



Submission to Select Committee on *Fair Pay Agreements Bill*

INTRODUCTION

1. Thank you for the opportunity to submit on the Fair Pay Agreements Bill. We strongly support this Bill on the grounds of achieving equity for undervalued workers in Aotearoa New Zealand.
2. Disparities in wages and conditions have huge impacts for the populations with whom we work. Persistent discrimination in the labour market which results in inadequate working conditions disproportionality affects women, Māori, Pasifika, and those with disabilities¹. Enabling negotiation of minimum employment terms for whole industries will ensure better protections for those who are currently not able to access collective agreements and it is hoped that this policy setting could reverse the 'race to the bottom'² that we are seeing across multiple industries. The social service sector is not immune to this phenomenon for reasons which will be explored below.
3. This Bill also has important implications for social work, as a mechanism for achieving parity in minimum employment terms across our profession given there are currently significant disparities. We are deeply concerned about the future of our profession given current untenable conditions for social workers; high workloads, long hours for inequitable pay, and work/life imbalance. We know anecdotally, these are affecting workers wellbeing and burnout rates and are creating significant barriers to attracting and retaining social workers across the sector.
4. There are a significant number of registered social workers who work for non-governmental organisations or in fields such as education where the established union does not include them within collective bargaining scope. Occupation or industry-wide bargaining would ensure that all social workers, no matter their employer, are recognised for the specialised skills, knowledge and practice base we hold and are paid accordingly.
5. We have some specific recommendations which we believe would strengthen this Bill in achieving its intent and purpose.

DISCUSSION

PAY PARITY AND EQUITY IN SOCIAL WORK

6. The issues of pay parity and equity across the social work profession carry huge significance as pay gaps between practice settings have widened over recent years. This has been exacerbated by recent pay equity settlements for Oranga Tamariki social workers, which although extremely

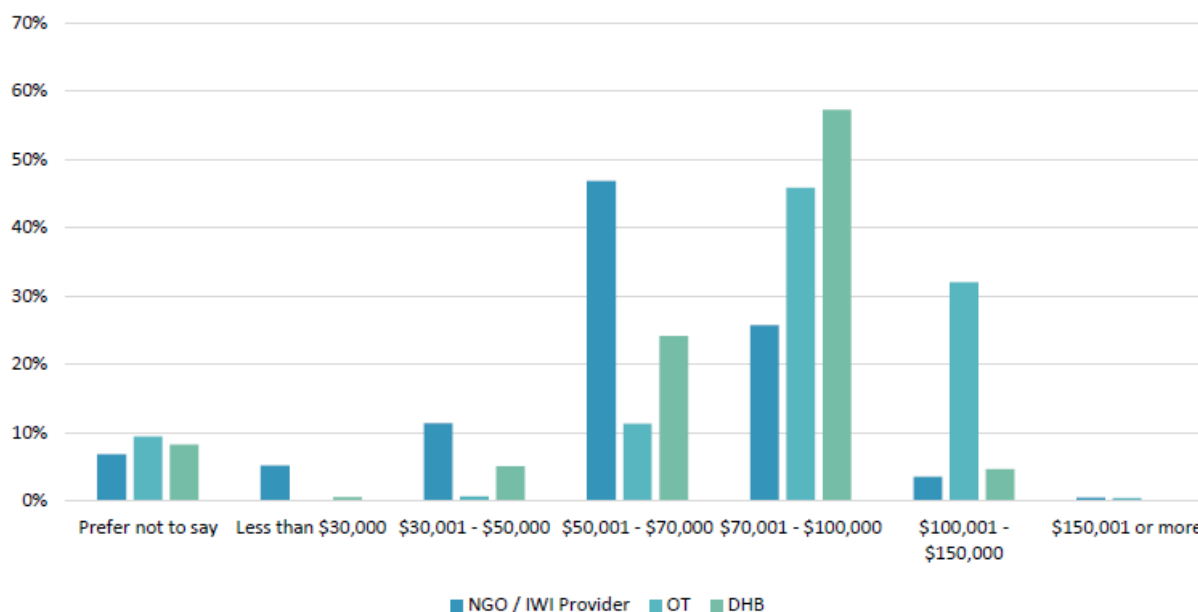
¹ Te Kawa Mataaho: Public Service Commission. (2021). *Pay Gaps*. Retrieved from:

<https://www.publicservice.govt.nz/our-work/workforce-data/remuneration-pay/pay-gaps/#s4>

² "employers compete by holding down or reducing terms and conditions offered to workers, often described as a 'race to the bottom'" – MBIE (2021) Fair Pay Agreements Regulatory Impact Statement.

positive for our profession overall, has further widened pay gaps between statutory social workers and community social workers³. Before the Oranga Tamariki pay equity settlements, social workers working for non-governmental organisations (NGOs) were already paid approximately 18-20% less than their Oranga Tamariki peers, with DHB social workers earning somewhere in the middle of these two extremes (see Figure 7)⁴.

Figure 7. Salary by employer type for those who worked more than 30 hours a week



7. This illustrates the variance our current employment law allows in wages and employment conditions within the same profession. It can be argued that all social workers are actively contributing towards achieving Government objectives around improving wellbeing and reducing elder abuse, family harm, care and protection, mental health, and child poverty. The specialised skills, knowledge and practice base required to safely support these individuals and whānau cannot be minimised nor assumed to only apply to statutory roles. NGO social workers often work with these populations in the community therefore it is important that they too are adequately recognised and paid as the frontline workforce contributing towards these Government priorities.
8. We assert that there are two key contributing factors; firstly, it is evident that pay negotiations and settlements are currently driven by unions and are therefore settlements are only achievable for those covered by collective agreements. Only social workers who work for government agencies tend to have access to collective agreements, whereas those who work for NGOs are typically on individual employment agreements. The Bill as proposed widens coverage to industry or occupation agreements which would ensure these disparities are eliminated. We agree that unions should retain a primary role in initiating bargaining and representing employees as proposed in the Bill, given they hold existing skills in negotiating with employers and advocating for employees' rights. It would be difficult to achieve coordination across multiple employee groups without union leadership.

³ SSPA.(n.d). Social Workers and pay equity. Retrieved from <https://www.sspa.org.nz/information/310-social-workers-and-pay-equity#:~:text=Oranga%20Tamariki%20social%20workers%20are,of%20pay%20for%20social%20workers.>

⁴ SWRB. (2022). Annual Workforce Report: A high-level overview of the social worker workforce in 2021. Retrieved from: <https://swrb.govt.nz/download/swrb-workforce-survey-report-2021/>

9. Secondly, we foresee that this Bill could have significant implications for the Government funding model of social service providers. Social service providers are being under funded at an estimated \$630 million dollars per annum⁵. This environment creates a different form of a 'race to the bottom', with employers sacrificing increases in wages to compete for government contracts. Such underfunding of services creates an ethical dilemma for providers resulting in either reduced provision of essential services to the populations they serve, or substandard employment conditions. We argue that in the current economic context both are seen, with some NGO social workers working long hours and receiving no increases in pay, yet still not being able to meet the increasing needs of the communities they serve^{6, 7}. With the introduction of occupation-wide bargaining and fair pay agreements, the Government will need to address current shortfalls and improve funding arrangements for NGOs going forward to ensure they are able to provide equitable pay for their social workers when compared to their Oranga Tamariki peers. This responsibility will ultimately fall on Government to resolve, not individual non-government organisations who are already stretching existing funding as far as possible.

PART 6 – CONTENT OF FAIR PAY AGREEMENTS

10. We support the mandatory content for each fair pay agreement as outlined in clause 114, however we recommend that some content included in clause 115 as 'topics for discussion' should instead be included as mandatory content to ensure they are standardised components of all fair pay agreements. These are;
 - (b) Health and safety requirements
 - (c) Arrangements relating to training and development; and
 - (f) Arrangements relating to any redundancy
11. Health and safety requirements, although likely to be somewhat covered under the Health and Safety at Work Act 2015, would ensure that employers and employees are aware of their obligations as a condition of employment. For example, in the social work profession this may include an employer ensuring access to regular supervision to mitigate the threat to health and safety produced by stress and vicarious trauma.
12. Equitable access to training and development needs to be a mandatory clause within a fair pay agreement, ensuring that there are minimum standards for employees in relation to their ongoing professional development, particularly given practices are changing across multiple industries with the rapid adoption of new technologies.
13. Lastly, we recommend that redundancy arrangements are also mandatory to ensure more workers have access to redundancy payments. We believe this would cushion the income shock of more workers who are made redundant and discourage redundancies unless necessary on part of an employer.

⁵ Martin Jenkins. (2019) Social Service System: The funding gap and how to bridge it. Retrieved from: [https://sspa.org.nz/images/Social_Service_System - The Funding Gap and How to Bridge It - FULL_REPORT_FINAL.pdf](https://sspa.org.nz/images/Social_Service_System_-_The_Funding_Gap_and_How_to_Bridge_It_-_FULL_REPORT_FINAL.pdf)

⁶ Centre for Social Impact. (2020). Time to shine, time to take stock, time to shape our future: A survey of Aotearoa New Zealand's community sector on the impacts of COVID-19. Retrieved from: <https://www.volunteeringnz.org.nz/wp-content/uploads/Time-to-Shine- COVID19-Impact-Community-Survey-Report.pdf>

⁷ ComVoices. (2020) State of the Sector Survey. Retrieved from: <https://comvoices.org.nz/wp-content/uploads/2020/11/ComVoices-2020-State-of-the-Sector-Survey.pdf>

CLAUSE 123 – DISTRICT VARIATION

14. We do not support district variations for the provisions outlined in subsection 2. Allowing for district variation for these provisions is counterproductive to reducing inequities between urban and rural areas. It can be presumed that urban centres will likely have higher base wages, different conditions on hours of pay and penal rates. This will exacerbate the difficulties rural districts experience in attracting and retaining quality workers, particularly in the health and social services sector⁸.
15. We assert that including such a clause reflects a government agenda of ‘urbo-centricity’, essentially when policy is introduced to solve urban, not rural, problems⁹. The unintended consequences for the rural workforce could result in increasing closure of rural services and widening gaps in equity measures for those who live rurally, a population who are already noted to be disadvantaged across a range of health and wellbeing spheres¹⁰. The Ministry of Health’s Mātātūhi Tuawhenua report (2012) outlines the stark disadvantage rural Māori face in health inequalities compared to urban Māori and non-Māori¹¹, suggesting that inclusion of this clause is a failure by the Crown in meeting Te Tiriti o Waitangi obligations for Māori under the principle of active protection.

CONCLUSION

16. We believe that this Bill will go some way to improving working conditions across multiple industries in Aotearoa New Zealand, resulting in a fairer system for all. Inequalities have been exacerbated in the labour market since reforms beginning in the 1980s reflected neoliberal market philosophies, protecting the power and flexibility of employers at the expense of employment conditions¹².
17. Even the OECD supports extending collective bargaining as a mechanism to negotiate wage increases, and suggests it is a powerful tool in addressing gender wage gaps¹³ an issue which is particularly relevant to social work as a female-dominated profession.
18. We hope to see pay equity and parity across the social work profession and have hope that this Bill may provide a viable avenue to achieve this. Fair employment conditions are a fundamental right for all workers, and we hope this Bill shifts the philosophical stance back to people before profits.
19. We thank you for the opportunity to submit on the Fair Pay Agreements Bill and would value the opportunity to be heard by select committee.

ABOUT ANZASW

⁸ ASMS. (2021). Research Brief. Rural Health at Crossroads: tailoring local services for diverse communities.

⁹ Mason, R. (2006). Providing social care services in rural Australia: A review.

¹⁰ Crampton, P & Baxter, J. (2018). Rural Matters. New Zealand Medical Journal. Vol 131 (1485: Nov 2018)

¹¹ Ministry of Health. (2012). Mātātūhi Tuawhenua: Health of Rural Māori 2012. Wellington: Ministry of Health

¹² Wilson, M. (2017). The politics of workplace reform: 40 years of change. In M. Wilson, G. Anderson, A. Geare, & E. Rasmussen (Eds.), Transforming Workplace Relations in New Zealand 1976-2016 (pp. 44-59). Wellington: Victoria University Press.

¹³ OECD (2020) Policy Brief on Collective Bargaining and Gender: Can Collective Bargaining help close the gender wage gap for women in non-standard jobs? Retrieved from: <https://www.oecd.org/gender/collective-bargaining-and-gender-wage-gap-2020.pdf>

The Aotearoa New Zealand Association of Social Workers (ANZASW) is the professional association for social work in Aotearoa New Zealand. We have over 3,600 members who work throughout the community in both statutory social work and community social work settings. We advocate on behalf of members for social change and justice.

Definition of social work

Social work is a practice-based profession and an academic discipline that promotes social change and development, social cohesion, and the empowerment and liberation of people. Principles of social justice, human rights, collective responsibility and respect for diversities are central to social work. Underpinned by theories of social work, social sciences, humanities and indigenous knowledges, social work engages people and structures to address life challenges and enhance wellbeing.¹⁴

Social work in Aotearoa New Zealand

Social workers in Aotearoa are required to be registered with the Social Workers Registration Board. Social workers are registered under the Social Workers Registration Act 2003 and are not included in the Health Practitioners Competence Assurance Act 2003.

Contact details

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¹⁴ Global Definition of Social Work - International Federation of Social Workers and International Association of Schools of Social Work