

August 2025

People's Select Committee on Pay Equity

Good Shepherd New Zealand Submission

About Good Shepherd New Zealand

Good Shepherd New Zealand (Good Shepherd NZ) is a charitable non-governmental organisation focused on two of the biggest issues facing women and girls in New Zealand — poverty and family violence — and challenges that stem from these. We want women, girls and their families to be safe, strong, well and connected.

We make a positive impact for women and families faced with two specific challenges:

- Going without essentials or taking on high-cost unmanageable debt
- Economic abuse and harm from family violence.

Good Shepherd NZ provides alternative lending options at a low cost — no-interest loans up to \$15k for essential items, services and debt consolidation. We also work with and for people who have experienced family violence economic abuse to remove unjust debt (debt they were forced to take on or that was taken out without their knowledge) and help people access government entitlements. Our services help to reduce harm while providing people with new opportunities.

Good Shepherd NZ has three strategic focus areas to shape our work addressing hardship and harm: dignified income, financial wellbeing, and family violence economic harm. These focus areas span from structural or systemic factors that are drivers of issues, through to impacts.

While we do not work with or for those involved in lodging pay equity claims, we do have an interest in the drivers of hardship and harm for women. In particular, our interest in dignified income focuses on the factors which help and hinder women's ability to achieve financial wellbeing. The pay equity process plays a

vital role in combatting some of the systemic issues that hold women back in the workforce.

We are comfortable making an oral submission if invited.

What is dignified income

‘Dignified income’ is a term Good Shepherd NZ uses to describe income that is more than just enough to scrape by – it allows for women to live fulfilled lives. It’s enough to pay the bills with some leftover for savings and treats, it’s stable and secure, and it’s safe from harm and harassment. Ideally, income is also adaptable enough to enable work/life balance and childcare obligations, as well as being appropriate and fulfilling.

While these factors are all important to ensure a person’s income is dignified, there are many compromises people make in relation to employment and income to make work suit their lifestyle and life stage. So, one way to look at “dignified income” is being able to meet basic needs and earn an income that aligns with a person’s more aspirational goals and values at the time. It’s about unlocking the privilege of choice.

Access to income is essential for women’s quality of life, access to goods and services, and financial security. While the impact of income differs across age and socio-economic status, for women in hardship, income is essential to ensure bills can be paid, food can be put on the table, and children can receive the resources they need to thrive. Financial literacy can help people manage their money, but no amount of budgeting can suffice if they’re not receiving enough income to cover their expenses. Unsurprisingly, research has found that higher levels of income are a significant factor contributing to financial wellbeing for this reason. Without a sufficient, stable income, women are vulnerable to poverty and may become dependent on others to make ends meet.

The on-going impact of pay inequity

New Zealand has long had a pattern of horizontal segregation, with some industries clearly dominated by either women or men. As of March 2025, nearly 60% of working women work within just four industries: Health Care and Social Assistance (17.8%), Retail Trade and Accommodation and Food Services (15.7%),

Professional, Scientific, Technical, Administrative and Support Services (12.4%), Education and Training (11.9%).¹

Figure 1: People employed by industry and sex, for March 2025 quarter².

Industry	Males	Females
Agriculture, forestry, and fishing	1,069,000	548,000
Mining	74,000	2,000
Manufacturing	1,661,000	796,000
Electricity, gas, water, and waste service	236,000	93,000
Construction	2,541,000	457,000
Wholesale trade	677,000	386,000
Retail trade, and accommodation and food services	1,846,000	2,172,000
Information media and telecommunications	219,000	15,000
Financial and insurance services	486,000	523,000
Rental, hiring, and real estate services	34,000	323,000
Professional, scientific, technical, administrative, and support services	206,000	1,724,000
Public administration and safety	875,000	1,114,000
Education and training	554,000	1,651,000
Health care and social assistance	649,000	2,459,000
Arts, recreation, and other services	947,000	948,000
Not specified	162,000	106,000

The Retail Trade, and Accommodation and Food Services industries, which jointly contain 15.7% of all working women, have the lowest average total hourly earnings across all industries in New Zealand³ (\$32.58 for the Retail Trade and \$29.78 for Accommodation and Food Services). Occupations such as these have long been considered “women’s work” and continue to be female-dominated workforces.

¹ (Statistics New Zealand, 2025)

² (Ibid.)

³ (Ibid.)

Women are also more likely to occupy lower paid roles (such as community and personal service workers or sales workers) across all industries compared to men (who occupy roles such as managers or technicians). This is especially the case for non-European women.

Data from our GoodLoans service shows that many of the women seeking our support also work in these lower paid industries. Women accessing our services come to us as an alternative to high cost, predatory lending. We are often a last resort for those seeking a loan for an essential good or service, such as a car, medical or dental needs, rental bonds, and furniture. Some of the most common specific occupations listed by our female clients are: Clerical and Administrative Worker, Community Worker, Hospitality Worker, and Healthcare Worker. As noted above, these industries/occupations tend to be female dominated and lower paid.

This highlights the importance of pay equity. We see the real impact of income inadequacy in the people we work with. Our clients are working in industries which, because of a long history of undervaluing feminised work, are consistently lower-wage despite requiring skills that are comparable to higher paying, masculinised, industries.

Findings from our services show that women are struggling to make ends meet, being forced to choose between high-cost lending or going without essential goods and services. If these women had access to equitable, dignified income then our services may not be necessary.

Comments on Equal Pay Amendment Act 2025

We see the Equal Pay Amendment Act 2025 as a dismissal of the need for action on gender inequity. Equal pay for work of equal value is a fundamental human right and contributes strongly to overall and future financial wellbeing. Yet our gender pay gap is proof that there is an on-going social and financial impact of traditional gendered norms within the workforce. Certain occupations and industries continue to be female-dominated, with poorer pay conditions and significant undervaluation. Many of these jobs require similar skills, education, or responsibilities as male-dominated jobs, yet receive lower pay.

The pay equity claims process is a rare example of the Government directly intervening to address gender based financial inequity, rather than relying on the

market to “right itself” or focusing on policies/changes that prioritise measuring the scale of inequity. It is necessary and important to understand the gender pay gap in different sectors and businesses, but new data collection or measurement tools do not directly fix the gap itself.

There needs to be accessible pathways to rebalance occupational segregation, vertically and horizontally, and the associated differences in pay that come with this. The pay equity claims process provides a vehicle for people experiencing pay inequity to seek an assessment of their work in comparison to similar fields and receive pay correction. While this Act did not remove the ability to make pay equity claims, it does cancel dozens of existing claims and raise the bar in a way that calls into question how many new claims will be able to meet the new criteria. It is likely that many new claims will struggle to meet these heightened criteria, making it harder for women to receive the fair pay they deserve. Not only does this continue to devalue women’s contribution to the economy, it’s likely that the cycle of hardship will continue and more women will be pushed towards services like ours.

Given there has been no Regulatory Impact Statement released for the Act, it is hard to know how much analysis was undertaken on the impact of these changes. The financial and human rights implications sections of the Cabinet paper are completely redacted. In MBIE’s own words (via the Cabinet paper): “the proposals in this paper have been developed in a short timeframe with limited time to assess implications and unintended consequences, with narrow and targeted consultation (with the Ministry of Education and Health New Zealand)”. There has also been no Select Committee process, which would have provided government with insights from the sector on the impacts of their proposals.

It seems probable that, in the broader context of the current economic climate, the demands of fiscal sustainability have been the real driver of this sudden law change. It is common in times of recession to see a return to austerity. This is occurring across the board – and especially in social welfare – to the tune of \$5.3 billion in the last Budget (half of which came from the pay equity changes). What is concerning is the collective impact of these changes to those at the margins, those who already face multiple vulnerabilities and who struggle to get by day to

day. Those with low incomes have less ability to save for their future, less financial resilience to weather life shocks when they arise, and face more uncertainty in older age. Making it harder for people to seek fair pay means they will continue to struggle, especially alongside other policy changes such as the reduction of Government contributions to Kiwisaver.

We would encourage the Government, in whatever form it may take following the next election, to review this legislation and reverse changes made via the Equal Pay Amendment Act 2025.