



Report: Gender and Ethnic Components of the Public Service Workforce Data 2022

Date: 28 September 2022

Security Level: IN CONFIDENCE

Report No: 2022/0210

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	Actions Sought	Due Date
Hon Chris Hipkins, Minister for the Public Service	Note the contents	None
Hon Jan Tinetti, Minister for Women	Note the contents	None
Hon Priyanca Radhakrishnan, Minister for Diversity, Inclusion and Ethnic Communities	Note the contents	None

Enclosure: No

Executive Summary

- 1 This report outlines the gender and ethnic components of the 2022 Workforce Data. The information is collected from staff payroll as of 30 June 2022 covering all 36 Public Service departments.
- 2 The gender and ethnic data shows:
 - a the gender pay gap (GPG) has decreased to 7.7 percent from 8.6 percent in 2021 and from 12.2 percent in 2018. This is the biggest four year drop since the GPG data was first reported in 2001
 - b the Māori pay gap has fallen to 6.5 percent, down from 8.3 percent in 2021 and 11.2 percent in 2018
 - c the Pacific pay gap is now 17.7 percent, down from 17.9 percent in 2021 and 21.6 percent in 2018
 - d the Asian pay gap has increased to 12.4 percent from 11.6 percent in 2021 and is only slightly lower than it was in 2018
 - e the number of women in leadership continues to trend upwards, with women now holding 55.8 percent of senior leadership positions, compared to 62 percent of all Public Service positions
 - f the Public Service is progressing towards achieving a workforce that is as diverse as Aotearoa's population
 - g progress made in the last four years for women and Māori show it is possible to accelerate gains through the Gender Pay Action Plan progress, we can do the same through Kia Toipoto with concerted action for Pacific, ethnic communities and Middle Eastern, Latin American, and African (MELAA).
- 3 We are implementing Kia Toipoto, the Public Service Gender, Māori, Pacific and Ethnic Pay Gaps Action Plan 2021-24. Under Kia Toipoto, agencies and Crown entities are taking comprehensive, coordinated action to address drivers of gender, Māori, Pacific and ethnic pay gaps. The results of action under Kia Toipoto should start showing in workforce data from June 2023.
- 4 Agencies and Crown entities will publish ethnic as well as gender pay gaps at the end of the year. This will be the first year for Crown entities.

Recommended Action

We recommend that you:

- a **note** that this briefing contains 2022 Public Service Workforce Data, embargoed until 12 October 2022
- b **note** that the remaining 2022 Public Service Data is due for release on 12 October 2022.

- c **note** that the Public Service gender pay gap is the lowest ever. The Public Service Gender Pay Gap Action Plan 2018-20 has succeeded in its aims of making substantial progress toward closing the Public Service gender pay gap and was supported by the settlement of two pay equity claims in 2018.
- d **note** that the Māori pay gap has fallen to 6.5 percent from 8.3 percent in 2021 and is now the lowest it has ever been.
- e **note** that the progress in the Pacific and Asian pay gaps is being offset by occupational segregation and due to the increase of these population groups at entry levels across the Public Service.
- f **note** that we are conducting a system review to understand all current activities and investment to build Māori, Pacific and ethnic communities.' workforce and professional capability. We aim to identify programmes that have been successful and leverage these more widely across the Public Service.
- g **note** that we are now reviewing the recruitment and career progression guidance released under the Gender Pay Gap Action Plan, this will focus on developing advice targeted at addressing bias and increase career, leadership development and progression for wāhine Māori, Pacific and women from ethnic communities.
- h **agree** that Te Kawa Mataaho release this briefing once Minister Tinetti releases this data on 12 October 2022.
- i **note** that this report provides you with the final report of progress under the Gender Pay Gap Action Plan 2018-2020.

Agree/Disagree

Hon Chris Hipkins
Minister for the Public Service

Agree/Disagree


Hon Jan Tinetti
Minister for Women

Te Kawa Mataaho Report: Gender and Ethnic Components of the Public Service Workforce Data 2022

Purpose of Report

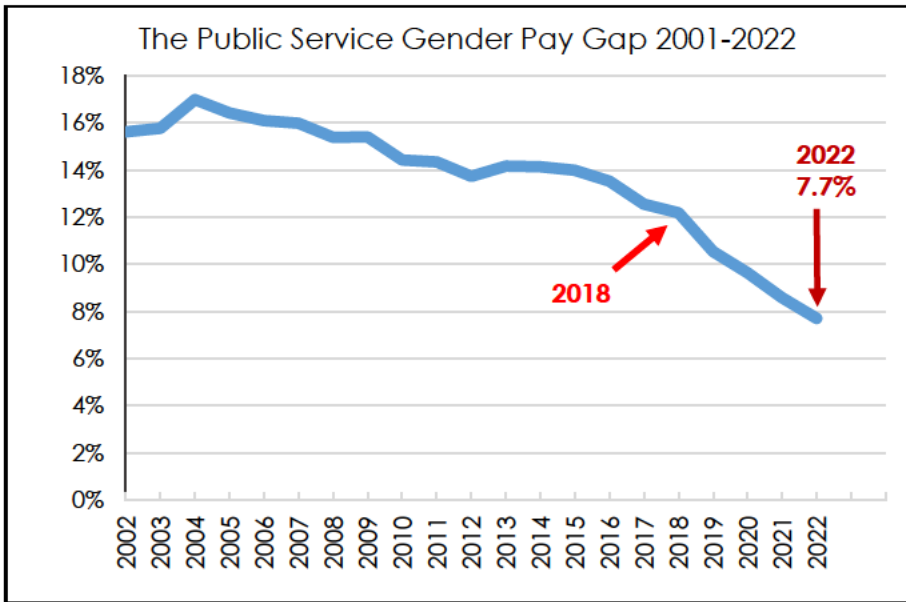
- 5 This report provides you with the gender and ethnic components of the 2022 Public Service Workforce Data, as of 30 June 2022. This includes:
 - a ethnic representation
 - b gender pay gap (GPGs)
 - c women's representation in leadership
 - d ethnic pay gaps (EPGs)
 - e ethnic representation in leadership
 - f average pay by gender and ethnicity.
- 6 This report provides you with the final workforce data progress report under the Gender Pay Gap Action Plan 2018-2020, and progress with Kia Toipoto – the Public Service Pay Gaps Action Plan which aims to reduce both the GPG and EPGs over the next three years.
- 7 Te Kawa Mataaho will release the workforce data in October 2022. We will provide you with key messages prior to the release.

The Public Service is becoming more diverse

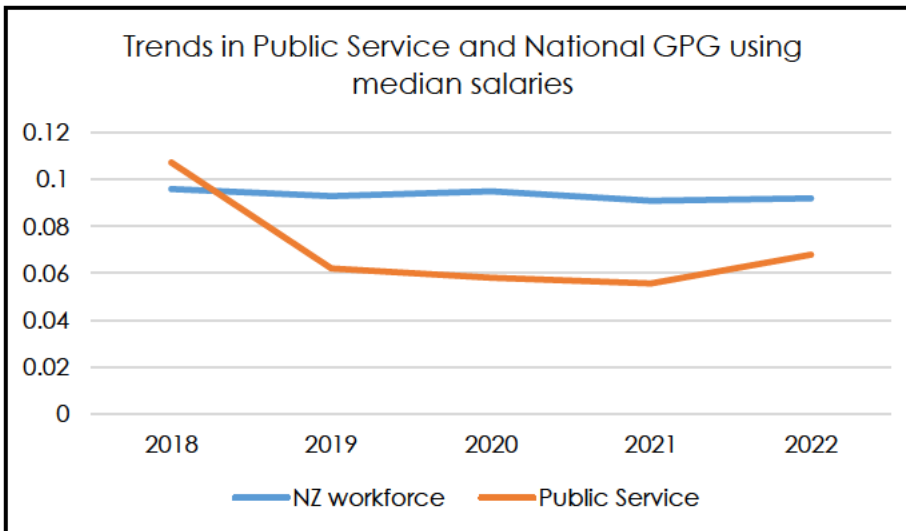
- 8 The Public Service is progressing toward achieving a workforce that reflects the population of Aotearoa. New recruits are more ethnically diverse than our existing workforce, younger public servants (under 35 years) are more likely to be Pacific and Asian.
- 9 Māori representation in the Public Service is now 16.7 percent, up from 16.4 percent in 2021 and up from 16 percent in 2018. It now exceeds the Māori population representation of 16.5 percent at the last Census 2018.
- 10 Pacific people's representation is now 10.6 percent, compared with 10.2 percent, up from 9.1 percent in 2018. It exceeds Pacific population representation of 8.1 percent as at the last Census.
- 11 Asian representation is now 13.4 percent, up from 12.5 percent in 2021 and up from 10.1 percent in 2018. While increasing more rapidly than other groups, Asian representation needs to increase further to bring it into line with the population representation of 15.1 percent at the last Census.

The Public Service GPG has fallen substantially in the last 4 years

- 12 The Public Service GPG has dropped to 7.7 percent from 8.6 percent in 2021 and from 12.2 percent in 2018. This is the biggest four year drop since GPG data was first reported in 2001.
- 13 The Public Service Gender Pay Gap Action Plan 2018-20 has succeeded in its aim of making substantial progress toward closing the Public Service gender pay gap and was supported by the settlement of two pay equity claims in 2018.



- 14 Te Kawa Mataaho calculates the Public Service GPG differently to the way StatsNZ calculates the national GPG. We use mean pay which captures the effects of gender differences in the highest and lowest paid groups, for instance, more women in low paid roles and more men in high paid roles. StatsNZ calculates the national GPG using median pay as it considers this better represents the pay that the typical employee receives.
- 15 The following graph includes both the Public Service and national GPGs calculated using median pay to enable a direct comparison to be made. The graph shows how the Public Service GPG using median has dropped substantially since 2018 while the national GPG has plateaued.



- 16 The workforce data includes GPGs for individual agencies. Te Kawa Mataaho will be briefing Chief Executives in September on their agency’s results. We will brief you with the results for agencies within your portfolios, along with a briefing on other workforce data.

Representation in leadership

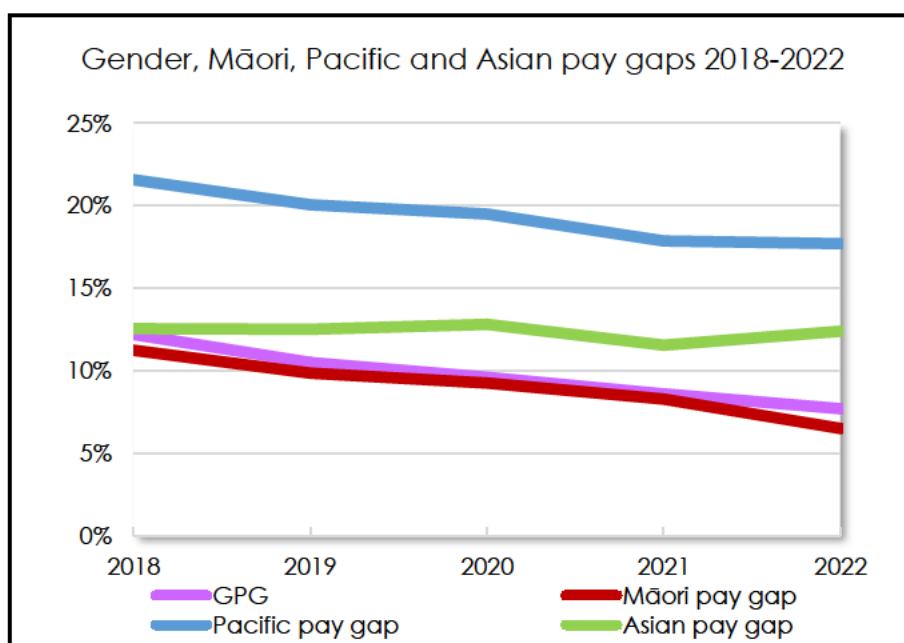
- 17 The Public Service is maintaining gender balance at the senior leadership Tiers 1 - 3. The number of women in leadership roles continues to trend upwards.

- 18 The proportion of women in the top three tiers has risen to 55.8 percent this year from 53.5 percent in 2021.
- 19 Māori representation in leadership continues to grow and is now 14.5 percent up from 13.5 percent in 2021. This has almost doubled since 2016.
- 20 Pacific representation in leadership Tiers 1 to 3 has increased to 5.1 percent from 4.3 percent. Overall, there has been an increase in management roles for Pacific, this has increased to 6.9 percent compared to 6.5 percent in 2021.
- 21 Asian representation in leadership is at 3.0 percent, up only slightly from last year.
- 22 Overall, Pacific, and Asian representation in leadership all need to grow substantially to align with Pacific, and Pacific representation across the Public Service.

Ethnic pay gaps

- 23 The Māori pay gap has fallen from 8.3 percent in 2021 to 6.5 percent in 2022. Wāhine Māori and tāne Māori received the highest salary increases last year, of \$4,500 for each group and the highest percentage salary increase of 5.6 percent and 5.4 percent, respectively. Māori representation in leadership (14.5 percent) is getting closer to Māori representation in the Public Service overall.
- 24 The Pacific pay gap has fallen slightly from 17.9 percent to 17.7 percent but remains much higher than other groups. Both the Māori and Pacific pay gaps are the lowest since measurement begin in 2000.
- 25 The Asian pay gap has risen, from 11.6 percent in 2021 to 12.4 percent in 2022, partially reversing the improvement last year.
- 26 While growth in the number of Pacific and Asian public servants is very positive, a high number of young Pacific and Asian people are being recruited disproportionately into lower paid occupational groups.

Trends in ethnic pay gaps



- 27 Like the GPG, EPGs are driven by factors like occupational segregation, under-representation in leadership, bias, and discrimination. For instance, Māori, Pacific and Asian public servants are over-represented in occupational groups that are lower paid.
- 28 Pacific women and men have the lowest salaries in the Public Service. However, some progress is being made with the representation of Pacific leadership in Tiers 1 to 3.
- 29 Gender and ethnic pay gaps also compound, so that Māori, Pacific and Asian women are paid less on average than European and less than men in the same ethnic group.

Kia Toipoto has driven some gains, but there is more to do

- 30 In 2021, we launched Kia Toipoto – the Public Service Pay Gaps Action Plan 2021-24. Kia Toipoto builds on the success of the Gender Pay Gap Action Plan, but with an even more ambitious reach. Kia Toipoto’s three-year goals are to:
 - a substantially reduce gender Māori, Pacific and Ethnic pay gaps
 - b accelerate progress for wāhine Māori, Pacific women, and women from Ethnic communities
 - c create fairer workplaces for all
 - d go wider than the Gender Pay Gap Action Plan to include Crown entities.
- 31 Under Kia Toipoto, agencies and crown entities are undertaking comprehensive, coordinated action to address the workplace drivers of gender Māori, Pacific and ethnic pay gaps. Agencies and Crown entities will publish ethnic as well as GPG at the end of this year. The results of action under Kia Toipoto should be reflected in workforce data from June 2023.
- 32 The voices of Māori, Pacific and ethnic communities are the foundation of Kia Toipoto. This is achieved through our working group Te Whakapiri. Te Whakapiri includes Te Runanga o Ngā Toa Āwhina (the PSA Māori Network) the PSA, the Ministry for Women, Te Puni Kōkiri, the Ministry for Pacific Peoples, the Ministry for Ethnic Communities and employee-led network representatives from pan-Asian, Disabled and Rainbow networks.
- 33 We continue to work closely with agencies and Crown entities to provide ongoing support and advice. In the last year we have published the following:
 - a guidance on ensuring bias is not a factor in starting salaries
 - b guidance on ensuring bias is not a factor in salaries for the same or similar roles
 - c guidance on developing annual pay gap action plans
 - d guidance on improving workforce and leadership representation, so that the Public Service overall becomes more representative of society. This supports agencies and entities to develop plans and targets to improve representation in their workforce and leadership. Improving representation for under-represented groups at all levels including leadership in all occupation. This will help close pay gaps in a sustainable way.
- 34 We are now reviewing the recruitment and career progression guidance released under the Gender Pay Gap Action Plan. This will focus on developing advice targeted at addressing bias and closing pay

gaps for Māori, Pacific and ethnic public servants especially for wāhine Māori, Pacific women, and women from ethnic communities.

- 35 There are currently twenty-five pay equity claims across the economy working their way through the pay equity process which cover over 200,000 employees. The Taskforce expects another six claims to be raised this year across the tertiary, private and funded sectors.
- 36 We are conducting a system review to understand all current activities and investment to build Māori, Pacific and ethnic communities' workforce, and professional capability. We aim to identify programmes that have been successful and leveraging these more widely across the Public Service.