



**Joint Report:** Gender Pay Gap and Pay Equity Taskforce Progress Report – May 2019

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|-----------------|---------------|-------------------|-----------------|
| <b>Date:</b>    | 5 June 2019   | <b>Report No:</b> | SSC2019/0117    |
| <b>Contact:</b> | Alex Chadwick | <b>Telephone:</b> | 9(2)(a) privacy |

|   | Action Sought    | Deadline |
|---|------------------|----------|
| Minister of State Services<br>Hon Chris Hipkins | Note this report | None     |
| Minister for Women<br>Hon Julie Anne Genter     | Note this report | None     |

**Enclosure:** No

**Executive Summary**

Developments in the work programmes of the Gender Pay Gap and Pay Equity Taskforce (Taskforce) since our last report are as follows:

*Gender Pay*

- All Public Service agencies have sent us their final or draft agency gender pay gap action plans. Four State Services Leadership Team (SSLT) agencies (two non-Public Service Departments and two Crown Entities), have also sent us their plans.
- On 30 April you received the following briefings on progress against the Public Service Gender Pay Gap Action Plan (the Action Plan).
  - a high-level overview of the agency gender pay gap action plans we had received at that time: *2019 Agency Gender Pay Gap Action Plans Analysis: Phase one*
  - progress against the milestone of closing gender pay gaps in starting salaries for the same roles: *Progress on closing gender pay gaps in starting salaries and proposed Ministerial event.*
- Following our analysis of individual agency action plans, we have agreed a joint approach with the Public Service Association (PSA) on providing feedback and ongoing support to agencies.
- Guidance is being developed on ensuring gender is not a factor in salaries within the same or similar roles (closing like-for-like gender pay gaps), for release to agencies later in June 2019.

- Since the last report, one further agency has become a participant in the flexible-by-default pilot: the Social Investment Agency. This brings the total number of agencies in the flexible work pilot to 12.
- On 20 May 2019 the Taskforce hosted a flexible-work-by-default workshop for pilot agencies and the Gender Pay Principles Working Group, to develop a base toolkit on flexible-work-by-default for use by all agencies.

### Pay Equity

- The Taskforce continues to input into the Ministry of Business, Innovation and Employment's (MBIE) and the Ministry for Women's policy work programme in support of the Equal Pay Amendment Bill 2018. The Bill is due to have its second reading and it is anticipated it will be passed later this year. 9(2)(j) prejudice to 9(2)(f)(iv) confidentiality of advice, 9(2)(j) prejudice to negotiations
- MBIE is also preparing advice for their Minister and Minister General, indicating that it does not consider there is a requirement for a Code of Practice to be developed to accompany the Bill. The NZCTU and Business NZ agree that no Code of Practice is required.
- The Taskforce and MBIE are working with departments that have existing unresolved pay equity claims to ensure these claims can be transitioned into the new legislative regime.
- Progress on the development of the pay equity sector plans by each of the three Sector Working Committees (SWCs) (Public Service, Education and Health) has been challenging. This is due to the time commitment required for this work given that it falls in the middle of significant collective bargaining for both the agencies and unions as well as difficulties in gathering data for State funded workforces. The Taskforce is actively working with the SWCs to support their delivery of sector plans ahead of the Ministerial Forum on 25 July.

### Minister's Office Comments

|                              |  |
|------------------------------|--|
| <b>Comments:</b>             |  |
| <b>Date returned to SSC:</b> |  |

## Recommended Action

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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 matters under active consideration withheld under section 9(2)(f)(iv) of the Official Information Act (OIA), and information related to pay equity withheld under the 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 of State Services**

Hon Julie Anne Genter

**Minister for Women**

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## Joint Report: Gender Pay Gap and Pay Equity Taskforce Progress Report

### Purpose of Report

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

### Public Service Gender Pay Gap Action Plan

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- 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 On 9 May 2019 you hosted an event to recognise the progress made in ensuring gender is not a factor in setting starting salaries. The Taskforce received positive feedback from agency and union representatives about this event. Attendees commented that they appreciated the chance to hear directly from agency leaders about their experiences in tackling this important milestone.
- 4 On 10 May 2019 a Stuff journalist who attended the event published an article titled: *Pressure on public service to close gender pay gap*. The article can be found at [Stuff.co.nz/national/politics/112597200/pressure-on-public-service-to-close-gender-pay-gap](http://Stuff.co.nz/national/politics/112597200/pressure-on-public-service-to-close-gender-pay-gap).

#### *Progress on completion of agency gender pay gap action plans*

- 5 On 30 April 2019 we briefed you on stage one of our review of the agency action plans. All thirty-three core Public Service agencies and four non-core agencies<sup>1</sup> have now sent us final or draft plans which they are working to.
- 6 On 22 May 2019 the Taskforce met with the PSA to discuss our initial review of the action plans. The Taskforce and PSA agreed a common approach to undertaking further analysis of action plans and follow-up engagement with agencies. We agreed that this work would be developmental in nature, aiming to identify agencies with strengths that could be leveraged, and agencies needing more in-depth support.
- 7 On 27 May 2019 the Taskforce sent an email to agencies to acknowledge receipt of all agency action plans and providing some high-level feedback on the plans. This email also outlined the Taskforce's next steps, giving agencies an understanding of what to expect in terms of further guidance and support over the coming months.

#### *Guidance on closing like-for-like gender pay gaps*

- 8 The Taskforce is working with human resources and remuneration experts from agencies and the PSA to develop guidance on ensuring gender is not a factor in the salaries of staff within the same or similar roles (like for-like gender pay gaps).

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<sup>1</sup> The following non-Public Service Departments and Crown Entities were not asked to complete an action plan but have done so anyway: New Zealand Police, New Zealand Defence Force, Housing New Zealand, and New Zealand Trade and Enterprise.



- 9 This guidance will assist agencies to meet the following Action Plan milestones:
- 9.1 by the end of 2019 two-thirds of agencies will have closed any gender pay gaps within the same roles, and
- 9.2 by the end of 2020 all agencies will have closed any gender pay gaps within the same roles.
- 10 The guidance will include case studies from three agencies that have closed or are in the process of closing these gaps.
- 11 We plan to release the guidance in June 2019 to support agencies that have not already addressed their "like for like" gaps, so that they can look to undertake this work as part of their 2019 remuneration rounds.

#### *Flexible work-by-default*

- 12 On 20 May 2019 the Taskforce hosted a flexible work-by-default workshop to develop resources, guidance and tools for agencies. It was attended by over 40 members of the pilot agencies and Gender Pay Principles Working Group (representing 16 agencies and 6 unions).
- 13 The Taskforce is reviewing the content produced at the workshop, with the aim of developing this content into a draft toolkit, which will include advice on culturally responsive approaches and communicating with staff on flexible-work-by-default. We will keep you updated on our progress.
- 14 Since our last report, one further agency has become a participant pilot: the Social Investment Agency. This brings the total number of agencies in the pilot to 12.

#### *Guidance on removing bias in recruitment processes*

- 15 We are in the final stages of developing guidance on removing bias in recruitment processes. This work is being led by a sub group of the Gender Pay Principles Working Group, including Taskforce and Ministry for Women representation. Points of difference between agency and union representatives around the guidance have largely been resolved and publication is planned for July.

### **Pay Equity in the State Sector Work Programme**

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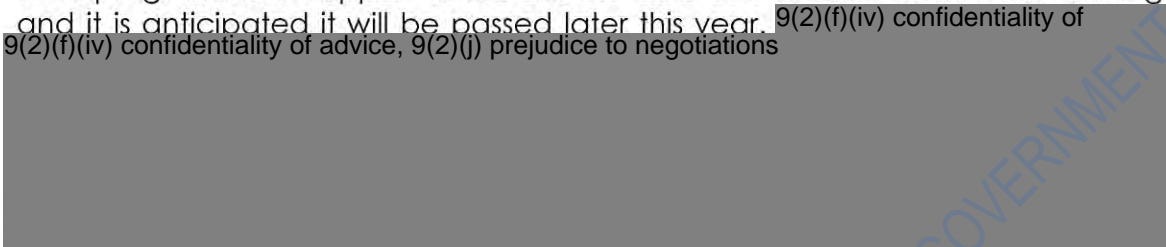
#### *Equal Pay Amendment Bill 2018*

- 16 On 13 May 2019, the report of the Education and Workforce Committee on the Equal Pay Amendment Bill (the Bill) was presented to the House. Key changes to the Bill recommended by the Select Committee include:
- Providing clarity on the threshold for making an arguable claim, by clarifying 'predominantly female' as a workforce that is, or historically was, approximately 60 percent or more female.
  - Clarifying that an unsettled pay equity claim between an employee and employer is not a genuine reason for failing to conclude collective bargaining. The revised Bill further clarifies that an uncompleted review of a

pay equity settlement is also not a genuine reason for failing to conclude collective bargaining.

- Removing the requirement to undergo facilitation before seeking a determination in disputes, to maintain a low threshold to commence bargaining and provide the Courts with greater discretion.

17 The Taskforce continues to input into MBIE's and the Ministry for Women's policy work programme in support of the Bill. The Bill is due to have its second reading and it is anticipated it will be passed later this year. 9(2)(f)(iv) confidentiality of advice, 9(2)(j) prejudice to negotiations



18 A common request in submissions on the Bill was for clearer advice and guidance on making a pay equity claim. An investment of \$1 million has been made in the Wellbeing Budget to assist the claims process and reduce barriers previously experienced by people making pay equity claims. This includes funding for MBIE to develop online tools and resources which will improve peoples' understanding of the pay equity claims process, by providing guidance and data for their claims. This will help reduce disputes, improve bargaining processes and lead to enduring pay equity settlements.

<https://www.beehive.govt.nz/release/supporting-working-women-pay-equity-next-steps>

19 The Taskforce has been asked by MBIE to provide input into MBIE's planning and implementation for the provision of guidance and analysis of data as they develop support for the wider economy.

20 The Taskforce and MBIE are working with departments that have existing unresolved pay equity claims to ensure that these claims can be transitioned into the new legislative regime following the enactment of the Bill.

*Equal Pay Amendment Bill 2018 – Code of Practice*

21 MBIE recently provided advice to Minister Lees-Galloway and Minister Genter that it is not considered necessary to gazette a Code of Practice to accompany the Bill when it is enacted. As part of formulating this advice they consulted with Business NZ and the New Zealand Council of Trade Unions who both supported this approach.

*Comparator Sub-Group*

22 On 23 May 2019 the Taskforce convened the first meeting of the Comparator Sub-Group. The focus of the Sub-Group is to investigate options to enable the efficient storage and use of comparator data in future claims processes. The Sub-Group are due to report back to the State Sector Pay Equity Oversight Committee with their advice and recommendations at its next meeting on 10 July 2019.

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### *Pay Equity - Tripartite oversight mechanisms*

#### *Sector Working Committees*

- 23 The three SWCs (Public Service, Education and Health) have identified and mapped the State employed female dominated workforces in each sector.
- 24 However, the ability for SWCs to develop their sector plans has been challenging due to:
- the fact that resource commitment for this work programme falls in the middle of significant collective bargaining and pay equity bargaining for many of the agencies and unions involved
  - the variable quality of data about State funded workforces.
- 25 The Taskforce is actively working with the SWCs to mitigate the risk to the work programme's timelines. The Oversight Committee next meets on 10 July to consider the draft sector plans, in readiness for the Ministerial Forum's consideration of the plans on 25 July 2019.

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