

Pay equity settlement for support workers within reach

The Ministry of Education today signed Terms of Settlement with NZEI Te Riu Roa to address a pay equity claim for 329 staff providing support to young children with additional learning needs. The Terms were also signed by three Ministry staff who lodged the claim, along with the union, in 2015.

Next, the Ministry and NZEI Te Riu Roa will jointly present the settlement at meetings around the country over the next month, where all Ministry support workers will vote on whether to accept the settlement.

This workforce is currently paid between \$16.77 and \$19.87. If accepted, the settlement would see the lowest hourly rates move to \$21.67 with a new top step of \$24.73 for those who have completed four to nine years' service. Support workers with ten or more years' service on 1 July 2018, will move to a new rate of \$25.70 an hour.

The process to jointly examine the claim and reach agreement took 17 months to complete after mediation began in April 2017.

Secretary for Education Iona Holsted said the claim was the first to be progressed under new pay equity principles agreed by the Government, business and unions, which are now informing legislation being developed to make future claims easier.

"As we've been breaking new ground, both parties have had to work carefully and thoroughly through the jointly-agreed process. I'm pleased that we've remained committed to working productively together to get to this point," she said.

"Signing the terms is a significant step towards reaching agreement with this highly valued group of staff. I'm hopeful we can achieve that as soon as possible," Ms Holsted says.

For more information:

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Background on Ministry-employed Support Workers and their pay equity claim.

About Support Workers

The Ministry currently employs 329 support workers, most working part-time in early childhood centres.

These staff provide support according to a plan developed by a Learning Support specialist for young children with education, communication and behavioural challenges. The number of staff employed fluctuates depending on the number of children who require support at any time. 98% of this workforce are women.

Background on the claim

NZEI Te Riu Roa first filed a pay equity claim for Ministry-employed support workers under the Equal Pay Act in 2007.

The claim for which a Settlement Agreement has just been signed was lodged with the Employment Relations Authority in October 2015 by NZEI Te Riu Roa and three support workers employed by the Ministry. The union suspended legal proceedings until the outcome of the Joint Working Group on Pay Equity involving unions was known.

In November 2016 principles developed by this Joint Working Group were approved by government to be applied through Collective Bargaining.

Following mediation, NZEI Te Riu Roa and the Ministry began examining the claim using a process agreed by both parties in April 2017. The Support Worker role was assessed against the pay and work of a range of comparable roles to confirm the value of the work.

In December 2017 negotiations to settle the claim began. On 10 August 2018, NZEI Te Riu Roa and the Ministry of Education signed Terms of Settlement for the pay equity claim, along with the three support workers who lodged the claim. The Settlement Agreement will now be presented to Support Workers to vote on in late August/Early September.

We expect to have gathered all feedback and to be able to confirm later in September whether our staff have accepted this offer.

Offer to settle the claim

Under the pay equity offer the existing 7 step payscale for Support Workers will be simplified to 4 steps with staff moving as follows:

	Current rate	Pay equity adjusted rate (1 July 2018)
Step 1	\$16.77	\$21.67
Step 2	\$17.24	\$21.67
Step 3	\$17.58	\$22.65
Step 4	\$17.98	\$22.65
Step 5	\$18.64	\$23.67
Step 6	\$19.28	\$23.67
Step 7	\$19.87	\$24.73

In addition to these pay rates, Support workers with 10 years or more service at 1 July 2018 will be paid a rate of \$25.70 to recognise that service.

The Ministry and NZEI Te Riu Roa have also agreed to establish a working group to explore ways to recognise the expertise and competency of Support Workers gained through experience and/or qualifications. The group will also look at potential career pathways for Support Workers to move into field staff, teacher aide and early childhood education teacher roles.

Hourly rates will immediately increase by an average of 27% after the pay equity adjustment.

Proposed pay equity and contract rates

Current steps	Current rate	New steps	Pay equity adjusted rate 1 July 2018	Agreed pay rates	
				1 July 2019	1 July 2020
Step 1	\$16.77	Step 1	\$21.67	\$22.65	\$23.67
Step 2	\$17.24				
Step 3	\$17.58	Step 2	\$22.65	\$23.67	\$24.73
Step 4	\$17.98				
Step 5	\$18.64	Step 3	\$23.67	\$24.73	\$25.70
Step 6	\$19.28				
Step 7	\$19.87	Step 4	\$24.73	\$25.70	\$26.70

The Ministry has also been in Collective Bargaining for Support Workers since February this year. Negotiations have also considered the changes to the agreed Pay Equity rates for the term of the Collective Agreement to 30 June 2021.

We have agreed rate movements until June 2021 (shown in the table above) to ensure the pay equity rate keeps pace with the market, taking into account the Government's commitment to addressing Low Pay and closing the gap between our highest and lowest paid workers.

What next?

The Terms of Settlement will be jointly presented to all Support Workers (union members and non-union members) at meetings around the country in late August and early September, where staff will vote on whether to accept the offer.

NZEI will also meet with their members to ratify the rates to 30 June 2021 as settlement to the Collective Agreement.

We will understand if members and our staff accept these offers in mid to late September.

What else?

During negotiations NZEI raised a number of operational issues for the workforce. The Ministry is addressing these as part of a wider workforce review including:

- Providing continuous service by offering support workers work over the school holidays.
- Increasing job security through converting support workers on fixed term contracts to permanent employment where appropriate.

- Allocating new work to current employees; provided the hours and location are suitable for the support worker.
- Improving communication with this mobile workforce with the assistance of technology.

A lump sum taxable payment of between \$500 and \$1500 (based on length of service) is being offered as compensation for disadvantage caused by these longstanding operational issues which are now being addressed by the Ministry.

The one-off compensation does not form part of the pay-equity rate.

Background to Pay Equity Principles

In 2016, the Joint Working Group on Pay Equity Principles provided recommendations to the government to guide the implementation of pay equity. The JWG noted that the current framework in the Equal Pay Act 1972 relies on the courts to determine principles for assessing pay equity issues and setting pay rates. The principles developed by the JWG aimed to deal with the complexity by creating a new pay equity claims process based on the bargaining framework in the Employment Relations Act 2000, for employees and employers to assess a pay equity claim and agree on a settlement.

In July 2017, the previous government introduced the Employment (Pay Equity and Equal Pay) Bill which gave effect to the previous Government's response to the Joint Working Group's recommendations. Following the formation of a new coalition government, the Bill was withdrawn from Parliament in November 2017.

In January 2018 Ministers reconvened the Joint Working Group to provide further recommendations that address key stakeholder concerns relating to the former Bill. The recommendations were provided to Ministers in February 2018, and will be used to develop pay equity legislation

Timeline for this claim

1. NZEI and three plaintiffs lodged a claim under the Equal Pay Act 1972 with the Employment Relations Authority in respect of the Ministry-employed Support Workers on 15 October 2015.
2. NZEI agreed to delay the legal process until the outcome of the Joint Working Group (JWG) was known.
3. In November 2016 Government communicated the decision on the JWG Pay Equity Principles and advised how these would be applied through Collective Bargaining.
4. In November 2016 NZEI initiated Collective Bargaining for Ministry employed Support Workers and bargaining commenced on 7 December 2016.

5. Collective Bargaining stalled in late December because NZEI wanted the Ministry to address the Pay Equity claim.
6. Mediation followed in April 2017 to agree an approach to addressing the claim applying the new Pay Equity Principles. The Ministry and NZEI agreed a formal process to consider if there was a pay equity claim to be addressed.
7. Normal collective bargaining resumed in May 2017 and settlement of the Collective Agreement was reached quickly.
8. April-December 2017: Both parties worked through the agreed process to examine the claim guided by the Pay Equity Principles. We first did work to understand the size of the role and then examined a range of comparator roles to understand whether a pay equity issue existed.
9. December 2017 – merit for a pay equity claim was established, and negotiations to settle the claim began.
10. On 22 December 2017, NZEI sought to have the Proceedings (claim) removed to the Employment Court from the Employment Relations Authority.
11. Bargaining for the pay equity claim continued in January 2018 but without resolution.
12. Bargaining for Ministry-employed Support Workers collective agreement commenced in March 2018.
13. On 7 June 2018, the matter was put before the Employment Court.
14. On 28 June 2018 the Ministry and NZEI agreed in principle to settle the claim and court proceedings.
15. On 10 August 2018 the Ministry and NZEI with the plaintiffs signed the Pay Equity Settlement Agreement.
16. Late August – meetings for Support Workers to vote on the Agreement will begin.

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