

25 November 2019

Consultation: Designing a Fair Pay Agreements System
Employment Relations Policy
Ministry of Business, Innovation and Employment
PO Box 1473
Wellington 6145

Submission on Ministry of Business, Innovation and Employment Discussion paper “Designing a Fair Pay Agreements System”

Thank you for the opportunity for Auckland Regional Public Health Service (ARPHS) to provide a submission on the Ministry of Business, Innovation and Employment (MBIE), Discussion paper “Designing a Fair Pay Agreements System”

The following submission represents the views of ARPHS and does not necessarily reflect the views of the three District Health Boards it serves. Please refer to Appendix 1 for more information on ARPHS.

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Yours sincerely



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Overview and recommendations

1. ARPHS overall supports the Fair Pay Agreements System (the System) to ensure fair pay and conditions, which should include an assessment of employee organisations' capacity to negotiate across occupations and sectors is conducted and any identified capacity issues be mitigated.
2. From a public health perspective, income and employment are social determinants of health. Poor quality employment, such as low paid and insecure work, is detrimental to physical and mental health.¹ Poor pay and working conditions can lead to serious health problems, with the burden of disease not spread equitably across the population.
3. Māori experience higher rates of low pay and poor working conditions thus are a priority population from a public health perspective.^{2,3,4,5,6}
4. ARPHS's recommendations are for Government to:
 - utilise the Fair Pay Agreements System to establish minimum wages and working conditions;
 - prioritise Māori workers and ensure policy outcomes for Māori;
 - prioritise lowest-paid sectors and occupations and ensure policy outcomes for those groups;
 - implement monitoring and evaluation processes in collaboration with priority groups.

Utilise the Fair Pay Agreements System to establish minimum wages and working conditions

5. The social determinants of health are the conditions in which people are born, grow, live, work and age; with employment conditions being one of them.⁷ The nature of work can adversely affect health: through adverse physical conditions of work; adverse psychosocial conditions at work; poor pay and insufficient hours; temporary or insecure roles, and the risk of redundancy or job loss.⁸
6. Moreover, low income affects health through material, psychosocial, and behavioural means, which in turn contributes to unhealthy strategies of coping with stress.⁹ Various adverse working conditions influence the ability of workers to maintain health.^{10,11} These include

¹ Fair Society, *Healthy Lives, The Marmot Review: Strategic Review of Health Inequalities in England post-2010*

² *Low pay in NZ: A report by New Zealand Work Research Institute (January 2018)*

³ Pacheco G, Morrison PS, Cochrane B, Blumenfeld S, Rosenberg B. *Understanding Insecure Work*

⁴ *He kai kei aku ringa: The Crown-Māori Economic Growth Partnership Strategy to 2040*. Māori Economic Development Panel (November 2012)

⁵ Denison, H., Eng, A., Barnes, L.A. et al. *Inequities in exposure to occupational risk factors between Māori and non-Māori workers in Aotearoa New Zealand*. (2018) *Journal of Epidemiology Community Health* 0:1-8 doi:10.1136/jech-2018-210438

⁶ *Health and Safety at Work Strategy 2018-2028*. New Zealand Government

⁷ World Health Organization. (2010). *Healthy workplaces: a model for action for employers, workers, policy-makers and practitioners*

⁸ Durcan, D. (2015). *Local action on health inequalities. Promoting good quality jobs to reduce health inequalities: Practice resource summary*. UCL Institute of Health Equity: England

⁹ *ibid*

¹⁰ *ibid*

¹¹ World Health Organization. (2010). *Healthy workplaces: a model for action for employers, workers, policy-makers and practitioners*

- chemical and physical hazards, long hours, insufficient hours, shift work, poor pay, insecure work, job satisfaction, lack of autonomy, and work-related stress, anxiety and depression.
7. Public health is concerned with addressing the social determinants of health, promoting environments and policy settings that create healthy environments for people to live, work and play. ARPHS, as a public health organisation, therefore supports healthy workplace environments.
 8. Education, regulation, health and safety, security and support are all factors that contribute to a person's ability to secure quality employment, and some groups in the population experience poor outcomes across these factors. This necessitates consideration of the needs and structural disadvantages that those particular groups experience.¹² ARPHS supports the establishment of minimum wages and conditions as part of the System. Improving the quality of employment through these measures will contribute to better health outcomes for workers.
 9. Compared to other jurisdictions, New Zealand has a low trade union density.¹³ An assessment of employee organisations' capability to negotiate on behalf of lowest-paid sectors and occupations will also be needed. In order for the System to be successful, this capacity issue will need to be addressed.

Prioritise Māori workers and ensure policy outcomes for Māori

10. There are inequities between Māori and non-Māori relating to employment.¹⁴ For instance in similar occupations, Māori are more likely to be exposed to physical and organisational factors that harm health.¹⁵
11. The System provides an opportunity to address these inequities and significantly improve working conditions for Māori.
12. ARPHS recommends the prioritisation of Māori through active and ongoing collaboration with Māori representatives during the development, implementation, monitoring and evaluation of the System. This will contribute to improving equitable outcomes for Māori. Te Tiriti o Waitangi is the foundation to achieving health equity, necessitating consistent and on-going Māori involvement in all aspects of policy-making.^{16,17}
13. An example of how this can be done successfully is the work undertaken by ServiceIQ, which represents the service sector, and has demonstrated a commitment to addressing the needs of Māori workers.¹⁸

¹² *Achieving Equity in Health Outcomes: Highlights of important national and international papers*: Ministry of Health (2018)

¹³ *OECD Economic Surveys: New Zealand* (June 2019)

¹⁴ *Māori & He kai kei aku ringa: The Crown-Māori Economic Growth Partnership: Strategy to 2040*: Māori Economic Development Panel (November 2012)

¹⁵ Denison et al. (2018). *Inequities in exposure to occupational risk factors between Māori and non-Māori workers in Aotearoa New Zealand*

¹⁶ *Achieving Equity in Health Outcomes: Highlights of important national and international papers*: Ministry of Health (2018)

¹⁷ *A Treaty Understanding of Hauora in Aotearoa-New Zealand*: Health Promotion Forum of NZ (2002)

¹⁸ *Māori Action Plan 2017*. Service IQ (2017)

Prioritise lowest-paid sectors and occupations and ensure policy outcomes for those groups

14. Low pay has a detrimental impact on health.¹⁹ Low pay is often associated with low-skilled work and insecure employment agreements. Thirty seven per cent of the Auckland population are low-skilled workers.²⁰ Low pay is most frequently observed in retail, accommodation and food services, health care and social services, and manufacturing sectors.²¹ Labourers, community and personal services, and sales workers are the lowest-paid occupational groups.²²
15. ARPHS supports MBIE's plan to focus attention on the lowest-paid occupations and sectors and advocates for the implementation of collaborative partnerships with industry groups representing these sectors.

Implement monitoring and evaluation processes in collaboration with priority groups

16. The proposed System has the potential to lower wage inequality as well as increasing productivity growth.²³ As with any new policy or system, a tailored implementation plan and on-going monitoring system is critical to its success.
17. In order to ensure the System addresses existing inequities, a commitment should be made to upholding all articles of Te Tiriti and committing to on-going engagement in the development, implementation, monitoring and evaluation of the System in a culturally appropriate way.²⁴
18. Collaborative methods with Māori and Pacific peoples have been proven to be effective in the health and safety context, as there has been a recognition that existing policies and strategies are ineffective for workers experiencing the greatest harm.^{25,26,27}
19. ARPHS understands that MBIE currently engages with Māori rūpū from two unions, and advocates for on-going engagement during the implementation phase including:
 - monitoring and evaluating the policy outcomes of the System through culturally-appropriate methods²⁸;
 - monitoring and evaluating whether the needs of the priority groups are being met;
 - development of a monitoring system to ensure sectors comply with the System.
20. The diversity of Pacific peoples should be highlighted; however there are some key shared characteristics such as: respect, reciprocity, spirituality, collectivism and communitarianism,

¹⁹ Durcan, D. (2015). *Local action on health inequalities. Promoting good quality jobs to reduce health inequalities: Practice resource summary*. UCL Institute of Health Equity: England

²⁰ Auckland Growth Monitor. *A snapshot into Auckland's economy and place in the world stage*. (August 2018). Available from https://www.aucklandnz.com/sites/build_auckland/files/media-library/documents/auckland-growth-monitor-2018-HR_2308.pdf

²¹ *Low pay in NZ: A report by New Zealand Work Research Institute* (January 2018)

²² *ibid*

²³ *OECD Economic Surveys: New Zealand* (June 2019)

²⁴ *A Treaty Understanding of Hauora in Aotearoa-New Zealand: Health Promotion Forum of NZ* (2002)

²⁵ *Maruiti marae-based learning pilot: Kaupapa process evaluation*. Worksafe New Zealand (June 2018)

²⁶ *Evaluation of the Puataunofo Programme: Report prepared for Worksafe New Zealand* (November 2018)

²⁷ NZ Government. (2018). *Health and safety at work strategy 2018-2018*

²⁸ *A Treaty Understanding of Hauora in Aotearoa-New Zealand: Health Promotion Forum of NZ* (2002)

and family.²⁹ Inequities across employment and health create a significant challenge for policy development and implementation.^{30,31} This requires careful consideration of Pacific peoples' aspirations, needs, and values, via active and on-going reciprocal relationships at different levels. ARPHS advocates for focused attention on culturally-appropriate methods such as talanoa to increase the likelihood of the System meeting the needs of Pacific peoples.³²

Conclusion

21. Thank you for the opportunity to comment on the Ministry of Business, Innovation and Employment's Discussion paper "Designing a Fair Pay Agreements System".

²⁹ *Yavu: Foundations of Pacific Engagement*. Ministry for Pacific Peoples (June 2018)

³⁰ *ibid*

³¹ *The profile of Pacific peoples in New Zealand*. Ministry of Social Development (September 2016)

³² *Yavu: Foundations of Pacific Engagement*. Ministry for Pacific Peoples (June 2018)

Appendix 1: Auckland Regional Public Health Service

Auckland Regional Public Health Service (ARPHS) provides public health services for the three district health boards (DHBs) in the Auckland region (Counties Manukau Health, Auckland and Waitemata District Health Boards).

ARPHS has a statutory obligation under the New Zealand Public Health and Disability Act 2000 to improve, promote and protect the health of people and communities in the Auckland region. The Medical Officer of Health has an enforcement and regulatory role under the Health Act 1956 and other legislative designations to protect the health of the community.

ARPHS' primary role is to improve population health. It actively seeks to influence any initiatives or proposals that may affect population health in the Auckland region to maximise their positive impact and minimise possible negative effects.

The Auckland region faces a number of public health challenges through changing demographics, increasingly diverse communities, increasing incidence of lifestyle-related health conditions such as obesity and type 2 diabetes, infrastructure requirements, the balancing of transport needs, and the reconciliation of urban design and urban intensification issues.