Amendments. (By way of example, this means that Te Whatu Ora Nurses settled claim can no longer be a comparator for nurses in other parts of the health sector).
- Parties must assess 'market factors' that potentially affect remuneration.

While pay equity claims can still be raised in sectors where work is or has been predominantly performed by women and the work is currently or has been undervalued due to social, cultural, or historical factors, there is a higher bar and more challenges for raising a claim.

All these changes - higher thresholds, limitation of comparators, market factors and other changes – stack the deck against workers and women workers especially and will almost certainly make the pay equity claims process longer and more complex.

Ending discriminatory pay practices and achieving pay equity across all health sectors continues to be a national priority for NZNO.