



## Executive Summary

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### Public Service Pay Gaps Work Programme

- 1 The Equal Pay Taskforce (The Taskforce) is part of a stakeholder working group, Te Whakapiri,<sup>1</sup> that is developing Kia Toipoto. Over the last two months Te Whakapiri has:
  - released guidance and delivered our first four workshops on Kia Toipoto and meeting this year's equitable pay milestones. 268 agency and Crown entity officials and union representatives attended these workshops
  - released guidance on how small agencies and Crown entities can implement Kia Toipoto and held a workshop with 49 participants.
- 2 Over the next three months Te Whakapiri will:
  - release guidance and hold workshops on how to create their first Kia Toipoto pay gaps action plans. By publishing these action plans by the end of this year, agencies and Crown entities will meet the Kia Toipoto transparency milestone
  - release guidance and hold workshops on increasing ethnic diversity in leadership and workforces, especially wāhine Māori, Pacific women, and ethnic women leaders. This will enable agencies and Crown entities to meet the Kia Toipoto leadership and representation milestone at the end of this year.
- 3 Te Whakapiri is delighted to welcome the Minister for Women to its hui on 2 August. We will brief the Minister for Women prior to this hui.

### Pay Equity Work Programme

- 5 The DHB Administration and Clerical claim was ratified on 16 May 2022 – the first claim to settle under the Equal Pay Act 1972 (as amended in 2020). The Ministry of Health has lodged a Cabinet paper seeking increased contingency and drawdown of contingency for the Administration and Clerical settlement.
- 5 Nurses have voted not to proceed to ratification on the draft proposed Settlement Agreement (mainly on the matter of back pay) but instead support the NZNO filing in the Employment Relations Authority, which they did on 27 May, regarding rates of pay, back pay and the review mechanism.
- 6 Midwives' negotiations with MERAS and NZNO are ongoing with a focus still on trying to reach agreement on comparators to be used in final analysis. Parties to this claim are watching the progress of the Nurses claim with interest.
- 7 The Taskforce is working with Social Service Providers Aotearoa (SSPA) and the Public Service Association (PSA) as parties to the Non-Government Organisation (NGO) social

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<sup>1</sup> Te Whakapiri is made up of the Taskforce, Te Kawa Mataaho Diversity and Inclusion, Te Runanga o Ngā Toa Āwhina (the PSA Māori Network), the PSA, Manatū Wāhine, Te Puni Kōkiri, the Ministry for Ethnic Communities and the Ministry for Pacific Peoples, and members of the Rainbow, Disabled and Pan-Asian employee-led networks.

worker claim to design and run a validation process as per the Cabinet mandated Funded Framework. This process will help us understand the potential number of people undertaking the same or substantially similar work within the Funded Sector. The data we get from this process will be used to inform cost implication modelling, which will support Ministers to decide whether to extend the benefits of the settlement more broadly across the wider social sector.

- 8 While we have received positive responses from chief executives in public and private sector organisations regarding the proactive interviewing of their male dominated workforces for use as comparators, current workload and staffing pressures have led to difficulties in making their staff available. We anticipate being able to begin interviewing over the next two months.

### Recommended Action

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We recommend that you:

**Note** the progress being made by the Equal Pay Taskforce.

**Agree** that Te Kawa Mataaho releases this report once it has been considered by you, with matters under active consideration withheld under section 9(2)(f)(iv) of the Official Information Act (OIA), including the Pay Equity Dashboard at Appendix One. Information related to pay equity is withheld under section 9(2)(j) of the OIA to enable agencies to carry on negotiations without prejudice or disadvantage, and legally privileged information is withheld under section 9(2)(h).

Agree/ disagree.

Agree/ disagree.



Hon Chris Hipkins

**Minister for the Public Service**

Hon Jan Tinetti

**Minister for Women**

I'd like a weekly tracking report on pay equity claims, preferably in some sort of dashboard format, that contains the following:

1. Claim info (coverage, number of people, when lodged etc)
2. Current status (where in the process is it currently)
3. Recent progress
4. Next steps
5. Traffic light rating (green = on track, orange = slipping, red = needs intervention)

## Joint Report: Equal Pay Taskforce Progress Report April 2022 - May 2022

### Purpose of Report

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- 9 This report provides a high-level overview of progress on the Kia Toipoto and Pay Equity work programmes.

### Kia Toipoto - Public Service Pay Gaps Action Plan

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#### Working with Te Whakapiri to support the core Public Service and Crown entities to implement Kia Toipoto

- 10 The Equal Pay Taskforce (The Taskforce) is part of a stakeholder working group, Te Whakapiri,<sup>2</sup> which is developing and releasing Kia Toipoto guidance.
- 11 In March 2022, Te Whakapiri released guidance and delivered four workshops for agencies and Crown entities about Kia Toipoto and how to meet this year's equitable pay milestones. These milestones are ensuring bias does not influence starting salaries or salaries for the same or similar roles. 268 agency and Crown entity officials and union representatives attended these workshops.
- 12 In March 2022, Te Whakapiri also released guidance and held a workshop on how small agencies and Crown entities can implement Kia Toipoto. 49 agency and Crown entity officials and union representatives attended this workshop. The guidance and workshop emphasised how small agencies and entities can meet the Kia Toipoto milestones in a way that reflects their size. For instance, in small agencies and entities, quantitative data and measuring gaps will be less important, and qualitative information will be more important.
- 13 Te Whakapiri will release two sets of guidance in June to help agencies and Crown entities create and publish their first Kia Toipoto pay gaps action plans. Agencies will publish their plans by 15 November and entities by 31 December this year. By publishing these plans, they will be meeting the Kia Toipoto Te Pono | Transparency milestone.
- 14 The guidance for agencies updates previous guidance under the Gender Pay Gap Action Plan, to reflect Kia Toipoto. It includes advice on:
  - broadening the data agencies draw on to include ethnicity as well as gender
  - shifting to monitoring and embedding the work agencies have been doing over the last three years
  - extending work on gender balanced leadership to also include gender and ethnic balance in their leadership and their workforces.
- 15 The guidance for Crown entities recognises that they are creating their first action plans this year. It includes advice on:
  - measuring and analysing gender and ethnic pay and representation data

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- identifying and describing the key drivers of both their gender and ethnic pay gaps
  - reporting on their progress against the 2022 Kia Toipoto milestones and plans to meet the 2023 Kia Toipoto milestones.
- 16 We will hold five workshops in June for agencies and Crown entities on applying this action plan guidance, including a tailored workshop for small agencies and entities.
- 17 Te Whakapiri is developing new guidance to support agencies and Crown entities to meet the Kia Toipoto Te whai kanohi i ngā taumata katoa | Leadership and Representation milestone. Agencies and entities are expected to have plans and targets by the end of 2022 to improve gender and ethnic representation in their workforce and leadership, particularly representation of wāhine Māori, Pacific women, and ethnic women in leadership.
- 18 The Taskforce’s new Manager Stakeholder Relationships is supporting Te Whakapiri to develop a suite of new communications messages and content that can be used across agency and union channels. These messages aim to raise the profile of Kia Toipoto and the work that agencies and Crown entities are doing to close gender, Māori, Pacific, and ethnic pay gaps.
- 19 Te Whakapiri is convening a Pacific peoples’ subgroup to strengthen the connection Te Whakapiri has with the PSA Pasefika Network and to facilitate the network’s input to our work.
- 20 Te Whakapiri is developing the remainder of its work programme for 2022, which will include guidance on:
- developing guidance for entities on removing all forms of bias from remuneration and human resources policies and practices
  - identifying targeted initiatives to increase Māori, Pacific, and ethnic diversity in workforces and in leadership.

### **Working with Manatū Wāhine to influence change in the wider economy**

- 21 The Taskforce will continue working with Manatū Wāhine to take the next steps implementing the Women’s Employment Action Plan.
- 22 The Taskforce will also continue working with Manatū Wāhine to support the development of MBIE’s pay transparency work programme. The Taskforce will be sharing the gender and ethnic pay and representation data published annually by Te Kawa Mataaho and the additional transparency initiatives that are part of Kia Toipoto.

### **Invitation to the Minister for Women to meet with Te Whakapiri**

- 23 Te Whakapiri is delighted to welcome the Minister for Women to its hui on 2 August. We will brief the Minister prior to this hui. Te Whakapiri will also welcome the Chief Executive of Manatū Wāhine to one of its upcoming regular hui.

## Pay Equity Work Programme

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### **Central Agencies Governance Group (Governance Group) meets fortnightly, and as required to respond to urgent timebound work**

- 24 The Governance Group provides advice to parties and assurance to Ministers that pay equity claims in the Public Sector progress in line with the process set out in the Equal Pay Act 1972. The Governance Group also meets as required to respond to urgent work with system-wide implications, or where precedent setting aspects of the legislation are being tested.
- 25 The pay equity Dashboard (Appendix One) provides a snapshot of the 23<sup>3</sup> current claims, including our high-level estimate of timing of claims through to September 2023.

### **Pay Equity Ministerial Oversight Forum on 29 June**

- 26 This is the first tripartite Forum in 2022 between Ministers, officials, and unions. The meeting is an opportunity to discuss current pay equity issues and what implications these issues have for the system as a whole. It is also a chance to focus on the sustainable future of pay equity in Aotearoa.
- 27 The Taskforce and union officials will prepare joint papers to support this meeting.

### **Interviewing male dominated comparator workforces for use in pay equity claims**

- 28 The Taskforce has initiated a project to proactively interview male dominated comparator workforces using the Te Orowaru tool. Information gathered through these work assessments will be made available for use in future pay equity claims.
- 29 The Taskforce has received strong support from Public Service and private sector organisation chief executives to participate in this initiative however due to current workload and staffing pressures, the organisations have not yet been ready for us to conduct interviews with their staff. We anticipate being able to start interviewing shortly.
- 30 In addition to approaching organisations directly, we have been working with sector associations (e.g., the Association of Consulting & Engineering) and through forums such as Champions for Change, to profile this and other Pay Equity initiatives, and encourage their participation.

### **Pay equity in the Funded sector**

#### ***Taskforce is working on a validation process with parties to the NGO social worker claim***

- 31 This will be the first claim to settle under the Funded Framework. The Taskforce is working with parties to carry out a validation process, which enables employees and employers in the wider social sector to look at the assessment undertaken in the current NGO claim and

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<sup>3</sup> This includes one private sector claim for Local Government Library Assistants and four Funded sector claims. Private and Funded sector claims do not go to the Central Agencies Governance Group.

decide whether their own work is the same or substantially similar to the work described in the NGO claim.

- 32 The validation process is used to gather data on the number of people and therefore the potential cost of extending the benefits of this claim to the wider funded sector. The validation process will be delivered through four webinar engagements with employers and employees across the NGO sector on 1 and 2 June 2022. The webinars will be delivered in collaboration with Social Service Providers Aotearoa (SSPA) for employers and the PSA for employees.
- 33 Following the webinars, attendees will be sent a short survey asking whether they endorse the work assessment completed for the current claim in relation to their own work and/or the work of their employees. If the majority of respondents to this survey endorse the work assessment and judge that it accurately and fairly represents the work they also do within their organisations, Te Kawa Mataaho will proceed to gathering further information about the sector to inform cost modelling for inclusion in a Cabinet paper seeking agreement for extension of the current claim.
- 34 The validation process is scheduled to be complete by the end of July with a Cabinet Paper expected in August 2022.

#### ***Pay Equity for Care and Support workers***

- 35 Taskforce advice and expertise has been sought by both unions and employers to understand options and processes that are open to them for a longer-term solution once the Care and Support (Pay Equity) Settlement Act 2017 expires.
- 36 The Taskforce is currently providing practical support to step parties through the claims process, including the Funded Framework process which is available to them should they choose to utilise it. The Funded Framework would allow for a pay equity claim to progress for the sector without needing to be raised in each single employer. The parties have the option instead to engage in the validation process outlined at milestone 3 (work assessment). This gives the wider sector a chance to examine and input into whether the work described in the work assessment process undertaken by the parties accurately reflects their work.
- 37 The Taskforce will then collate this information for Ministers who will consider whether to extend the benefits of settled claim more broadly across the wider funded workforces.

#### **Understanding the long-term impact of Pay Equity settlement**

- 38 The Taskforce has completed an RFQ process and commissioned Research New Zealand to conduct a baseline survey as part of a longitudinal research project looking at the impact of pay equity settlements. The study will be conducted within the employer and employee groups party to the current NGO claim.
- 39 This research, mandated by Cabinet as a new milestone 7 as part of the Funded Framework will help us better understand and provide evidence on how pay equity settlement effects workers, employers, and the wider workforce over time. This study will also help to uncover any unintended outcomes from pay equity settlement and to what extent pay equity settlements are contributing to the Government's goal of eliminating gender and ethnic pay gaps.

### **Equal Pay Act 1972 50<sup>th</sup> anniversary**

- 40 The Taskforce is taking a driving role in coordinating an inter-agency working group to commemorate the 50<sup>th</sup> anniversary of the Equal Pay Act 1972 (the Act). The working group will be overseen by Chief Executive Grainne Moss and Chief Executive Kellie Coombes. The group consists of representatives from Ministry for Women, National Library, Ministry of Culture and Heritage and Ministry of Business, Innovation and Employment.
- 41 The purpose of the working group is to collectively develop and align commemorative activities with the goal of highlighting the significance of the Act. The anniversary will also be an opportunity to promote the journey undertaken to develop the Act, the work currently underway to eliminate systemic sex-based pay undervaluation, and the overall positive impact the Act has had to women in the workforce.

### **Individual pay equity claims guidance**

- 42 The first individual pay equity claim was raised in the health sector and has sparked the need for accessible pay equity guidance tailored to non-unionised individuals. The Taskforce is currently developing guidance designed to ensure non-unionised employees have information on how to raise a pay equity claim in an easy-to-read format using plain language. This guidance will be an important step forward in providing individuals with the tools to access the pay equity process.

### **Update on current Pay Equity Claims**

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#### **Teachers' Claim (NZIE/PPTA)**

- 43 The Secretary of Education has now signed the Multi-Employer Pay Equity Process Agreement (MEPA) for this claim. The MEPA, like a Terms of Reference sets out how the employer parties will work together during the claim process.
- 44 A steering group has been established for the Early Childhood Education (ECE) employers and a Chair and Deputy Chairs for the group have now been endorsed.
- 45 The next milestone for this claim is the completion of the employers' bargaining strategy which constitutes Milestone 2 of the Funded Framework. The Ministry of Education aims to send the bargaining strategy to all of the employer parties for endorsement in June/July. At the completion of the bargaining strategy, the Bargaining Process Agreement will be finalised and agreed with unions, aiming for agreement in August.
- 46 In addition, Taskforce is currently working with the Ministry of Education and the Treasury to develop a cabinet paper seeking an early in-principle agreement to fund the ECE parties to the claim at Milestone 1 of the amended Funded Framework. This paper is expected to be lodged in early August 2022.

### **Administration workers in schools (APEC) (NZEI) and Kaiārahi i te reo (KPEC) (NZEI)**

- 47 The APEC and KPEC claims are to go out for ratification on June 1 and June 20 respectively, and we expect the ratification process to be finished in early July, making these claims the next to be settled under the Equal Pay Act 1972 (as amended in 2020).
- 48 These claims progressed slower than expected at the final stages of settlement bargaining because of the unresolved issue of back pay. In March 2022 NZEI lodged proceedings in the ERA seeking a payment for past work by arguing that the effective date should be when the claim was raised. The ERA directed parties to mediation on 13 April. Through mediation parties reached an agreement in principle on an effective date of 20 August 2021, which is when parties agreed that there was sex-based undervaluation.
- 49 The Ministry of Education (MoE) has sought an additional operating contingency from Cabinet to reflect the agreed terms of settlement between the parties.

### **Other claims in the education sector (NZEI)**

- 50 The remaining education sector claims continue to progress well. The claims for Service Managers and Psychologists are at Milestone 2 (initial bargaining strategy) and Education Advisors, Therapists, Science Technicians, Librarians and Library Assistants are at milestone 3 (work assessment check in). We expect these claims to come to CAAG between June and September 2022.

### **District Health Board (DHB) claims for Administration and Clerical and Nurses and Midwives (MERAS/NZNO/PSA)**

#### **DHB Administration and Clerical claim (PSA)**

- 51 The Administration and Clerical claim was ratified on 16 May 2022 – the first claim to settle under the Equal Pay Act 1972 (as amended in 2020). The Ministry of Health has lodged a Cabinet paper seeking increased contingency and drawdown of contingency for the DHB Administration and Clerical settlement.

#### **DHB Nurses claim (NZNO and PSA)**

- 52 The Governance Group and the Crown Law Office endorsed the Nurses Milestone 6 report and draft proposed Settlement Agreement on 7 April 2022.
- 53 Nurses however have voted not to proceed to ratification on the draft proposed Settlement Agreement (mainly on the issue of back pay which was set out in the signed terms of settlement document by DHBs and unions in the September 2021, that stipulated back pay to 31 December 2019) but instead support the NZNO filing in the Employment Relations Authority (ERA). On 27 May the NZNO filed in the ERA. The PSA is also supporting the NZNO's proposed action.

### **DHB Midwives claim (MERAS and NZNO)**

- 54 Negotiations with MERAS and NZNO on the midwives' claim are ongoing with a continued focus on trying to reach agreement on comparators to be used in final analysis. MERAS continues to reserve their right to resume their action regarding comparators in the Authority.

### **DHB Librarians and Interpreters claim (PSA)**

- 55 The parties will build on the assessment work already undertaken for the claimant groups as part of the Administration and Clerical claim and commence a new comparator selection and assessment process. It's hoped this claim will progress quite quickly to settlement by mid-2022.

### **DHB Allied Technical Claim (PSA/APEX)**

- 56 This claim is progressing and parties have successfully trialled a shortened online survey using the Te Orowaru questionnaire to gather claimant work information. This was tested on the Pharmacy workforce, and a second tranche of interviewing of medium-sized occupations will begin shortly. This will be followed by smaller sized occupational groups.
- 57 The next step for this claim is to report to the Governance Group starting in mid-2022, with a series of milestone 3 papers as parties work through the work assessment in tranches. They will also update on potential comparators and TAS has signalled that they could include settled nursing roles and male comparator data from the centralised data repository.

### **Individual Pay Equity claim Human Resources Consultant (Lakes DHB)**

- 58 The claimant wants to use a private sector comparator for the work assessment phase so is waiting until this data is available. It is expected that this claim will progress quickly once a comparator has been agreed and will come to CAAG for Milestones 3, 4 and 5 in the third quarter.

### **Local Government claim for Library Assistants (PSA)**

- 59 In 2019 a pay equity claim was raised by the PSA for Library Assistants in Auckland, Hamilton, Christchurch, Dunedin, Tauranga, and Wellington City Councils. In 2020, they signed a bargaining process agreement in order for their claim to effectively transition when the amendments to the Equal Pay Act were passed in Nov 2020. 9(2)(ba)(i) confidential with prejudice

Since the publication of Te Orowaru by the Taskforce the parties have made some progress to agreeing to progress the claim with this work assessment tool. In light of this progress the Councils asked for an information and education session on the pay equity process and Te Orowaru to be delivered by the Pay Equity Taskforce. This was delivered on the 26 May and well received by the employer group. The Taskforce offered ongoing support and advice if required by the parties.

**Public Sector Admin Clerical Claims (Claim 1 and Claim 2)**

60 These claims are progressing well, and the Joint Claim Team is looking to draw on the experience of settled admin clerical claims in the health and education sectors, including using their claimant roles as potential comparators. This would mean these claims may be completed earlier than originally thought. These claims will come to the Governance Group Milestone 3 in the second quarter of this year.

**Upcoming consultation and engagement**

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<b>Date</b>	<b>Details</b>	<b>Location</b>
1 and 2 June	<b>Validation Webinars for Employers in the NGO Community Social Services Sector</b>	Virtual
1 and 2 June	<b>Validation Webinars for Employees in the NGO Community Social Services Sector</b>	Virtual
14,15,16,20, and 23 June	<b>Kia Toipoto Guidance Workshops Development Pay Gaps Action Plan</b>	Virtual

Appendix One - Pay Equity Dashboard	Raise		Plan	Assess	Settle				
	Collective Agreement Expires ●								
Sector- Workforce	Apr-Jun 2022	Jul-Sep 2022	Oct-Dec 2022	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep2023			
<b>Education</b>									
Administration Staff in Schools (APEC) (5,663 FTE)									
Kaiarahi i te Reo (KPEC) (48 FTE)									
Kōhanga Reo Kaiako (Unknown)									
Librarians (960 employees)									
Psychologists (130 employees)									
Science Technicians (307 employees)									
Therapists (670 employees)									
Service Managers (85 employees)									
Education Advisors (180 employees)									
Teachers (approx. 100,000 certified teachers, including ECE)		●							
<b>Funded</b>									
NGO Non-Social Worker Staff (160 FTE)									
NGO Social Workers (400 FTE)									
Te Whakaruruhau Ltd (36 employees)									
<b>Health</b>									
DHB Nurses (24,348 FTE)									
DHB Allied and Technical Workers (10,140 FTE)									
DHB Librarians and Interpreters (200 FTE)									
DHB Midwives (1,084 FTE Dec 2021 Cab Paper 1,378 FTE)									
HR Specialist - Lakes DHB (individual claim)									
<b>Private Sector</b>									
Local Government Library Assistants (unknown)									
<b>Public Sector</b>									
Public Sector Admin and Clerical Workers (11,412 employees)									
Specialist Customer Support Workers (4,649 employees)									
<b>Public Service</b>									
Corrections Probation Officers (1, 398 FTE)									
Corrections Psychologists (187 FTE)									