



Joint Report: Gender Pay and Pay Equity Taskforce Progress Report, January 2019

Date:	7 February 2019	Report No:	SSC2019/0014
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	Action Sought	Deadline
Minister of State Services (Hon Chris Hipkins)	Note this report	None
Minister for Women (Hon Julie Anne Genter)	Note this report	None

Enclosure: Yes

Executive Summary

The Gender Pay and Pay Equity Taskforce (the Taskforce) has been making good progress in working towards the milestones in the Gender Pay Gap (GPG) Action Plan.

- Guidance on starting salaries will be released later this month.
- The Taskforce, Ministry for Women and members of the working group that developed the Gender Pay Principles last year are developing guidance on removing bias and discrimination from recruitment policies and practices.

Good progress is also being made on the Pay Equity in the State sector work programme.

- Pay equity tripartite oversight mechanisms are well underway with the second State Sector Pay Equity Oversight committee later this month (19 February) and preparations going well for the inaugural Sector Working Committees.
- Pay equity processes in the Health sector are progressing following agreement between parties to a Terms of Reference for the Administration/Clerical Workers claim 9(2)(g)(i) free and frank

Additionally, this report provides the information and advice requested by Ministers.

- The progress agencies are making on their gender pay gap action plans.
- Options for Ministers to be involved in Gender Pay Gap Action Plan milestones this year.
- Information on the implementation of Pay Equity Principle 16: 'Any equal pay established must be reviewed and kept current'.

Minister's Office Comments

Comments:	
Date returned to SSC:	

Recommended Action

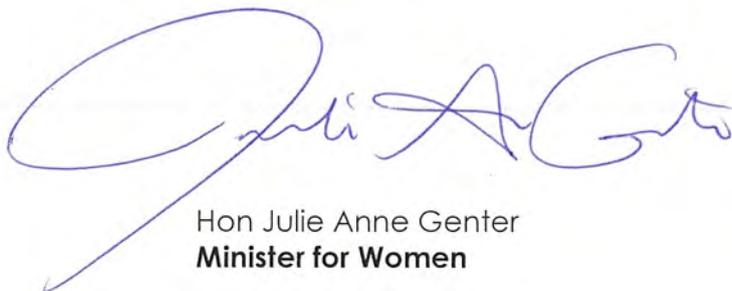
We recommend that you:

- a **note** the information in this report on progress being made by the Gender Pay Gap and Pay Equity Taskforce.
- b **agree** that the SSC release this briefing once it has been considered by you, with information withheld in relation to:
 - a. parts of the update on pay equity claims (paras 17 – 19), to enable agencies to carry on, without prejudice or disadvantage, negotiations.
 - b. pay equity oversight and management (paras 16), as the information will soon be in the public domain.

Agree/disagree

Agree/~~disagree~~

Hon Chris Hipkins
Minister of State Services



Hon Julie Anne Genter
Minister for Women

Joint Report: Gender Pay and Pay Equity Taskforce Progress Report

Purpose of Report

- 1 This report is the fourth monthly progress report on the Public Service Gender Pay Gap Action Plan and the Pay Equity in the State sector work programme.

Public Service Gender Pay Gap Action Plan

- 2 Since our last monthly report, we have made the following progress to reach the milestones in the Action Plan.

Closing GPGs in starting salaries within the same roles

- 3 Guidance on closing gender pay gaps in starting salaries is due for release later this month. It has been developed with the input of a group of employment relations and human resources experts from SSC and other agencies. Consultation has also been undertaken with the Public Service Association (PSA).
- 4 We are gathering information from agencies on whether they have already identified and/or closed these types of gaps. This information will enable us to support an event on closing gender pay gaps in starting salaries by:
 - providing us with evidence on the number of agencies that have found these gaps
 - identify agencies that we can use as case studies
 - identify leaders we can invite to speak about the milestone.
- 5 We will work with your offices to find event dates that suit Ministers and will enable us to gather a strong evidence base to support this event.

Removal of Bias in Remuneration Systems and Human Resources Practices

- 6 A sub-group of the Gender Pay Principles Working Group is working with the Taskforce and the Ministry for Women to develop guidance on removing bias from recruitment practices. This will be the first in a series of guides on removing bias from remuneration and human resources practices across the employment life-cycle.
- 7 This guidance is due for completion in April. We will brief Ministers closer to this time.

Feedback from agencies on their progress toward completing their agency gender pay gap action plans

- 8 You have asked for information on the progress Public Service agencies are making on their action plans, which are due at the end of February. We have gathered the following information to date:
 - One agency has submitted its plan. 26 agencies have reported being on track to complete their plans by the end of February. Four of these are facing some challenges such as the need to resource complex and lengthy bargaining processes or challenges with union engagement.

- There are six agencies whose status needs to be confirmed. If any of these face challenges, we will provide support. We will keep you updated on progress in our weekly reports.
- While not required to do so, one non-core agency has submitted a plan and three non-core agencies are developing plans and are confident they will complete these by the end of February.

Milestones for 2019 and opportunities for Ministers to be involved

- 9 You have asked the Taskforce to identify Action Plan milestones for 2019. The 2019 milestones and recommendation for Ministerial involvement are outlined in Appendix One.
- 10 We recommend a range of publicity approaches that would enable Ministers to maintain regular and varied publicity around the GPG Action Plan, including:
 - An event or launch for milestones with greater public interest and that mark the achievement of an outcome. Events could take the form of:
 - speeches and/or panel discussions in front of an invited group of media, public and private sector leaders and union leaders, similar to the recent launch of the flexible work by default pilots and the July 2018 launch of the Gender Pay Gap Action Plan
 - an event held at an exemplar agency with the agency chief executive, staff, unions and media.
 - Engagement via social media for milestone with public interest and that mark progress in the implementation process e.g. Ministerial tweet or the release of a video of Ministers discussing progress.
 - Media releases for milestones that have a lower level public interest and/or that mark progress in the implementation process.
 - Agency level engagement for milestones that are of primary interest to the Public Service or State sector e.g. letters from Ministers and/or the State Services Commissioner to Public Service chief executives.
- 11 Subject to your agreement, we will work with your offices to confirm and plan the series of opportunities to publicise Action Plan milestones during 2019. You will receive separate briefings with more detail on each opportunity as the year progresses. Although these opportunities are focused on the Public and wider State sectors we can involve private sector leaders to help generate broader interest.

Pay Equity in the State Sector Work Programme

Pay Equity - Tripartite oversight mechanisms

- 12 Following the meeting of the Ministerial State Sector Pay Equity Forum on 15 November 2018, the SSC and the New Zealand Council of Trade Unions (NZCTU) have been working together on the following:

- Preparing for the second meeting of the State Sector Pay Equity Oversight Committee to be held on 19 February 2019 and co-chaired by the State Services Commissioner and the President of the NZCTU. Agenda papers have been drafted and will be circulated for comment by agency and union representatives.
- Supporting the three sector leads (Health, Education and Public Service) to prepare for the inaugural meetings of the Sector Working Committees in February 2019. These committees will develop sector plans for approval by Ministers in July 2019.
- Preparing for the next Ministerial Forum meeting on 19 February.

State Sector Pay Equity Bargaining: Health sector

13 There has been movement in the Health sector on the Administration/Clerical Workers employed by District Health Boards pay equity claim. 9(2)(g)(i) free and frank



Administration/Clerical Workers employed by District Health Boards

Claim	Claim raised by PSA 18 April 2018
Approximate FTE	6,250
Current status	<ul style="list-style-type: none"> • Agreed Terms of Reference • Further information gathering for some claimant roles • Identify and agree comparators

14 The District Health Boards (DHBs) have made a further proposal to the Public Service Association to finalise the draft Terms of Reference and the union has responded positively. DHBs anticipate the parties will sign the Terms of Reference in the week beginning 4 February 9(2)(g)(i) free and frank

15 The parties met on 4, 5, and 6 December 2018 and completed summary profiles of claimant work/roles. This joint piece of work identified that some roles will require additional information, and this is expected to be completed in February 2019.

16 9(2)(j) prejudice to negotiations

Pay Equity Principle 16

17 Officials from Minister Genter's office have requested information on the implementation in the Public Sector of Pay Equity Principle 16 ('Any equal pay established must be reviewed and kept current'). The review process is intended as the main mechanism for ensuring the currency of a pay equity settlement.

- 18 The Equal Pay Amendment Bill (the Bill) does not prescribe a set method or frequency of the review process, but it does require that this is clearly set out in each pay equity settlement. The Bill also requires that the timing of reviews align with collective bargaining rounds to ensure that, where required, any adjustment to the pay equity rate can be implemented through that mechanism.
- 19 The timing of reviews will, therefore, need to be agreed as part of the bargaining process and responsibility for initiating reviews will not rest solely with employers or employees.
- 20 There are several additional considerations:
- Any review process must be gender neutral.
 - The review process provides a link between pay equity and the Gender Pay Gap Action Plan and Gender Pay Principles (the Principles). Maintaining the currency of a pay equity rate will require the implementation of wider gender-neutral remuneration and human resources policies and practices, such as those envisaged in both the Action Plan and Principles. Showing that such policies and practices are in place will be one way that employers can prove they are contributing to the currency of pay equity settlements. The review can also function as a prompt to an agency or organisation to regularly examine its wider gender-neutral policies and practices.
 - Parties may agree to reconsider comparator wage rates during a review process, however this should not be the default mechanism for the review. As the nature of claimant and comparator work changes the applicability of comparison will vary. If reconsidering comparators is part of the review, both claimant and comparator work will need to be examined to determine whether any discrepant movements in wage rates are due to gendered discrimination.
 - If a pay equity settlement covers a unionised workforce, reviewing the currency of a pay equity settlement could involve examining the robustness and gender neutrality of any collective bargaining that has taken place since the implementation of a settlement.
- 21 Review processes have been documented in two settlement agreements to date, including for social workers employed by Oranga Tamariki and for education support workers employed by the Ministry of Education. To give an example of the review processes the below extract is from the education support workers pay equity settlement agreement:

Process for review to ensure the pay equity rate is maintained

The Ministry of Education and the NZ Education Institute Te Riu Roa agree that six months prior to the expiry of the Support Workers' Collective Agreement, the parties will work together to review the pay equity rates that are established under this settlement to ensure they are kept current. The parties agree to consider a range of available information as part of that review, which may (but is not limited to) include:

- a) relevant remuneration or market information*
- b) Labour Cost Index information*
- c) any other information or factors the parties agree.*

Appendix One: 2019 GPG Action Plan milestones and options for Ministerial involvement

