

NZ government blocks “pay equity” claims for hundreds of thousands of workers

Tom Peters
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New Zealand’s right-wing coalition government last week passed the Equal Pay Amendment Act, which is designed to make it much harder—perhaps impossible—for workers in female-dominated professions to claim that they are underpaid because of gender-based inequity.

The amendment was announced on May 6 by Workplace Relations Minister Brooke Van Velden, from the far-right ACT Party. It was rushed through parliament the next day under anti-democratic “urgency” provisions to limit public discussion and scrutiny.

The legislation is part of the government’s austerity regime, which involves brutal cuts to healthcare, education and welfare, a virtual pay freeze across the public sector, and thousands of layoffs. Its aim is to increase the exploitation of the working class, divert more public money to the super-rich, and to fund a vast increase in military spending to prepare for war.

Van Velden told reporters the government was “not taking money from anybody”—a transparent lie. In the same media conference, she said the new pay equity framework would lead to “very real and significant cost reductions.”

Prime Minister Christopher Luxon confirmed that money set aside in the budget—to be announced on May 22—to settle pay equity claims can now be reduced. He expected the government to save “billions of dollars.”

The government has cancelled 33 pay equity claims that were being negotiated under the old system, affecting hundreds of thousands of workers, mainly in the public sector. The unions involved will be forced to reapply under the new thresholds.

The largest outstanding claim covers 94,000 teachers in the primary, secondary and early childhood sectors. It was lodged under the previous Labour Party-led government at the end of 2020 and negotiations have dragged on for years.

The new law changes the definition of work

“predominantly performed by female employees.” It states that 70 percent of the workforce must be women (up from 60 percent under the previous law) and that this must have been the case for at least 10 years. In high schools, 63 percent of teachers are women, meaning that they may be barred from re-submitting a pay equity claim.

The government has also removed the ability for previously settled claims—including for nurses, social workers, librarians and aged and disability carers—to be regularly reviewed and adjusted.

For new claims, there are much stricter criteria for assessing whether “sex-based undervaluation” of workers exists in a given profession. Claimants’ work must be compared with “work that is the same or substantially similar” to that performed by men or by a majority-male workforce.

Van Velden criticised pay equity claims which compared librarians with mechanical engineers, and social workers with air traffic controllers. She said this was “muddying the waters” between sex-based discrimination and pay gaps that were caused by other things such as “market forces.”

The law change has triggered widespread anger, with thousands of people joining protests across the country last week outside the offices of government MPs. A petition by the unions calling for the amendment to be reversed gained more than 65,000 signatures by Sunday night.

The opposition Labour Party, the Greens and the union bureaucracy, however, are working to prevent an organised movement by the working class against austerity. They are telling workers to wait for the next election in 18 months.

Labour’s workplace relations spokesperson Jan Tinetti told the BHN podcast that people should “get behind” Labour, the unions and their allies. “Together we can fight this and we can make a difference, and we can be so

much stronger in 2026 to win that election and put this right again,” she said.

Former Labour Prime Minister Helen Clark (1999-2008) shared a post on X stating: “When the parents, partners and children of women in the workforce vote in 2026 we will remember this moment.”

Jacinda Ardern’s 2017-2023 Labour Party-led government heavily promoted pay equity deals, mainly as a means to subordinate workers to the union apparatus and suppress a broader movement against low wages and austerity.

Thirteen pay equity deals were reached, the most significant covering about 30,000 nurses in public hospitals. The nurses received pay rises of between 18 and 20 percent in 2023. While not insignificant, this followed decades of near-frozen wages under successive Labour and National-led governments, enforced by the union apparatus.

That settlement, touted by Labour and the unions as a “historic” achievement, is already being undermined through a new round of wage cuts. Nurses have been offered a pay rise of just 1.5 percent over a two-year period, which is well below the increase in the cost of living. Nurses held two part-day strikes in December 2024, but since then the New Zealand Nurses Organisation has organised no action and remained silent on the negotiations.

Notwithstanding the pay equity settlements, the Ardern government presided over a worsening social crisis, including increased homelessness and child poverty. The Labour Party lost the 2023 election in a landslide as living costs soared and it campaigned on cutting jobs in the public sector, to make workers pay for the developing economic crisis.

Labour also agrees with the government’s decision to raise spending on the military from 1 to 2 percent of gross domestic product. This will divert an extra \$12 billion to the armed forces over the next four years, which will be paid for by further eviscerating public services. By comparison, the cost of the pay equity settlements reached thus far is just \$1.78 billion a year.

Fleur Fitzsimons, national secretary of the Public Service Association, wrote in the Post: “The PSA will not be taking this outrageous attack on the rights of women workers lying down. We will be fighting this in the streets and in the courts.”

The PSA, however, has not announced any strike action. It has done nothing to oppose the thousands of job cuts across multiple government agencies over the past year-

and-a-half. The union vocally supports the vast military spending increase, which is at the direct expense of workers.

The statements by the union bureaucracy blaming low wages for teachers, healthcare workers, caregivers and others entirely on gender discrimination serves to disorient and divide the working class.

There is a gender pay gap: Women’s median hourly earnings are 8.2 percent less than men’s. But the fundamental division in society is the gulf between the working class and the financial and business elite, whose wealth is based on the exploitation of workers of every nationality, gender and ethnicity.

Feminist identity politics, which blames low pay on “sexism” and “patriarchy,” obscures the reality that male-dominated sections of the workforce have experienced major attacks on wages and conditions in recent decades. Hundreds of thousands of jobs in meat processing, agriculture, construction, transport, forestry and other sectors of the economy have become casualised and insecure, with low wages and often dangerous working conditions.

The richest 5 percent of the population owns 45.5 percent of the country’s wealth, while the poorest half of the population owns just 2 percent. According to figures released in 2023, New Zealand’s richest 311 families collectively owned \$85 billion in assets. All the capitalist parties, including Labour and its allies, are dedicated to the enrichment of this parasitic layer.

A real fight against austerity must be directed against the actual source of inequality, which is not men, but the capitalist system. To carry out such a struggle, workers have to build new organisations: rank-and-file committees, independent of the pro-capitalist union bureaucracy. They must reject the divisive nationalism and identity politics promoted by the unions, Labour and various pseudo-left organisations.

Workers need to adopt a socialist strategy, aimed at expropriating the wealth hoarded by the billionaires and dismantling the armed forces of the state, in order to raise living standards for all workers and to fund a vast expansion of public healthcare, education and other services.



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