

Joint Report: Equal Pay Taskforce Progress Report for May and June 2023

Date:	6 July 2023		
To:	Hon Jan Tinetti, Minister for Women		
Action Sought:	Agree/ Disagree with recommendations	Due Date	13 July 2023
To:	Hon Andrew Little, Minister for the Public Service		
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Report No:	2023-0188		
Contact:	Nardine Sleeman, Manager, Gender, Māori, Pacific and Ethnic Pay ^{9(2)(a) privacy}  Amy Ross, Manager, Pay Equity Advice and Assurance ^{9(2)(a) privacy}		
Encl:	Pay equity landscape at as 3 July 2023	Priority:	Low / Medium / High
Security Level:	IN CONFIDENCE		

Minister's Office Comments

Comments:	
Date returned to Te Kawa Mataaho:	

Executive Summary

Ensuring a diverse, fair, and equitable Public Service

1. The Government's work programme to close pay gaps and achieve pay equity is primarily progressed through two cross-agency collaborative taskforces: the Equal Pay Taskforce, and the Pay Equity Taskforce.

Equal Pay Taskforce - Public Service Pay Gaps Work Programme

2. The Equal Pay Taskforce (EP Taskforce) is the co-chair of the Kia Toipoto stakeholder working group, Te Whakapiri.¹ Over the last two months Te Whakapiri has:
 - developed the Māori, Pacific and ethnic pay gaps work programme
 - met with the Advisory Group on Ensuring Equity in the Public Service
 - published recruitment guidance
 - released videos on our recruitment and career progression guidance
 - supported the Public Service Association's (PSA) Rūnanga o Ngā Toa Awhina (Te Rūnanga) to discuss Kia Toipoto at a hui for candidates in the Tamaki Makaurau electorate.
3. Additionally, the EP Taskforce has:
 - reviewed Crown entities' first Kia Toipoto action plans
 - provided advice on the Cabinet paper 'Development of a Pay Transparency System – Phase One'
 - met with the Human Resources Committee of Universities NZ.
4. During July and August Te Whakapiri will:
 - begin to develop the detailed workstreams and implementation plan of the Māori, Pacific and ethnic pay gaps work plan – ongoing through July/August
 - provide feedback to Crown entities on their Kia Toipoto action plans – July
 - provide feedback to Public Service agencies on their action plans – July
 - run question and answer sessions on the recruitment guidance and career progression guidance – August
 - present with Te Rūnanga on Kia Toipoto at the Council of Trade Unions (NZCTU) women's conference on 7 July 2023.

Pay Equity Work Programme

5. There are now 27 active pay equity claims across the economy. This number reflects a reduction in the overall number of claims since the Equal Pay Taskforce Progress Report for February and March 2023 [PSC 2023-0139 refers] due to two claims (General Practice Education Programme (GPEP 1) Trainees and Te Whatu Ora House Officers) being deemed "not arguable".

¹ Te Whakapiri is made up of the EP Taskforce, Te Kawa Mataaho Diversity and Inclusion team, Te Rūnanga o Ngā Toa Āwhina (the PSA Māori Network), the PSA, Manatū Wāhine, Te Puni Kōkiri, the Ministry for Ethnic Communities, the Ministry for Pacific Peoples, Whaikaha Ministry of Disabled Peoples, and members of Rainbow, disabled and pan-Asian employee-led networks.

6. The Funded Sector continues to be the largest area of growth in the number of claims, with the recent addition of a claim for workers in residential schools.
7. The Pay Equity Taskforce provides advice and support across the system to ensure all claims progress in adherence with the Equal Pay Act 1972.
8. With recent Cabinet approval to appropriate funding for the extension of the benefits of the settled pay equity claim for social work in the Funded Sector [CAB-23-MIN-0229 refers], the Pay Equity Taskforce is working with unions and peak bodies to ensure the learning from this process is captured for future application.
9. An independent review of the social work pay equity extension process alongside the findings of the Research New Zealand Rangahau Aotearoa study on the impacts of the original claim for social work, will provide a comprehensive body of knowledge regarding progress of pay equity in the Funded Sector and the impact on workers.
10. The Pay Equity Taskforce continues to work closely with unions to provide up-to-date system guidance that flexes to respond to changes and developments across the pay equity system. This work includes a review of Te Orowaru. Te Orowaru is the gender-neutral pay equity assessment toolkit developed by a working group of union and organisation pay equity practitioners, a cultural review working group, and the Pay Equity Taskforce. The review will identify any improvements to this tool following its initial application across claims since its publication.

Recommended Actions

We recommend that you:

- a **Note** the progress being made by the Equal Pay Taskforce and the Pay Equity Taskforce.
- b **Note** that the section of this report on Kia Toipoto will be forwarded to the Minister for Diversity, Inclusion and Ethnic Communities for her information and records.
- c **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

Agree/disagree



Hon Jan Tinetti

Minister for Women

Hon Andrew Little

Minister for the Public Service

Joint Report: Equal Pay Taskforce Progress Report for May and June 2023

Purpose of Report

11. This report provides Ministers with an update on progress for the Kia Toipoto and Pay Equity work programmes.

Kia Toipoto – Public Service Pay Gaps Action Plan

Implementing Kia Toipoto, the Public Service Pay Gaps Action Plan 2021 - 2024

Pay gaps action plans – Crown entities

12. Crown entities', tertiary education institutions' and non-public service departments' (entities) first Kia Toipoto action plans were due by 30 April 2023, so we can now assess the extent of uptake across entities. It is relevant whether entities must give effect to, or have regard to, the Government Workforce Policy Statement (GWPS) a key lever for driving action on pay gaps across the Public Service.²
13. There is a high degree of uptake of Kia Toipoto, demonstrating commitment across the sector to address pay gaps and workplace inequities.
- 84 percent of all entities have either published or are working on their Kia Toipoto plans
 - this includes 96 percent of Crown agents, which must give effect to the GWPS.
14. This means that 80 percent of all entity employees, around 63,000 people, are either covered by a plan or a plan in progress.
15. Uptake by tertiary education institutions (TEIs) has not been as high as other parts of the sector. So far, three out of 11 TEIs have engaged with us on their action plans. 88 percent of all other entities have either published or are working on a plan covering 98 percent of employees in this part of the sector.
16. To support and encourage uptake amongst TEIs, on 1 June, the EP Taskforce met with the Human Resources Committee of Universities NZ [reports MW 22-23 0308 and PSC weekly report dated 2 June 2023]. The EP Taskforce has also received advice from the Ministry of Education on engaging with Wānanga and will ensure it connects with relevant agencies to coordinate approaches.
17. The EP Taskforce has reviewed the Crown entity plans that have been published so far, and found that:
- the commitment to implementing Kia Toipoto and supporting a diverse workforce is visible across the sector
 - some entities, especially larger ones, are using comprehensive data analysis to inform their pay gaps strategies

² Note that coverage of Kia Toipoto does not yet include Te Pūkenga, Te Whatu Ora and Te Aka Whai Ora, and that school boards of trustees are excluded [report PSC 2023-0139 refers].

- identifying and addressing Māori, Pacific and ethnic pay gaps is less developed, partly reflecting the early stage of implementing Kia Toipoto, and data constraints for some entities
 - given the early stage of the work, the EP Taskforce was pleased to identify some exemplar plans.
18. The Public Service Commissioner will acknowledge the commitment entities have made and the progress that has been achieved so far at the Crown Entity Board Chairs Workshop on 2 August. The chairs were asked to undertake this work at the same event in 2021, before Kia Toipoto was launched.
19. Next, the EP Taskforce will provide high level feedback to entities as a group to support them to create more effective plans. The approach, which has been successful with agencies, is to highlight areas of strength and for growth, combined with guidance, group learning sessions, and responding to individual queries. The EP Taskforce will also continue to encourage and support entities which have not yet published their plans or implemented Kia Toipoto to do so.

Pay gaps action plans – agencies

20. The EP Taskforce will also provide feedback to some individual agencies on their 2022 Kia Toipoto action plans. While capability across agencies is generally high, in a few cases tailored feedback and support could lift a plan's quality. Agency action plans now have a wider audience under the broader scope of Kia Toipoto and serve as learning tools for entities and others who are starting work to close their pay gaps.
21. In 2022, Te Kawa Mataaho and Inland Revenue asked to combine their Kia Toipoto and Diversity and Inclusion (D&I) plans in one document. Given the synergies and overlap between the Kia Toipoto and D&I work programmes, this was approved, as long as the criteria for Kia Toipoto action plans were met. These agencies developed good combined plans and many other agencies would like to take a similar approach.
22. Therefore, following consultation with agencies and stakeholders, Te Kawa Mataaho will encourage agencies to develop combined Kia Toipoto and D&I plans in 2023 and expect them to do so in 2024. It will develop guidance and resources to support the development of robust combined plans. This only applies to Public Service agencies, as entities do not produce D&I plans for review by Te Kawa Mataaho.

Response to question from the Minister for the Public Service on the previous progress report

23. In feedback on the Equal Pay Taskforce Progress Report for February and March 2023 [PSC 2023-0139 refers], the Minister for the Public Service asked why the 15 November publication date for agency Kia Toipoto action plans for 2023 and future years was recommended, and how this date sits with reviewing entity action plans with a publication date of 30 April.
24. The 15 November publication date for agencies is the same as 2022 and similar to 2021, providing consistency. Agencies have told us they prefer a date later in the year to integrate this work with other planning and reporting cycles. The late April date is preferred by entities for similar reasons.

25. Different publication dates for these two groups enable the EP Taskforce to effectively support the development of each group's plans and to review the plans and provide feedback in a timely way. It also enables entities to refer to agencies' most recent plans, which may reflect evolving approaches, as up-to-date examples of good practice. The EP Taskforce is happy to provide further information.

Māori, Pacific and ethnic communities' pay gaps work programme

26. Te Whakapiri has now developed the Māori, Pacific and ethnic communities pay gaps strategy and work plan: it prioritises closing Pacific and Asian pay gaps. Slower progress on these gaps was clear in the 2022 Public Service workforce data, emphasising the need to continue to build diversity, equity, and inclusion across the Public Service.

27. The strategy describes the breadth of influence, collaboration and leadership required across the system to accelerate closing these pay gaps. The high-level work plan illustrates connections and new initiatives in priority areas across the Public Service.

28. Te Puni Kōkiri, Ministry for Pacific Peoples, Ministry for Ethnic Communities, Pan Asian Employee-led network, Ministry of Social Development, the Human Rights Commission, and the Regional Public Service Commissioners for Auckland and for Manawatū-Whanganui were consulted in the development of the work programme. Te Whakapiri is continuing to engage with these stakeholders to finalise the lead agencies for each priority area.

29. The work plan reflects discussions with partners of Te Whakapiri in this work and contains agreed priority deliverables in three strategic focus areas.

- Partnerships: building strong and authentic relationships with Māori, Pacific and ethnic public servants and strong connections across existing work programmes that improve outcomes for these groups
- Career Progression: lifting accountability across the system to ensure workforce and career development programmes improve outcomes for Māori, Pacific and ethnic public servants
- Information: building our understanding about the drivers of Māori Pacific and ethnic pay gaps and ensuring this information is accessible and used.

30. The EP Taskforce will continue to work closely with the Advisory Group on Ensuring Equity in the Public Service to champion this work programme.³

Supporting our guidance through videos

31. The videos on our recruitment guidance and career progression guidance have been released and shared with agencies and entities. The videos highlight key recommendations from both

³ Advisory Group membership comprises: Secretary for Women, Secretary for Pacific Peoples, Chief Executive Ministry for Ethnic Communities, Secretary for Māori Development OR Deputy Chief Executive Te Pūni Kōkiri, Chief Executive and System Lead Pay Equity, Deputy Commissioner Workforce, and Deputy Commissioner Diversity, Inclusion & Leadership Te Kawa Mataaho, Chief Executive Ministry of Disabled People, Chief Executive representative for Rainbow Communities, Chief Executive Ministry for Culture and Heritage.

resources and in companion videos, agencies (Ministry of Defence and Department of Internal Affairs) share recruitment and career progression case studies.

32. To further support agencies and entities to implement the guidance, Te Whakapiri will run question and answer drop-in sessions in August.

Building strong relationships with agencies and Crown entities

33. The Advisory Group on Ensuring Equity in the Public Service met for the first time on 1 June 2023 [MW 22-23 0308 and the PSC weekly report ending 02 June 2023 refer]. The group would like to continue to meet every two months or so to support the progress of Kia Toipoto, D&I and pay equity across the Public Service.
34. Te Rūnanga is holding a series of meetings with candidates standing in the Māori electorates to raise awareness of its Māori initiatives, including Kia Toipoto. Ministers, Te Rūnanga members and delegates are invited. The first electorate meeting was held in Tamaki Makaurau on 16 June 2023, where there was interest in Kia Toipoto, and the rest of the series will occur throughout August and September.
35. On 7 July 2023, Te Whakapiri and Te Rūnanga will present on Kia Toipoto at the NZCTU women's conference. Increasing awareness and understanding amongst union members, delegates and organisers strengthens employees' and unions' ability to engage with Kia Toipoto at the organisation level, as recommended in Kia Toipoto guidance.

Pay Equity Work Programme

36. **Appendix One** provides a snapshot of all current and settled claims across the system and shows:

- two pay equity settlements achieved so far in 2023
- one successful extension of a pay equity settlement under the Funded Framework has been completed
- 27 active claims progressing through the pay equity process covering 214,468 people working in the public, private and Funded sectors
- two claims raised in 2023 - Te Whatu Ora house officers, and residential workers and youth workers in schools
- 10 pay equity settlements and one pay equity extension to date which have resulted in 117,000 people receiving a pay correction
- the average pay correction across all settled claims is 32.4 percent
- we anticipate there could be at least two more pay equity settlements in 2023.

37. We report below on significant pieces of work and provide more detail of pay equity claims where there are particular issues of note.

Te Orowaru review

38. The pay equity work assessment tool designed by Te Kawa Mataaho and unions is being reviewed to determine if there are any areas of improvement that could be made. This is an important part of ensuring the system for assessing work in a pay equity context is subject to a continuous improvement process.

Research New Zealand phase two survey out to measure the impact of the NGO social workers settlement

39. Research New Zealand Rangahau Aotearoa has conducted the second survey for the non-governmental organisation (NGO) social workers settlement for five organisations. The first survey in September 2022 established a baseline prior to the settlement in October 2022, for which impact and results of the settlement will be compared. Over 250 people completed the survey. The data is being analysed and we will report back when the second report is finalised.

Pay equity in the Funded Sector

Implementation of the extension of the pay equity settlement for social work in the wider community sector

40. On 12 June 2023, Cabinet approved \$435.584 million in new funding to extend pay equity to all social workers and employees undertaking social work in community and iwi organisations [CAB-23-MIN-0229 refers]. The extension will deliver, on average, a 27 percent pay correction to over 5,000 social work employees across the Funded Sector.
41. The extension has now entered the guidance and implementation phase with funding agencies working to vary contracts with employers. The contract variation process will pass funding through to employers for the correction of salaries and the provision of additional funding for professionals supports.
42. Over the last two weeks, the Pay Equity Taskforce, with Social Service Providers Aotearoa (SSPA) and the PSA, have delivered a series of webinars to employers to provide:
- detailed information about the extension
 - an outline of employer responsibilities
 - an overview of next steps
 - the opportunity to answer any questions.
43. There has been attendance at these webinars with hundreds of employers participating. Employers have provided overwhelmingly positive feedback about the extension process and what it will mean not only for their employees but for valuing social work as a profession.
44. Employers have been eager to pass on their gratitude to the Pay Equity Taskforce, SSPA and the PSA for the support they have received during the extension process and for the significant achievement of pay equity for social work in the Funded Sector.
45. The Pay Equity Taskforce has published a suite of guidance on the extension for employers and employees on the Te Kawa Mataaho website. Additional guidance for Funding Agencies will also be published.

Independent review of the social work pay equity claim extension process

46. To capture key learning from the extension process for the future, the Pay Equity Taskforce has commissioned an independent review of the social work pay equity extension. The review will:
- document the extension process
 - identify and describe the areas that went well and areas for future improvement
 - capture key learning and make recommendations on how this learning could be applied to similar processes in the future.
47. The review will be carried out by Celia Patrick, an independent reviewer. Celia has extensive experience in leading transformational change, developing and implementing strategy, and leading large and complex business groups to achieve ambitious and lasting performance outcomes. Celia has strong relationships in the NGO and iwi/Māori Sector and has detailed knowledge of funding and contracting.

Community midwives - Midwifery Employee Representation and Advisory Service (MERAS)

48. The employers named in the claim raised by MERAS for midwives in 13 community organisations are currently finalising their Milestone 1 report for endorsement by the Oversight Group.
49. This is a claim in the Funded Sector and oversight is provided by Te Whatu Ora as the funder of community midwifery services. Gráinne Moss, Chief Executive and System Lead Pay Equity, has been asked to chair the Oversight Group.
50. The Taskforce is in close contact with the employer group and is providing advice as they finalise their Multi-Employer Pay Equity Process Agreement (MEPEPA). The MEPEPA will clarify how the employers will work together to progress the claim.

Care and Support (PSA, E Tū, New Zealand Nurses Organisation (NZNO))

51. The care and support workers' claim continues to progress effectively. Milestones 3 and 4 have now been endorsed by the Oversight Group. The Milestone 5 paper – settlement bargaining strategy is now being prepared.
52. In parallel, the Pay Equity Taskforce need to progress the work required for Cabinet to consider an extension as per the Framework for Oversight and Support of Pay Equity Claims in the Funded Sector [CAB-MIN 23-0391 refers].
53. The parties to the care and support claim have indicated to the Pay Equity Taskforce their wish for any settlement reached to be extended concurrently to the rest of the care and support workforce to avoid the risk of sector instability. 9(2)(f)(iv) confidentiality of advice
[REDACTED]
[REDACTED]
54. On this basis, the Pay Equity Taskforce is preparing cross-agency advice for Ministers with options for the extension process and advice on next steps, particularly the work required to validate the work assessment undertaken for the core claim workforce. This is a significant

piece of work that will have implications for running concurrent claim and extension implementation processes.

Pay equity in the education sector

Therapists - New Zealand Educational Institute (NZEI)

55. Milestone 5 for Therapists went to the Central Agency Governance Group (CAGG) meeting for endorsement on 29 June 2023. CAGG considered that slightly more information was required in order to endorse the process. The Ministry of Education is preparing a short supplementary memo for consideration on the papers by 4 July 2023. The claim is still on track to settle this year.

Service managers pay equity claim (NZEI)

56. On 18 May 2023, CAGG endorsed Ministry of Education's Milestone 2 (initial bargaining strategy) for the Service Managers' claim.

Residential workers (PSA)

57. The Ministry of Education is still working with the PSA to understand the scope of this claim in order to consider arguability.

Pay equity in the health sector

Te Whatu Ora Librarians and interpreters (PSA)

58. Te Whatu Ora has provided a combined Milestone 3 (work assessment process) and 4 (initial conclusions on sex-based undervaluation) report for Librarians and Interpreters, to be considered by CAGG on the 13 of July 2023. This claim was originally included in the admin claim but is now being treated as a separate claim.

Te Whatu Ora Allied Health, Scientific and Technical claim (PSA and APEX)

59. On 1 June 2023, CAGG considered and endorsed a Milestone 4 report for the first tranche of five occupations in the Allied claim. The parties are in agreement that the date of CAGG's endorsement establishes an effective date for the Allied claim (clause 4.5 of an MoU signed in November 2022).

60. The PSA have announced publicly that 1 June 2023 has been identified as the effective date. The PSA's announcement is encouraging given there is an alternative interpretation of the Memorandum of Understanding (MOU) which would support an earlier effective date. Any effective date agreed between the parties is still ultimately conditional on a majority vote approving the settlement.

Te Whatu Ora nurses claim (NZNO and PSA)

61. The nurses' pay equity claim has now reached a new agreement in principle which is going out to affected employees for ratification. Te Kawa Mataaho did not have visibility of the new agreement prior to it being made public.

Te Whatu Ora midwives claim (NZNO and MERAS)

62. On 15 June 2023, Te Whatu Ora, MERAS and NZNO signed an MOU agreeing interim pay rates that will apply while the parties finalise their pay equity settlement. The interim pay rates will be effective from 4 April 2022. The MOU also provides for a total lump sum payment of \$10,000 gross (pro-rated) to each employee covered by the claim (less any payments already made).

63. 9(2)(j) prejudice to negotiations

[REDACTED]

Pay equity in the Public Service

Department of Corrections Psychologists

64. On 15 June 2023, CAGG endorsed the Department of Corrections' (Corrections) Milestone 2 Report for Psychologists. The Taskforce notes this claim has been delayed for some time due to Corrections' complex and busy collective bargaining environment which has strained resourcing for all parties. The claim is now back on track with a comprehensive timeline agreed between the parties.

Department of Corrections Probation Officers and Senior Practitioners claim

65. The Corrections Probation Officers and Senior Practitioners claim, covering approximately 1,200 employees, is progressing towards Milestone 3 (work assessment). Interviews are now complete and factor scoring is due for completion by mid-July. Parties have agreed to concentrate their resources on expediting this claim with the aim to seek contingency drawdown from Cabinet prior to the election close-down period. Parties hope to settle in September or October this year.

Admin and clerical claims (PSA, National Union of Public Employees, Taxpro and NZ Police Association)

66. A draft report from the independent review undertaken on the admin clerical review pay equity claim process is being shared with PSA National Secretary Kerry Davies and Chief Executive and Pay Equity System Lead Gráinne Moss on 5 July 2023.

Upcoming meetings and engagements

Date 2023	Details	Location
7 July	<p>NZCTU Women's Conference</p> <p>Te Whakapiri is presenting on Kia Toipoto to the NZCTU Women's Conference.</p>	In person
August	<p>Kia Toipoto - Online support</p> <p>Supporting agencies and Crown entities to implement updated Career Progression and Recruitment guidance.</p>	Online

Pay equity landscape as 3 July 2023



Sector	Title	Months Active	Milestone	Progress rating
Education	Education Advisors	30	3	9(2)(ba)(i) confidential with prejudice
	Psychologists	54	3	
	Residential workers	0	1	
	Service Managers	30	2	
	Teachers	30	3	
	Therapists	30	3	
Funded Sector	Care and Support	10	3	
	Care and Support Frontline Managers and Coordinators	8	1	
	Community Midwives	8	2	
	Kindergarten Admin	30	2	
	Kindergarten Cooks	30	1	
	Kindergarten Teacher Aide's	30	1	
	Kohanga Reo	22	1	
	NGO Social Service Workers	52	2	
Health	Te Whatū Ora Allied Tech	58	3	
	Te Whatū Ora Interpreters and Librarians	61	2	
	Te Whatū Ora Lakes- HR specialist	24	3	
	Te Whatū Ora Midwives	67	5	
	Te Whatū Ora Nurses	59	5	
Local Government	Librarians/Library Assistants	48	2	
Private Sector	Vet Nurses	7	2	
Public Service	Admin clerical claim 1	42	4	
	Admin clerical claim 2	42	4	
	Corrections-Probation Officers/Senior Practitioners	38	3	
	Corrections-Psychologists	20	2	
Tertiary	Librarians/Library Assistants	7	2	
	Tertiary Education Administration and Clerical Workers	7	2	

So far in 2023

- ✓ **Two pay equity claims have settled.** Science Techs and Librarians in schools
- ✓ **The Te Whakaruruhau pay equity claim was withdrawn** as they are now covered by NGO extension
- ✓ **Two new claims were raised;** one for Residential workers in schools and one for Te Whatū Ora House Officers
- ✓ **Two claims were determined to be not arguable;** Te Whatū Ora House Officers and GPEP 1 Trainees

Progress to date

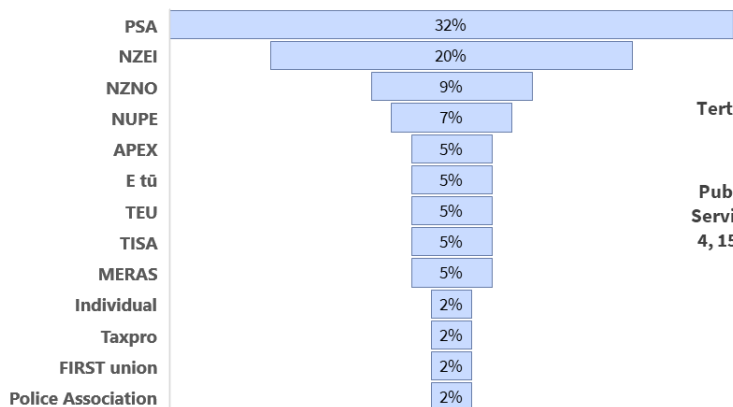
117,000
People have had their pay corrected in 10 settlements and 1 extension

214,468
People are covered by a current pay equity claim

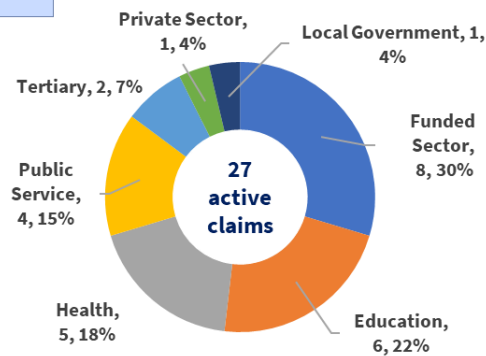
32.4%
Average pay correction across all settlements

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

Active Claims by Union

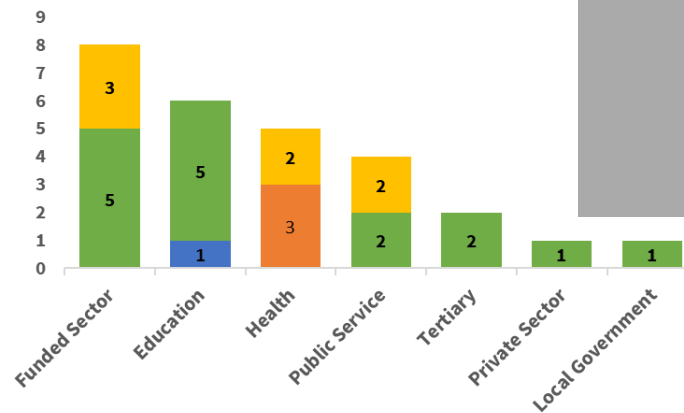


Active Claims by Sector



[IN-CONFIDENCE]

Claim Progress by Sector



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