



Te Kawa Mataaho
Public Service Commission

Date: 2 August 2022 **Security Level:** IN CONFIDENCE

Report No: 2022/0138

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	Actions Sought	Due Date
Hon Jan Tinetti, Minister for Women		None

Enclosure: Appendix One: Overview Pay Equity in Aotearoa New Zealand

Minister's Office Comments

Comments:

Date returned to Te Kawa Mataaho:	
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Executive Summary

Public Service Pay Gaps Work Programme

- 1 The Equal Pay Taskforce (The Taskforce) is part of a stakeholder working group, Te Whakapiri,¹ that developed [Kia Toipoto](#). Over the last two months Te Whakapiri has:
 - released guidance and delivered workshops for agencies and Crown entities on how to create their first Kia Toipoto pay gaps action plan. By publishing these action plans by the end of this year, agencies and Crown entities will meet the Kia Toipoto transparency milestone
 - held five workshops for agencies and Crown entities on applying this guidance, including a tailored workshop for small agencies and entities. 208 agency and Crown entity officials and union representatives attended these workshops.
- 2 Over the next two months Te Whakapiri will:
 - 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
 - begin to review the recruitment and career progression guidance, developed under the Public Service Gender Pay Gap Action Plan (GPG Action Plan).

Pay Equity Work Programme

- 3 The Taskforce is preparing a paper for consideration at the Ministerial Oversight Group on State Sector Employment Relations (MOGGSER) on 10 August 2022. You will be provided with an Aide Memoire on 8 August with supporting information for this meeting.
- 4 Following the Pay Equity Ministerial Oversight Forum on 29 June 2022, the Taskforce is working with government agencies and unions to develop the Terms of Reference and supporting structures that will facilitate flow of key information and issues to the Forum.
- 5 The Taskforce is preparing advice to Cabinet regarding the potential to extend the benefits of the settled NGO social worker pay equity claim to all social workers doing the same or similar work. This is the first time the Funded Framework has been used to extend the benefit of a settled claim more broadly.
- 6 The Care and Support Worker claim is in the preparation stage with The Taskforce providing advice and education regarding the pay equity process and establishing an appropriate oversight structure for the claim.

¹ Te Whakapiri is made up of the Taskforce, Te Kawa Mataaho Diversity and Inclusion team, 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 rainbow, disabled and pan-Asian employee-led networks.

- 7 9(2)(ba)(i) confidential with prejudice
[REDACTED]
- 8 The Taskforce is currently working on developing and improving several pieces of reporting collateral in the form of a weekly tracker and a high-level dashboard.

Recommended Action

We recommend that you:

Note the progress being made by the Equal Pay Taskforce and note that a copy of this Report is forwarded to Minister Hipkins' office for his information and record.

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). Information related to current pay equity claims 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.

Hon Jan Tinetti

Minister for Women

Joint Report: Equal Pay Taskforce Progress Report for June and July 2022

Purpose of Report

- 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

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

- 10 In June 2022, Te Whakapiri released two sets of guidance 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.
- 11 To support the release of the guidance, Te Whakapiri held five workshops for agencies and Crown entities on applying the action plan guidance, including a tailored workshop for small agencies and entities. 208 agency and Crown entity officials and union representatives attended these workshops.
- 12 Te Whakapiri is developing new guidance to support agencies and Crown entities to meet the Kia Toipoto Te whai kanohi | ngā taumata katoa | Leadership and Representation milestone: that by the end of 2022 agencies/entities have plans and targets to improve gender and ethnic representation in their workforce and leadership.
- 13 The leadership and representation guidance:
 - reflects the aims of the Public Service Act 2020 to develop a Public Service workforce that reflects the diversity of the society it serves
 - emphasises addressing under-representation of wāhine Māori, Pacific women, and women from ethnic communities in leadership
 - focuses on sustainable change
 - recognises that agencies/entities have different existing representation profiles, sizes, and contexts, and therefore recommends taking a staged and tailored approach
 - includes recommended actions from existing recruitment and career progression guidance (developed under the GPG Action Plan).
- 14 We will release the guidance in August and hold further workshops to support implementation for agencies and Crown entities.
- 15 Te Whakapiri is progressing the development of a suite of new communications messages and content pieces that can be used across agency and union channels. The creative brief for this project has been drafted by the external agency engaged to undertake this work, and it will provide concepts to Te Whakapiri in early August.

- 16 The Taskforce is working with your office to find a suitable date for you to attend a hui with Te Whakapiri.

Engagement South Australian Office for Women

- 17 On 4 July, the Taskforce met with officials from the South Australian Office for Women, Community & Family Services, who are beginning to develop a plan to address gender inequality. We provided an overview of the establishment, rationale, and processes of the Equal Pay Taskforce.

Next Steps

- 18 Over the next two months the Taskforce will:
- begin work with Te Whakapiri to review the existing recruitment and career progression guidance
 - engage with agencies and entities which have not attended our workshops to identify any support they may need with implementing Kai Toipoto
 - continue to support agencies and entities to develop their first Kia Toipoto action plans
 - briefly update Crown entity board chairs on progress on Kia Toipoto at their annual meeting on 11 August 2022.

Pay Equity Work Programme

Pay Equity on the 10 August MOGSSER agenda

- 19 There is one pay equity items on the agenda at this meeting. The agenda item is:
- a) *Impacts of extending the NGO social work claim in the Funded sector*
On 4 July Cabinet directed The Taskforce to report to MOGSSER Ministers on the potential impact of the extension of the NGO social worker claim settlement on other pay equity claims [SWC MIN 22-0117 refers]. This paper provides an overview of how the extension process for NGO social workers is tracking and details the anticipated impacts of the extension process.
- 20 We will prepare an Aide Memoire to support you at MOGSSER and work with officials from your office leading up to this meeting.

Improving reporting for Ministers

- 21 The Taskforce is currently working on improvements to our reporting framework and will be streamlining the activity around pay equity into three key documents:
- a) “The Overview: Pay Equity in Aotearoa New Zealand” which will be updated regularly and provided to Ministers at MOGGSER and the Ministerial Oversight Forum.
- b) The “Pay Equity Dashboard” which will be redesigned to produce a full and informative picture of all pay equity claims.
- c) The most recent addition, the “Weekly Tracker for Pay Equity Claims” (the Tracker).

- 22 The Tracker has been commissioned by Minister Hipkins with the purpose of gaining a 'real time' line of sight into the progress of pay equity claims. The Tracker will include relevant claim information, highlighting current status, recent progress, next steps, and a traffic light rating indicating risk areas and proposed mitigation actions. The Tracker is anticipated to be ready in early August and will also be copied to your office for your information.

Pay Equity Ministerial Oversight Forum

- 23 Following the Ministerial Oversight Forum on Pay Equity (Ministerial Forum) held on 29 June 2022, Gráinne Moss, Chief Executive/System Lead, Pay Equity has reached out to key chief executives to ask them to represent the Health, Education and the Public Service sector as required on the Ministerial Forum.
- 24 The working group which will sit underneath the Ministerial forum, the pay equity oversight committee, (oversight committee) is being established by the Taskforce which will manage and run the committee. It will have four CTU representatives, four sector representatives and two Taskforce members.
- 25 The Taskforce has circulated updated terms of reference for the Ministerial Forum and Oversight Committee for feedback. These will be brought back to the next meeting in September for formal sign off.

System-wide guidance

- 26 Work is currently being undertaken on a number of pay equity resources. The first of these is guidance for navigating collective bargaining and its interface with pay equity claim processes is complete and will be distributed directly to employment relations and pay equity practitioners in the Public Service. This guidance will help practitioners provide consistent advice in line with legislation that preserves the integrity of both the collective bargaining and pay equity bargaining processes.
- 27 Guidance for individuals wishing to raise a pay equity claim is also complete and awaiting publication on our website.
- 28 Guidance targeted at potentially vulnerable migrant populations explaining the core concepts of pay equity and the right to raise and work through a pay equity process is under development and will undergo consultations with key stakeholders in the next month.

Interviewing male dominated comparator workforces for use in pay equity claims

- 29 The first set of interviews for the proactive comparators project began on 21 July. People working in four different male-dominated roles at Inland Revenue are being interviewed, with NZEI Te Riu Roa and the PSA working with us to undertake quality assurance, before the resulting data is provided to the Pay Equity Claims Data and Information Repository hosted by MBIE. Land Information NZ and the Ministry for the Environment have also identified male-dominated roles for interviewing as part of this project.

- 30 The Taskforce continues to receive support for this project from the organisations it approaches. However, due to staff being on wellness leave and continuing workforce shortages, many have indicated that they will not be able to make people available for interviewing until later in the year.
- 31 The Taskforce is continuing to make presentations to associations and organisations about this project and the wider equal pay and pay equity related work underway. This has included a webinar for members of the Association of Consulting & Engineering and the Diversity Agenda, and a presentation for staff working with Transpower. It has also met with the Recruitment, Consulting & Staffing Association to look at current recruitment practices and how they can be refined to help address pay gaps and inequities. We will work with Manatū Wāhine to progress such opportunities.

Pay equity in the Funded sector

Current claim social workers in five NGO organisations

- 32 The Taskforce continues to provide a high level of support to Oranga Tamariki and parties to the current claim for employees undertaking social work in five NGO organisations.
- 33 On 29 June 2022, Cabinet agreed to establish the Funded Sector Social Work tagged operating contingency to cover the Funding Agencies' (government agencies that fund the employer parties to the claim through contracts for service) increased costs (if they cannot be met from agencies' baselines) for the employers to settle the claim [Cabinet Minutes SWC-22-MIN-0117 and CAB-22-MIN-0251.01 refer].
- 34 This is a significant milestone in the progress of this claim. The parties are working to finalise the last details of their settlement agreement.
- 35 To date parties to the claim and Oranga Tamariki have been working well together and have experienced very positive interactions. 9(2)(ba)(i) confidential with prejudice
[Redacted text]

- 36 9(2)(ba)(i) confidential with prejudice
[Redacted text]

Potential extension of the benefits of the current claim to the wider NGO sector

- 37 The Taskforce is currently preparing advice to Cabinet regarding the potential to extend the benefits of the current pay equity claim in the NGO sector to all social workers doing the same or similar work to those covered in the original claim. This is the first time the Funded Framework has been used to extend the benefit of a settled claim more broadly.

- 38 The paper will also outline the anticipated cost to the Crown to deliver a pay correction to all employees undertaking social work in the Funded Sector and provide Ministers advice regarding the recommended implementation option for delivering the funding to employees. This is a complex piece of work and requires a high level of collaboration across government agencies as it works through the complexities of multiple contracting and service agreement types.
- 39 The Taskforce is currently engaged in two significant pieces of work to support the development of this advice. These are:
- a) *Data collection*
Key data is being gathered from employers throughout the sector to understand the number of people potentially covered by an extension and their current contracting arrangements with government funding agencies.
 - b) *Implementation options planning*
The Taskforce is currently planning a workshop with funding agencies and key stakeholders including the PSA and Social Service Providers Aotearoa to develop a robust and efficient implementation option for recommendation to Cabinet.
- 40 It is anticipated that this Cabinet paper will go to the Social Wellbeing Committee in October following the Oranga Tamariki paper seeking to draw down funding from the Funded Sector Social Work tagged operating contingency for funding the settlement in the five organisations.
- 41 We will work with your office to brief you on this work in August.

Care and Support workers

- 42 The Taskforce has been supporting parties to the Care and Support Worker Pay Equity Claim to get set up and ensure they are well informed about the pay equity process and what will be required. Two half day workshops have been arranged to train the union and employer parties, as requested on the pay equity process, and running a claim. These workshops will run in August and will be followed by a full day workshop to train interviewers for the claim.
- 43 The Taskforce has also been supporting Funding agencies to set up the oversight and support function for the claim as per the Funded Framework. This function is now agreed and will involve the core funding agencies who fund the care and support workforce as per the Funded Framework as well as Gráinne Moss as CE system lead to support the oversight of a large and complex claim.

Understanding the long-term impacts of Pay Equity settlements

- 44 On 13 July 2022, Research New Zealand launched the first survey as part of a longitudinal research project looking at the impact of pay equity settlements. Both employers and employees have been encouraged to engage in the survey.

- 45 Survey uptake is progressing steadily with the response rate currently sitting at 66% for the employee survey. Four of the five employers have completed the survey. The survey will continue to be promoted for engagement this month.
- 46 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 settlements effect workers, employers, and the wider workforce over time. Data from the survey aims to help 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 50th anniversary

- 47 The Taskforce has progressed the planning for the Equal Pay Act 1972 50th anniversary and has now developed workstreams within the inter-agency group.
- 48 The workstreams are split into three key areas. These are:
- building the communications strategy to roll out national awareness of the anniversary.
 - planning an event which will include a panel to mark the anniversary date on 20 October.
 - developing an eLearning module in partnership with the National Library that will serve as an educational tool to last beyond the commemoration.

Update on current Pay Equity Claims

Teachers' Claim (NZIE/PPTA)

- 49 The Ministry of Education has completed the Employers' Bargaining Strategy which constitutes Milestone 2 of the Funded Framework. This was endorsed by the Central Agency Governance Group (CAGG) on 21 July. The next step they are undertaking is to complete the Bargaining Process Agreement with unions.
- 50 In addition, the Taskforce is working with the Ministry of Education and the Treasury to develop a cabinet paper seeking an early in-principle agreement to fund the Early Childhood Education parties to the claim at Milestone 1 of the amended Funded Framework. This paper is expected to be lodged in late August 2022.

Te Whatu Ora Administration and Clerical claim (PSA)

- 51 Implementation of this settlement, signed on 7 June, is underway and will take about three months to complete. Lump sum payments are being made and the translation and appeals process has commenced as planned.

Te Whatu Ora claim (NZNO and PSA)

- 52 NZNO, PSA and nurses have filed a statement of problem in the Employment Relations

Authority seeking a determination on three issues:

- a. the fixing of pay equity remuneration - the unions assert an agreement has not been reached on rates, specifically for senior nursing roles
 - b. a pay review process, and
 - c. the interpretation, application, and operation of the nurses' employment agreement (MECA), pursuant to the Employment Relations Act 2000. Specifically, that the nurses are entitled to have their pay equity rates (when settled) back dated to 31 December 2019, after deduction of any early pay equity payments or further base salary adjustments.
- 53 The Authority has set aside 1 to 4 November for the hearing on fixing remuneration and the review process and 22 to 25 November for contingency hearing dates. The parties have applied for the issue of back pay to be removed to the Employment Court as this is a contractual matter.
- 54 The parties have met twice for mediation. 9(2)(ba)(i) confidential with prejudice
[REDACTED]
[REDACTED]
- 55 The outcome of the Authority's and Court's processes and determinations on the unions' claims will have implications for other existing and future pay equity claims in the health sector, and in the wider public sector more generally.

Te Whatu Ora Midwives claim (MERAS and NZNO)

- 56 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. 9(2)(ba)(i) confidential
[REDACTED]
[REDACTED] This claim is currently impeded from progressing and reaching a final settlement, as the unions are awaiting the results of ongoing legal proceedings of the nurses' claim.

Te Whatu Ora Allied Scientific and Technical Claim (PSA/APEX)

- 57 The Allied Claim is expected to come to the CAGG in September for Milestone 3 (the work assessment phase of the claim). Parties will bring a series of papers for this Milestone, which is being done in tranches and will begin with five large occupation core roles. The CAGG will also receive an update on potential comparators, noting that at this stage they intend to use settled nursing roles.
- 58 On 1 July, the 20 DHBs became one employer, Te Whatu Ora – Health NZ (Te Whatu Ora). Parties to the claim, Te Whatu Ora, PSA and APEX and are currently working together on a Memorandum of Understanding (MoU) which outlines how the parties will progress the claim. The MoU is a commitment agreed as part of the recommendations from the Employment Relations Authority on 29 April 2022, and forms part of the facilitation process for collective bargaining for this workforce.
- 59 The Taskforce is providing advice to the Ministry of Health in the development of this MoU. The MoU will also go to the CAGG for their endorsement.

Local Government claim for Library Assistants (PSA)

60 Since the Taskforce delivered an education session on the pay equity process and Te Orowaru in May 2022, only a small amount of progress on this claim has been made. ^{9(2)(b)(i)}

_____ The PSA has arranged with the Taskforce a training session where the council and union representatives can be trained on pay equity interviewing.

Department of Corrections claims for Probation Officers (PSA/NUPE) and Psychologists (PSA)

61 9(2)(ba)(i) confidential with prejudice _____ Both claims should be coming to the CAGG for Milestone 2 (Initial Bargaining Strategy and Terms of Reference). These claims are progressing in parallel at this stage.

Anticipated claims

62 The Taskforce has been advised it is likely that there will be pay equity claims raised this year for:

- Care and support coordinators/ service managers (Funded sector)
- Vet nurses (Private sector)
- Allied workforce (Funded sector)

Upcoming consultation and engagement

Date	Details	Location
August TBC	Workshop on pay equity process for care and support claim parties	Online
August TBC	Workshop on pay equity process for care and support claim parties	Online
11 August	Implementation options workshop with funding agencies, parties, and stakeholders.	Online
10 August	Education on pay equity for Transpower employee diversity network/raranga	Online/in person
18 August	Workshop on interviewing for Local Government Library Assistants claim	Online
Late August	Kia Toipoto Workshops	TBC

Overview: Pay equity in Aotearoa New Zealand

Claims by status

Progressing well



- Education – Science technicians
- Education – Librarians/Library assistants
- Education – Advisors
- Education – Administration support
- Education – Psychologists
- Education – Therapists
- Education – Service manager
- Education – Teachers
- Funded sector – NGO social workers
- Funded sector – Kindergarten admin
- Public Service – Admin and clerical (claims 1 and 2)
- Funded Sector - Care & Support

9(2)(ba)(i) confidential with prejudice



- Corrections – Psychologists
- Corrections – Probation Officers
- DHB Midwives
- DHB Allied & Technical
- DHB Interpreters & Librarians
- HR Specialist (Lakes DHB – individual claim)
- Local Government – Library Assistants
- Funded Sector – NGO non-social workers
- Funded Sector – Te Whakaruruhau
- Funded Sector – Kōhanga reo

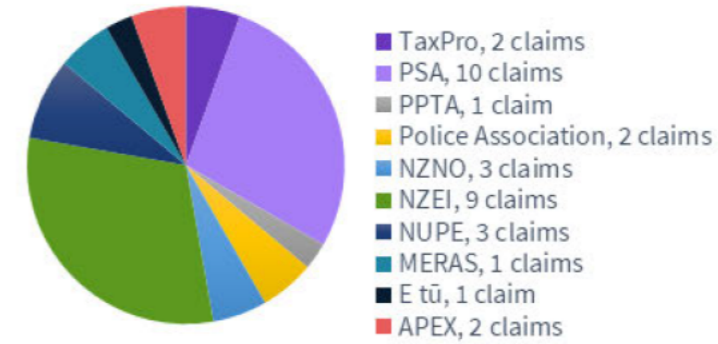
Settled



- Kaiārahi i te reo (2022)
- Education - Admin & Clerical (2022)
- DHB Admin & Clerical (2022)
- Education – Teacher aides (2020)
- Education - support workers (2018)
- Oranga Tamariki – social workers (2018)
- Care & Support workers (2017)

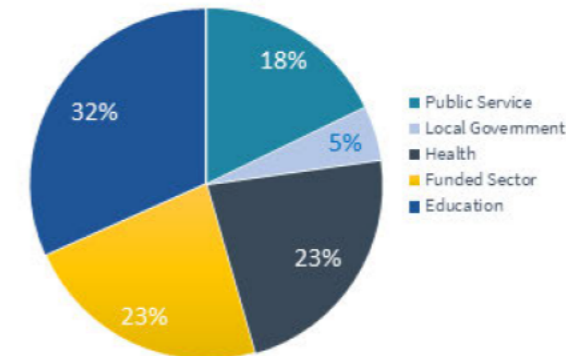
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Active claims by union*



*More than one union may be involved in any one claim

Active claims by sector



Settled claims since 2017

Year	Worker Group	Workers	Average Increase in Rate
2017	Care & Support workers (E tū/PSA)	60,000	27%
	Oranga Tamariki social workers (PSA)	1,300	30.6%
2018	Education support workers (NZEI)	500	26.3%
	Teacher Aides (NZEI)	22,000	30%
2020	DHB Admin & Clerical (PSA)	10,000	23.7%
	Education Admin & Clerical (NZEI)	11,000	22%
2022	Kaiārahi i te reo (NZEI)	75	79%
	(Additional 2022 claims)	-	-

Total no. of workers: **104,875** Total % average increase in rate: **33.4%**

Settled claims due for review

