



SocialLink – Tūhono Pāpori is the umbrella peak body for the social and community sector and represents over 1500 organisations and individuals working in the Western Bay of Plenty.

SocialLink walks alongside social service providers, community and Māori organisations to strengthen their capability as they deliver services to their communities, as well as advocates for the sector's interests, social justice and equity of opportunity for all people living in the WBOP.

www.sociallink.org.nz

Submission to the People's Select Committee on Pay Equity

30 July 2025

- We appreciate the decision to set up the People's Select Committee (PSC) and the willingness of members to sit on it.
- Pay Equity is an ongoing, important issue in the social and community sector. We are grateful for the opportunity to make a submission.
- We support the points and recommendations made by the Social Service Providers Te Pai Ora Aotearoa Submission.

Why SocialLink Tūhono Pāpori is submitting on the Pay Equity Amendment Act 2025.

- The sector we support is dominated by women, many of whom work in social service, health and education related roles and are affected materially by the Government's decision.
- We consider the decision to pass the Act is unfair, discriminatory and prejudicial to women. Women provide significant but obviously undervalued services to Aotearoa New Zealand in the roles they do. To dismiss the 33 existing pay claims and to raise the thresholds for future claims, all without providing the usual democratic right to submit on these far-reaching intentions is discriminatory.
- No regulatory impact statement has been produced nor is there the opportunity for public submissions on an issue that affects thousands of women, and their families. This is undemocratic and passing the bill under urgency was unwarranted.

- The Government's actions would appear to be contrary to the Human Rights Act 1993 which prohibits discrimination on the grounds of sex (Section 21 (1)(a) and the international Treaty Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). We note the Te Pai Ora Social Service Providers Aotearoa Submission observed that the 2024 Pay Equity Reset Cabinet Paper reframed pay equity as a cost pressure rather than a rights-based obligation.
- We find it difficult to imagine the same action being taken by the Government if men were having to make pay equity pay claims because women were being paid more for work with comparable skills, but in different occupations.
- Unfortunately, the Government's perspective and decision reinforce systemic sexism and exacerbates the pay gap between men and women. Systemic sexism has far-reaching intersectional consequences: it is no accident that New Zealand's rates of family violence, mostly perpetuated on women, are among the highest in the OECD. We believe governments of the day should act to dismantle the institutional, systemic pillars reinforcing systemic sexism, not act in ways that shore them up, or use the dollars for other Budgetary purposes.
- We think it was unjust to retrospectively halt the 33 pay equity claims still to be determined and require them to go back to the bottom of the hill to start the climb towards pay equity again, and then only for those that meet the higher threshold, the other claims will have no opportunity to proceed. The negative material impact of this and the uncertainty and despair these decisions have visited on the affected workforces will be considerable.
- Furthermore, the course the Government has chosen to take is contrary to the Crown's obligations under Te Tiriti o Waitangi's Article Three or Oritetanga, to pursue the same rights and duties for both Māori and other New Zealanders which speaks to equality and equity.
- There does not seem to be a clear rationale for a return to base approach. Even if the Government was concerned about the process and use of comparators, a review could have been conducted. We support the Te Pai Ora Social Service Providers Aotearoa Submission's analysis and recommendations on this.
- While the Social worker pay equity claim has been welcomed by the sector, it did create for some organisations internal pay disparities between social workers and colleagues in other related roles in the organisation that the social service workers claim was supposed to address. Given the social sector workforce claim is not proceeding and we understand is unlikely to meet the new thresholds, these disparities will remain, impacting on approximately 30-40,000 paid workers.

Consequences for women directly affected and their whānau and communities.

- The wages/salaries people earn have a ripple impact, affecting the individual wage earner, their family and whānau and the community they live in. They influence how families meet the cost of living, capacity to pay housing and other cost of living

expenses, ability to make ends meet, to support their children, save for retirement. Many women are already at a disadvantage financially because of childcare responsibilities, interrupted earning capacity and fewer retirement savings than men.

- The intersectionality of what is happening with pay equity and socioeconomic circumstances along with embedded gender discrimination is played out daily in communities. It has real consequences affecting the future of low paid women and their families, and therefore the communities and future wellbeing of the country. Growing inequality, poverty and other social burdens are not what we want. Given businesses are also struggling, paying women fairly also benefits the economy as they purchase more goods and services,
- Pay inequity is compounded by other gender related factors which play out in everyday life:¹ Women already work fewer hours than men and work in more part-time roles because they are usually the ones doing the bulk of parenting and/or caregiving. Once again it is the lower paid echelon of society that are affected most, in spite of doing indispensable jobs with indispensable social value.

Social service and community sector organisations need funding support for pay equity amid increased complex demand and funding shortfalls.

SocialLink has surveyed the social and community sector locally and contributed to other regional and national surveys in the past year.²

- Many organisations report seeing an increased need for services with more people seeking support and often with more complex needs, requiring longer and more intense support and work. Demand was also driven by demographics such as more older people requiring support with health, social and economic concerns.
- Social service providers report significant funding restrictions including loss of government contracts and less income from philanthropic, grants and donations.
- Reductions in funding were being met by several strategies including using reserves, reducing or not hiring new staff, changing to shorter staff contracts, reducing or mothballing some programmes and other staff and volunteers filling the gaps.
- Organisations wish to support their staff with appropriate remuneration. However, some have struggled to pay salaries commensurate with public sector service salaries or to meet what is needed under pay equity claims. Funding needs to be at levels that will ensure employees are paid appropriately.
- A chronic issue with Government contracts is the Government does not pay CPI. In effect this means organisations are getting reduced income over time and are

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<https://theconversation.com/pay-transparency-would-help-close-nzs-gender-gap-why-is-progress-so-slow-232150>

² Report on SocialLink WBOP Survey of social and community service providers on funding and service demand, October 2024; Report of Community Waikato Survey on funding and service demand, October 2024; Report of Community Networks Aotearoa Survey on income and demand October 2024.

subsidising Government to undertake work on its behalf and having to make up the difference elsewhere.

- For example, an organisation with a \$75k government contract that receives CPI increases over 5 years would now be receiving \$90k to deliver the same level of service. Instead most organisations would still be receiving \$75k which in real terms works out to be \$60k (\$75k-\$15k) but are still expected to deliver the same level of service.
- This means that providers within the sector will struggle to pay equity requirements even if they are fully supportive of this occurring from a decent employer, human rights and social justice perspective. One large provider for example, mentioned using reserves to provide pay equity requirements for its social workers.
- For too long many funders (some Councils, government departments) have exploited the good will of people passionate about their community by not funding them for the full cost of delivering services. This will drive burn out and closure of organisations which will be an immeasurable loss to community wellbeing and financial burden on governments.
- Most people working in the social service and community sectors are women and to have the Pay Equity Amendment Act 2025 in place is akin to further exploitation of their essential skills, compassion, knowledge and commitment.

Recommendations

- SocialLink opposes the Pay Equity Amendment Act 2025
- We support a review of the previous pay equity arrangements to ensure they are workable and fit for purpose to enable the processing of the 33 claims that have been extinguished due to the current legislation.
- We support the analysis and recommendations of the made by the Te Pai Ora Social Service Providers Aotearoa in their Submission.

Nāku noa, nā

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