



Te Kawa Mataaho
Public Service Commission

Joint Report: Equal Pay Taskforce Progress Report for October and November 2022

Date: 7 December 2022 **Security Level:** IN CONFIDENCE

Report No: 2022/0268

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	Actions Sought	Due Date
Hon Jan Tinetti, Minister for Women	Agree/Disagree with recommendations	14 December 2022

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

Minister’s Office Comments

Comments:	
Date returned to Te Kawa Mataaho:	

Executive Summary

Public Service Pay Gaps Work Programme

- 1 The Equal Pay Taskforce (the Taskforce) is part of a stakeholder working group, Te Whakapiri. Over the last two months Te Whakapiri has developed new guidance on bias-free recruitment and on career progression processes. This guidance will be released in February and April next year respectively.
- 2 Over the next two months Te Whakapiri will:
 - progress the recruitment and career progression guidance towards completion
 - organise workshops to support agencies and Crown entities (entities) to implement both pieces of guidance
 - complete our review of activities across the system to build Māori, Pacific and ethnic communities' workforce, and professional capability
 - bring a stronger focus to creating fair and equitable workplaces for disabled employees and members of rainbow communities.

Pay Equity Work Programme

- 3 On 24 November Government announced an extension of the pay equity settlement for social workers. The Pay Equity Taskforce has begun reaching out to funding agencies and peak bodies to provide information about the process. We expect to gather data from community and iwi organisations early next year with a view to having all data cross checked by funding agencies by the end of April.
- 4 Following your agreement and support from CAGG, the two new tertiary education claims will go to the Central Agencies Governance Group (CAGG) for the oversight of claims within universities.
- 5 9(2)(ba)(i) confidential with prejudice [REDACTED]
[REDACTED]
[REDACTED] The Taskforce and Crown Law Office continue to provide support to both the Ministry of Health and Te Whatū Ora Health NZ.

Recommended Actions

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 the Minister for the Public Service.

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.

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 October and November 2022

Purpose of Report

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

The first Kia Toipoto action plans have been published

- 6 34 departments and departmental agencies are required to publish action plans by 15 November 2022, to meet the transparency milestone of Kia Toipoto. Excluded from the requirement are: Te Arawhiti (which is included with Ministry of Justice); Cancer Control Authority (included with Ministry of Health) and Ministry of Disabled People (newly established this year).
- 7 Some agencies have requested extensions of 2-4 weeks to complete their employee engagement and sign-off processes. Development of these plans has been slowed as a result of the pressures this year's Covid waves have placed on agencies. We have advised agencies that 15 December is the latest possible date for publication.
- 8 As at 6 December 2022:
 - 22 agencies have published their plans to their external websites
 - 8 more agencies have sent us their final plans or their drafts, and are working through sign-off and publication processes.The Taskforce is supporting the remaining agencies to complete and publish their plans by 15 December. Te Kawa Mataaho will put the links to all published plans on our website so that stakeholders can easily locate and compare plans.
- 9 Published plans so far show agencies' increasing maturity in analysing and communicating the complex drivers of pay gaps, and some make connections with wider Diversity, Equity and Inclusion work programmes.
- 10 We will undertake an evaluation of the plans so we can assess progress, provide feedback to agencies, and provide a report to you. A subgroup of Te Whakapiri has begun work on developing the evaluation framework and will seek the involvement of agencies and Crown entities to ensure that the framework is an effective capability development resource.
- 11 Following your decision to allow Crown entities more time to complete their first Kia Toipoto action plans [Public Service Commission Report No: 2022/0191 refers], their plans are now due by 28 April 2023. We have heard from a number of Crown entities that they appreciate the extra time to develop their plans.

Continuing to work with Te Whakapiri to support agencies and Crown entities to meet the Kia Toipoto milestones

- 12 On 25 October, members of Te Whakapiri met in person for the first time since the group was established in August 2021. The special three-hour hui took time for whakawhanaungatanga, to celebrate our achievements, and to thank departing members.
- 13 On 8 November, Te Whakapiri met with the Minister for Women. The discussion included:
 - the Public Service Workforce Data 2022, which shows substantial progress is being made to reduce gender and Māori pay gaps and to increase the diversity of the Public Service
 - how this progress has been achieved, and what can we learn from our experience to generate change more widely
 - the importance of increasing career pathways for Pacific and Asian employees and their representation in leadership
 - the importance of identifying and leveraging targeted programmes to help lower Māori, Pacific and ethnic pay gaps
 - the success of the collaborative tri-partite approach Te Whakapiri has taken.
- 14 Te Whakapiri aims to ensure that its members represent the groups whose interests it serves. A number of representatives of employee-led networks recently left the group, and we have new representatives from the PSA Pasefika women's network and the Public Service Futures employee-led network. A new member from the Cross Agency Rainbow Network will join in the new year and we are actively recruiting a replacement representative from We Enable Us (the disabled employees' network).
- 15 We have conducted a system review to understand all current activities and investment focused on workforce and career development for Māori, Pacific and ethnic communities' workforces within the Public Service. We have identified over 30 initiatives. Further analysis is underway with agencies to understand which initiatives are working well with the aim to leverage these more widely across the Public Service.
- 16 Te Whakapiri has been increasingly engaged with stakeholders in the last two months, partly as a result of agencies and Crown entities seeking advice about implementing Kia Toipoto and developing their action plans. As well, members of Te Whakapiri, especially Rūnānga and PSA members, have been promoting awareness of Kia Toipoto among employees and interest groups including union delegates, driving requests for more information.
- 17 A subgroup of Te Whakapiri has developed guidance on equitable career progression, pathways, breaks and leave to support agencies and entities to meet the Kia Toipoto Effective career and leadership development milestone. The guidance will be released in February 2023. A series of workshops will be held in March 2023 to support agencies and entities to implement the guidance.
- 18 Another subgroup of Te Whakapiri is developing guidance on equitable recruitment processes. This guidance will support agencies and entities to achieve the Eliminating all forms of bias and discrimination milestone. The guidance will be released in April 2023 and workshops will follow in May to support agencies and entities to implement the guidance.
- 19 Te Whakapiri has agreed its work programme for 2023. Along with releasing and supporting the above guidance, Te Whakapiri will:

- complete our review of activities across the system to build Māori, Pacific and ethnic communities' workforce representation, and professional capability (as noted above)
 - review the Kia Toipoto action plans published by agencies and entities
 - review and update the Flexible-work-by-default guidance which was published in 2019 as part of the Gender Pay Gap Action Plan
 - create an increased focus, throughout our work, on disabled employees and employees who are members of rainbow communities
 - develop guidance on skills-based job assessments, job descriptions and recruitment, progression and remuneration decisions. We will draw on Te Orowaru, the bias-free work assessment tool developed to support the pay equity process.
- 20 The Taskforce and Ministry for Women met with members of the OECD on 13 October 2023. The OECD was interested in discussing our experiences with pay transparency and Kia Toipoto, and in particular our intersectional approach to addressing gender and ethnic pay gaps. The OECD appreciated the chance to discuss our work and we have offered to continue this discussion.

Pay Equity Work Programme

- 21 This report updates you on significant pieces of work and not on business-as-usual work.
- 22 An overview of pay equity claims is outlined in **Appendix One** which provides a snapshot of current and settled claims.
- 23 There are 27 live claims progressing through the pay equity process. This includes:
- 9 in the education and tertiary sector
 - 5 in the health sector
 - 7 in the funded sector
 - 4 in the Public Service and public sector
 - 1 in local government
 - 1 in the private sector.

Pay Equity Taskforce comparator project

- 24 As part of the proactive male comparators project, interview transcripts for five male-dominated roles from two public sector organisations have been transferred to the central pay equity comparator data repository hosted by the Ministry of Business, Innovation and Employment. A further two roles sourced through this project from a private sector organisation have been interviewed to support claims in the education sector. This project will continue into the new year with two organisations already having committed to participating. The Taskforce is pleased with the progress of this project. It is a successful model of collaboration between unions and agencies to make the pay equity system more efficient.

Pay equity in the funded sector

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

[REDACTED]

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

- 26 Following the 24 November Ministerial announcement of Cabinet's decision to extend the benefits of the settled claim in five non-government organisations to the wider community sector, the Taskforce has started a significant piece of work to gather data from the sector to enable implementation. This is the first time a pay equity settlement has been extended under the Funded Framework and represents a valuable opportunity to realise pay equity across a sector.
- 27 A dedicated page on the Te Kawa Mataaho website has been established to provide an easy access point for information about the implementation progress. This page will be updated regularly.
- 28 The Taskforce will begin gathering data from community and iwi organisations early next year with a view to having all data cross checked by funding agencies by the end of April.

New funded sector claim

- 29 On 17 November 2022, the Resident Doctors Association (NZRDA) lodged a pay equity claim with the Royal New Zealand College of General Practitioners (RNZCGP) relating to General Practitioner Education Programme (GPEP 1) Trainees.
- 30 GPEP 1 is one intensive year of training in the work environment. Many registrars accepted for GPEP 1 are employed by RNZCGP for the first 12 months through funding provided by the Te Whatū Ora contract with the RNZCGP.
- 31 The Taskforce has made itself available to Te Whatū Ora for support and advice as needed for this claim.

Pay equity in the education sector

Librarian and Science Technician's pay equity claims (NZEI)

- 32 It is expected that the Education Service claims for Librarians/Library Assistants and Science Technicians (which are running in parallel) will be the next claims to settle in early 2023.
- 33 On 14 November Cabinet approved the contingency funding to enable the parties to enter settlement negotiations. On 28 November the parties commenced settlement negotiations and the Ministry of Education has indicated it is aiming to come to CAGG for Milestone 6 early in 2023.

This final milestone is an opportunity for CAGG to test that the settlement is supported by sound evidence and analysis, reflects agreement between the parties and fully corrects for sex-based undervaluation.

Pay equity in the tertiary education sector

Tertiary sector claims for Administration and Clerical and Librarians/Library Assistants staff

- 34 Following your agreement and support from CAGG, the Tertiary Education Commission has agreed to sit on CAGG for the oversight of claims within universities.
- 35 On 29 September 2022, two claims for clerical and administrative workers and librarians who work in the eight universities in New Zealand were raised by New Zealand Tertiary Education Union (TEU), the New Zealand Public Service Association (PSA), and the Tertiary Institutes Allied Staff Association Incorporated (TIASA). This is a multi-union claim.

Pay equity in the health sector

Te Whatū Ora Nurses claim (NZNO and PSA)

- 36 The nurses' pay equity claim case, as filed by NZNO and the PSA, continues to progress in both the Employment Relations Authority (Authority) and the Employment Court (Court). (The issue of the contractual matter relating to the effective date/back pay has been removed to the Court). It is anticipated that proceedings will not conclude until mid-2023 at the earliest.
- 37 Mediation on the review process provisions (filed in the Authority) is scheduled for 5 December 2022. The Taskforce has provided advice to Te Whatū Ora around the components considered necessary in a robust review clause in order to maintain pay equity.
- 38 Te Whatū Ora has applied for the Court proceedings to be struck out now that the unions have filed for past work in the Authority. There will be a case management conference for the Court case in late January 2023.

Te Whatū Ora Midwives claim (NZNO and MERAS)

- 39 The midwives' claim negotiations have been paused for some months while parties await the progress of the nurses claim litigation. Te Whatū Ora has taken this opportunity to update the claimant data and that of several of the comparators - this information has not yet been shared with the unions.
- 40 MERAS and Te Whatū Ora have been communicating recently on the possibilities of parties entering mediation to resolve some issues of contention.
- 41 Te Whatū Ora started collecting and collating updated data. They have updated claimant data and had responses from seven of 13 comparators.

Te Whatū Ora Administration and Clerical claim (PSA)

- 42 Although this claim only settled a few months ago parties had agreed that they would review the remuneration to ensure pay equity had been sustained prior to commencing MECA

collective bargaining.¹ The parties met the week of 28 November 2022 to conclude the review and agree on the application of any Public Service Pay Adjustment to these negotiations.

- 43 Collective bargaining commenced in late October 2022 and the outcome of the review will inform the collective bargaining strategy which includes the drafting of a national collective agreement. The Health Employment Relations Governance Group approval will be sought to enable the employer to make an offer potentially in the week of 5 December 2022.

Pay equity in the public sector

Department of Corrections (Corrections)

- 44 The claim for Probation Officers and Senior Practitioners went to CAGG on 24 November for Milestone 2. While progress on this claim has been slow (Milestone 1 endorsed in February 2021), Corrections presented a Terms of Reference that reflects a good working relationship between the parties, and a comprehensive timeframe that uses best endeavours see parties reaching a settlement by August 2023.

Accurately reporting pay equity adjustments in the Labour Cost Index

- 45 The Taskforce is working with the Commission’s Employment Relations and Strategic Information Teams and with Stats NZ to clarify the amount of pay equity adjustment in the quarterly reporting in the Labour Cost Index statistics.
- 46 We do not consider it best practice for pay equity adjustments to be included with general wages and salary increases resulting from collective bargaining, which is how Stats NZ has been reporting this data. Due to the complexity of implementing pay equity adjustments, particularly when multiple employers are involved, adjustments are sometimes implemented over several months or more than one reporting quarter. The Taskforce is facilitating the collection of more accurate implementation data from agencies with settlements.

Central Agency Governance Group meetings

- 47 Two milestone papers have been endorsed by CAGG since the last bimonthly report [Public Service Commission Report No. 2022/0191 refers].

Date	Endorsed milestone papers
10 November 2022	Public Sector Admin and Clerical (claim 2) -Milestone 3
24 November 2022	Corrections Probation Officers -Milestone 2

¹ Section 13ZH(3)(b)(ix)(A) of the Equal Pay Act 1972 stipulates that the review must be aligned with any applicable collective bargaining rounds.

- 48 There are two CAGG meetings left in 2022. CAGG will regularly resume in February 2023 but will be available for urgent meetings in January as required.

Upcoming meetings and engagements

Date 2022	Details	Location
6 and 7 December	<p>Webinar: Extension of Pay Equity Settlement for Social Work in Community and Iwi Organisations</p> <p>To provide funding agencies who contract providers to employ social workers in community and iwi organisations with information about the next steps.</p>	Online
8 December	<p>Webinar: Extension of Pay Equity Settlement for Social Work in Community and Iwi Organisations</p> <p>To provide peak bodies with information on next steps.</p>	Online
13 and 14 December	<p>Webinar: Extension of Pay Equity Settlement for Social Work in Community and Iwi Organisations</p> <p>To provide community and iwi providers with information on next steps.</p>	Online

Overview: Pay Equity in Aotearoa New Zealand

As at 28 November 2022



Pay Equity Advice and Assurance

Action and advice to deliver equal pay

Status of current claims

Recently raised



Funded Sector

- General Practitioner Education Programme 1 Trainees

Tertiary Sector

- Admin and Clerical
- Library Staff

Private sector

- Vet Nurses

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

Public Service

- Psychologists



Health

- Allied & Technical
- Interpreters & Librarians
- HR Specialist (Lakes DHB individual claim)

Funded Sector

- NGO social service workers
- Te Whakaruruhau
- Kōhanga Reo

Progressing well



Education

- Science technicians
- Librarians/Library assistants
- Advisors
- Psychologists
- Therapists
- Service manager
- Teachers

Funded sector

- Care & Support Workers
- Frontline Managers & Coordinators
- Kindergarten support workers

Public Sector

- Admin and clerical (claims 1 and 2)
- Probation Officers

Local Government

- Library Assistants

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

Over 220,000 claimants in 27 active claims

Settled claims



Care & Support Workers
- E tū/PSA
• 60,000 employees
• **27% average pay correction**

Education Support Workers
- NZEI
• 500 employees
• **26.3% average pay correction**

Oranga Tamariki Social Workers - PSA
• 1,300 employees
• **30.6% average pay correction**

Teacher Aides - NZEI
• 22,000 employees
• **30% average pay correction**

DHB Admin & Clerical Workers - PSA
• 10,000 employees
• **23.7% average pay correction**

Education Admin & Clerical Workers - NZEI
• 11,000 employees
• **22% average pay correction**

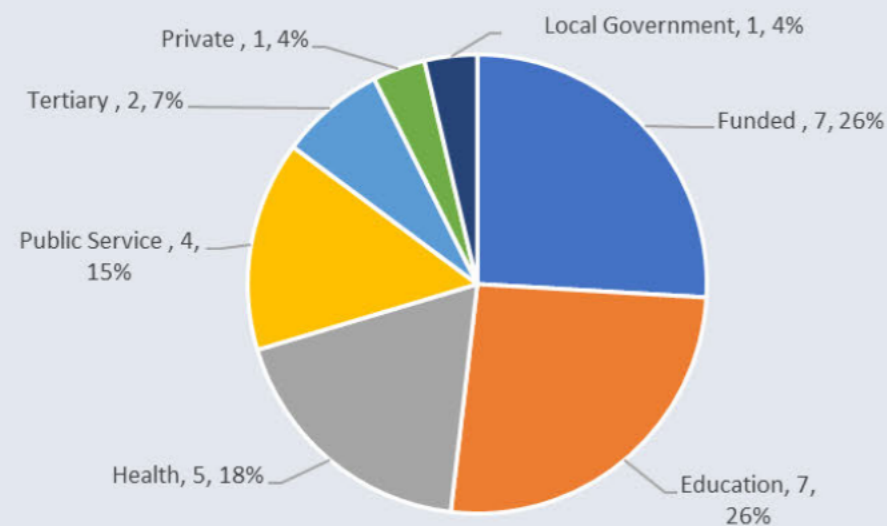
Kaiārahi i te reo - NZEI
• 75 employees
• **79% average pay correction**

NGO Social Workers - PSA
• 492 employees
• **36% average pay correction**

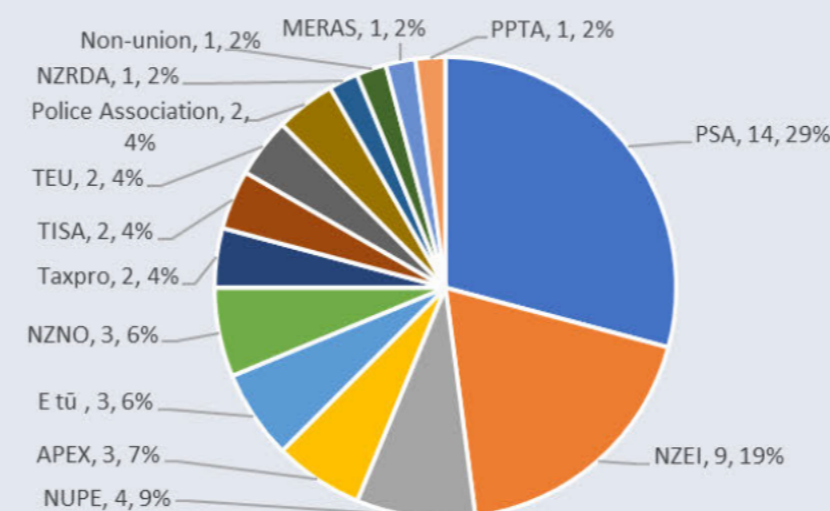
New settlement since last publish date

105,367 people have received a pay correction
33.7% is the current average pay correction

Active claims by sector



Active claims by union



Settled claims due for review *

2021/22

- Oranga Tamariki Social Workers **overdue**

2022/23

- DHB Admin & Clerical Workers

2023/24

- Education Support Workers
- Teacher Aides
- Kaiārahi i te reo
- Education Admin & Clerical Workers

* By financial years