

Joint Report: Gender Pay Taskforce Progress Report April 2021

Date: 7 May 2021 **Security Level:** IN CONFIDENCE

Report No: 2021/0092

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	Actions Sought	Due Date
Hon Chris Hipkins, Minister for the Public Service	Note this Report	None
Hon Jan Tinetti, Minister for Women	Note this Report	None

Enclosure: Appendix One: Public Service Gender Pay Gap Action Plan – 2018-2020 Dashboard

9(2)(f)(iv) confidentiality of advice

Minister's Office Comments

Comments:

**Date returned to Te Kawa
Mataaho:**

Executive Summary

Gender Pay Gap Work Programme

- 1 We have completed the analysis of the results of our *Gender Pay Gap Action Plan Completion Survey*, to which agencies responded in February.
- 2 The survey confirmed that agencies continue to invest in meeting the Action Plan milestones, despite the fact that the COVID-19 response has stretched their resources. The COVID environment has, on the other hand, helped normalise flexible work. The Taskforce is pleased to see that agencies have focused effort on meeting the priority milestones of equal pay and flexible work by default.
- 3 Agencies have identified the leadership representation and occupational segregation are the key challenges they face. Further action and support around both issues will be undertaken as part of the next stage of the GPG Action Plan. Agencies value the system leadership role the Taskforce plays and want more opportunities to learn from each other and share resources. We will take this feedback into account as we move forward.
- 4 On 21 April, the Taskforce published the following guidance: Developing Public Service agency GPG Action Plans and Measuring and beginning to address Māori and Ethnic Pay Gaps in the Public Service. We are also holding four workshops with PSA this month, to support agencies to develop their 2021/22 action plans.

Pay Equity Work Programme

- 5 There are 19 pay equity claims across the State and Funded sectors, some of which have been consolidated. We update claims progress in paragraphs 25 to 49 below.
- 6 The Taskforce is also working on a proposal for a centralised mechanism to sustainably resource pay equity claims and better support the delivery of pay equity across the system.
- 7 MOGSSER Ministers commissioned the Taskforce to produce further advice on pay equity in the funded sector for the June MOGSSER meeting. A workshop to consult on this work with Ministry of Business Innovation and Employment (MBIE), the Department of Prime Minister and Cabinet (DPMC), Ministry for Women (MfW), and Treasury (TSY) has been set up for 11 May 2021.
- 8 9(2)(j) prejudice to negotiations

Recommended Action

We recommend that you:

Note the progress being made by the Gender Pay Taskforce

Agree that Te Kawa Mataaho releases this briefing 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 attached Appendix One and Two, and information related to pay equity in the Executive

Summary and paragraphs 25 to 49 under section 9(2)(j) of the OIA, to enable agencies to carry on without prejudice or disadvantage negotiations.

☒ Agree/disagree

Agree/disagree.



Hon Chris Hipkins

Minister for the Public Service

Hon Jan Tinetti

Minister for Women

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Joint Report: Gender Pay Taskforce Progress Report March 2021

Purpose of Report

- 9 This is the twenty-seventh monthly report on the progress of the Gender Pay Gap (GPG) Action Plan (Action Plan) and Pay Equity in the State and Funder sector work programme.

Public Service Gender Pay Gap Action Plans

Gender Pay Gap Action Plan Completion Survey

- 10 In February we surveyed the 33 participating Public Service departments and agencies on their progress toward completing the milestones of the [Public Service Gender Pay Gap Action Plan 2018-20](#) (Action Plan).¹ This provided a snapshot of progress as at the beginning of the year. We also asked for feedback on challenges, and support needs, which is helping us develop Phase 2 of the Public Service GPG Action Plan.

Overall progress

- 11 We are satisfied with the level of progress reported by agencies, as at the beginning of the year. Agencies were continuing work to meet the final set of Action Plan milestones.² Where milestones had not already been met, agencies had strategies and plans to complete the work. We are also pleased to see that agencies were clearly prioritising, and making the most progress on, the equal pay and flexible work milestones.

Progress on milestones in the four focus areas

Equal pay

- 12 This milestone was a priority for the system and all agencies confirmed that they have met the equal pay milestone requirements.

Flexible work by default

- 13 COVID-19 had fuelled progress on flexible work. All agencies have trialled or are trialling flexible-work-by-default. The vast majority have flexible-work-by-default policies and systems in place, with a small number of agencies finalising policies within the next few months.

Removing bias from human resources (HR) and remunerations policies and systems

- 14 This milestone has two aspects: ensuring agency HR and remuneration policies and systems align with Taskforce guidance; and providing managers and other relevant staff with bias awareness training.
- 15 Where agencies had not finished aligning all their remuneration and HR policies with our guidance, they were making progress or had plans in place to do so. A range of factors had caused delays within some agencies. These included the need to prioritise the agency's COVID-19 response or align this work with previously planned large-scale and related work programmes, including changes to remuneration systems. Some agencies also reported that consulting with employees and unions is contributing to

¹ Pike River Recovery Agency responded to the survey and is included in the 33, but as it is winding up, and is very small, we did not include its response in our analysis.

² The milestones span four focus areas: equal pay, flexible work by default, removing bias and discrimination from HR and remuneration systems and policies and gender balanced leadership. See the [Public Service Gender Pay Gap Action Plan 2018-20](#)

longer time frames for implementing change. We consider these reasons to be either unavoidable or, in the case of consultation, essential to achieving positive outcomes for employees.

- 16 Bias awareness training was less advanced across the system than progress toward other milestones, but again, where this training was not complete, it was in progress, scheduled or planned.

Achieving gender balance leadership

- 17 Agencies had appropriate strategies and approaches to ensure that gender balance in leadership is achieved or maintained, and in a number of agencies, to develop a more diverse leadership pipeline.

Challenges agencies face in reducing their gender pay gaps

- 18 Overwhelmingly, the greatest challenges agencies reported were related to occupational and/or vertical segregation. These included:
 - low turnover with their leaderships range, limiting the pace at which they could achieve gender balance
 - high levels of mobility among women leaders and, therefore, challenges maintaining consistent gender balance
 - challenges recruiting specialist employees in male-dominated occupations, driving up salaries within these roles.
- 19 A common theme is that agencies have worked hard to address these drivers and are seeking support to find solutions. Our next steps include providing comprehensive guidance on addressing occupational segregation and building the ethnic diversity of the female leadership pipeline, both of which should help agencies make more progress.
- 20 In general, small, and medium sized agencies have made faster progress than larger agencies. However, smaller agencies were more likely to report struggling to manage the GPG work programme alongside business as usual. Agencies have suggested more tailored approach to future GPG Action Plans, reflective of their differences. We will discuss this idea further with agencies as we move forward.

Support needs for the system and for individual agencies

- 21 Agencies value the system oversight, coordination and support the Taskforce provides. They agree with system milestones and the consistent approach in the Action Plan. Agencies would like more opportunities to share best practice and resources, and some smaller agencies are looking for mentoring or more direct support.
- 22 Agencies have asked for time to embed the changes of the last three years, before further initiatives are introduced: they are alert to the danger of gender initiatives becoming tick box exercises. They also look to the Taskforce to promote understanding of the complex and long-term nature of closing GPGs. We will be balancing work to embed existing gains with making further progress toward eliminating GPGs.

Next steps

- 23 The Taskforce will use the information and feedback agencies have provided to support them more effectively, and to help develop Phase 2 of the Public Service GPG Action Plan. We are currently supporting agencies to develop their agency GPG action plans for 2021-22. These plans will continue to report progress on the four focus areas of the 2018-20 GPG Action Plan as well as establishing a foundation for further progress. For instance, we are expecting agencies to report combined gender and

ethnic pay gaps in their 2021/22 Plans. This will provide a baseline of data from which to monitor the impact of action to accelerate gains for wāhine Māori and women from other ethnic groups.

Newly released guidance

- 24 On 21 April we published guidance to support agencies to develop their [Public Service Agency Gender Pay Gap Action Plans for 2021-2022](#). We also published guidance on [Measuring and beginning to address Māori and ethnic pay gaps in the Public Service](#). This measurement guidance will help agencies meet our requirement on reporting combined ethnic/gender pay gaps. The Taskforce and the PSA are holding four workshops this month to support agencies develop their GPG action plans. Both sets of guidance are also published on the Commission's website.

Pay Equity Work Programme

State and Funded sector pay equity claims

- 25 There are 19 current pay equity claims across the State and Funded sectors (see the Pay Equity Dashboard at Appendix Two). The Dashboard outlines:
- the status of current claims
 - the number of employees or FTEs covered by each claim
 - a high-level estimate of the timeline of each claim through to June 2022. Please note: this phasing is indicative only and is amended each month as we gather new information on the progress of each claim.
- 26 The information below updates you on claims, key issues and risks that are emerging. Please note that we do not provide commentary on each individual claim unless there has been progress since our last report.

Teachers Claim (NZEI, APEX)

- 27 9(2)(j) prejudice to negotiations

[REDACTED]

- 28 9(2)(j) prejudice to negotiations

[REDACTED]

Public Sector Administration and Clerical Worker (PSA, NUPE, Taxpro, NZ Police Association) and Specialist Customer Support Worker (PSA, Taxpro) claims

- 29 9(2)(j) prejudice to negotiations

[REDACTED]

Administration Support Workers (NZEI)

30 9(2)(j) prejudice to negotiations

[REDACTED]

[REDACTED]

[REDACTED]

DHB claim Crown Negotiator

31 9(2)(j) prejudice to negotiations

[REDACTED]

[REDACTED]

DHB Nurses and Midwives (MERAS, NZNO, PSA)

32 9(2)(j) prejudice to negotiations

[REDACTED]

33 9(2)(j) prejudice to negotiations

[REDACTED]

[REDACTED]

[REDACTED]

DHB Administrative and Clerical (PSA)

34 9(2)(j) prejudice to negotiations

[REDACTED]

[REDACTED]

[REDACTED]

35 9(2)(j) prejudice to negotiations

[REDACTED]

[REDACTED]

[REDACTED]

DHB Allied Technical Claim (PSA, APEX)

36 9(2)(j) prejudice to negotiations

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

37 9(2)(j) prejudice to negotiations

[REDACTED]

[REDACTED]

38 9(2)(j) prejudice to negotiations

[REDACTED]

Funded sector oversight and support

- 39 The Taskforce continues to provide considerable support to Funding agencies (e.g., Oranga Tamariki) to enable them to oversee and support pay equity claims in the funded sector. This support includes educating peak bodies and major employers in the Funded sector about pay equity and the Funded Framework.
- 40 The Taskforce is encouraging agencies (such as the Ministry of Health) that currently have no claims in the funded sector to establish their oversight function now. Legislative timeframes are very tight for employers once a claim is received and they may need oversight support and advice very quickly once a claim is received.

NGO Social Workers' Claim

- 41 9(2)(j) prejudice to negotiations

- 42 9(2)(j) prejudice to negotiations

- 43 9(2)(j) prejudice to negotiations

- 44 9(2)(j) prejudice to negotiations

System-level support for pay equity claims

- 45 Alongside our system-level support, the Taskforce is working on a proposal for structural options for service delivery, including a centralised mechanism, to more sustainably resource claims and support the delivery of pay equity across the system. This work is in its early stages and further advice on the form this mechanism could take will be provided to you in the next couple of months after consultation.
- 46 The rework of the Te Kawa Mataaho Pay Equity Work Assessment Tool is well under way. The cultural review work is with the Council of Trade Unions (CTU) Rūnanga who are currently considering what changes would need to be made to deliver a tool which is culturally robust. This feedback is expected back in early May. The first draft of general changes based on feedback from unions and agencies has also been set out for consultation. Another workshop to progress this work is set for May 10.
- 47 The Taskforce has published a calculator and fact sheet to support employers to meet their notification obligation under the Equal Pay Act 1972. The calculator automatically calculates the appropriate working days for acknowledging a claim, accepting arguability, and notifying affected employees. This calculator is available on the Taskforce webpage.

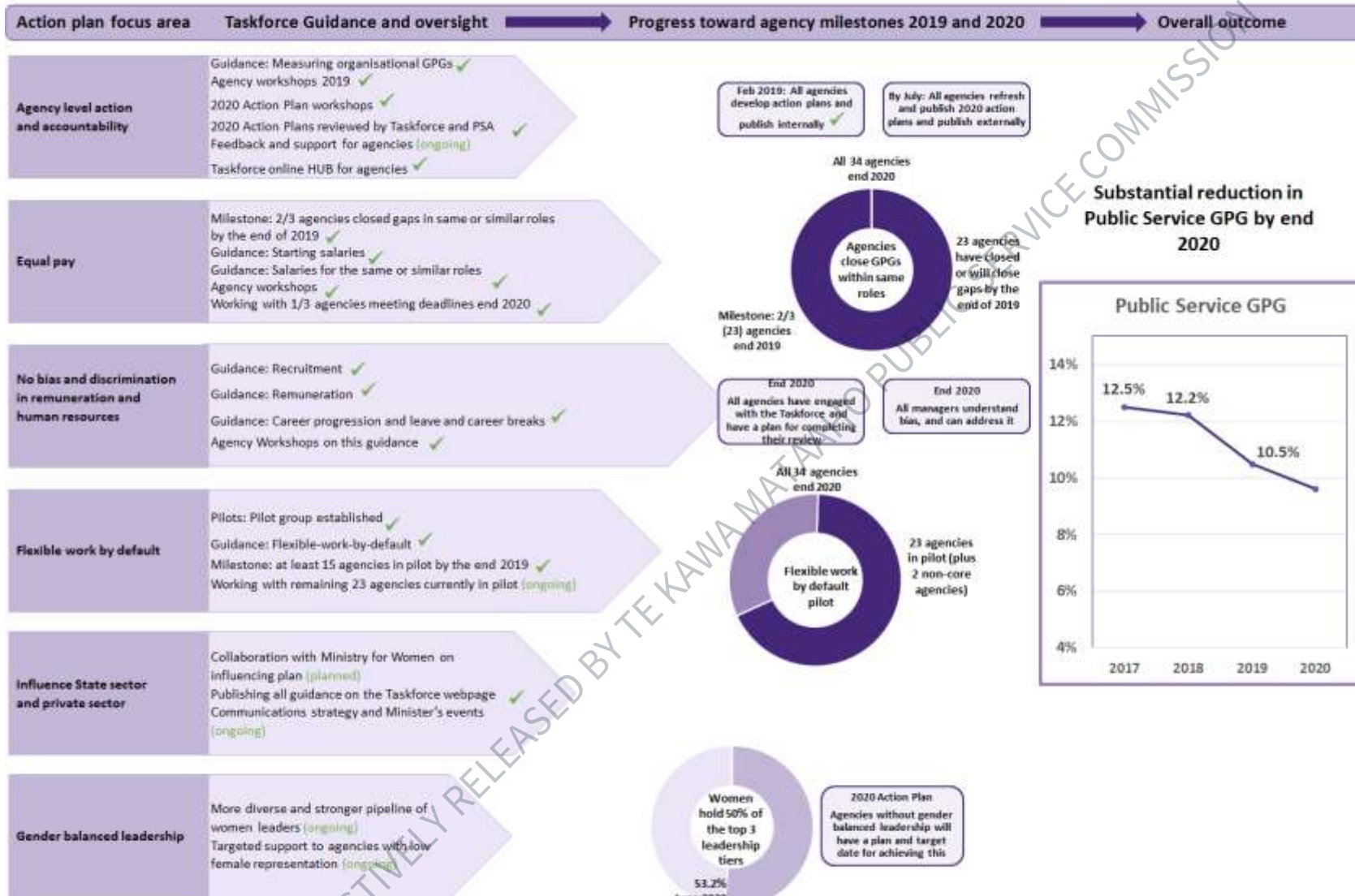
- 48 The Taskforce is working with MBIE on the final tranche of chapters for its Good Practice Guide (the Guide). This Guide is designed as an all of economy resource to outline eligibility and mechanisms for employees and unions to raise a pay equity claim, bargaining, dispute mechanisms, work assessment and settlement. The Guide is to be published mid-2021.
- 49 The Taskforce is developing practical templates to assist employers when responding to a pay equity claim that will supplement the MBIE Guide.

Upcoming Events

Date	Details	Location
11 May 2021	Gender Pay Gap workshops: 2021 action plans - ethnicity and gender – consultation on the next phase of the Gender Pay Gap work programme	Virtual
12 May 2021	Gender Pay Gap workshops: 2021 action plans - ethnicity and gender – consultation on the next phase of the Gender Pay Gap work programme	Te Kawa Mataaho
19 May 2021	Gender Pay Gap workshops: 2021 action plans - ethnicity and gender – consultation on the next phase of the Gender Pay Gap work programme	Te Kawa Mataaho
21 May 2021	Gender Pay Gap workshops: 2021 action plans - ethnicity and gender – consultation on the next phase of the Gender Pay Gap work programme	Virtual

Public Service Gender Pay Gap Action Plan – 2018-2020

April 2021



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