



An Introduction to Pay Gaps and Kia Toipoto¹

Closing Gender, Māori, Pacific, and Ethnic Pay Gaps

Public Service Action Plan 2021-24

Fair and equitable pay is a question of fundamental human rights

In Aotearoa New Zealand, employees have the right to be paid fairly, and have workplaces free from sexism, racism, and discrimination, and where individuals are safe and protected.

As a founding document, Te Tiriti o Waitangi requires the Crown to actively work to achieve equitable outcomes for Māori. Partnership, as intended by Te Tiriti, promotes inclusive practice, a culture of equality, opportunity, and achievement for all people.

In addition to fairness and equity, workplace fairness, diversity and inclusion leads to: better employee attraction and retention; greater employee engagement and satisfaction; more diverse leadership leading to better quality decision-making; and better organisational performance.

The Public Service Act 2020

The Public Service Act (2020) sets expectations that the make-up of the Public Service will reflect the makeup of society, and the requirement that its leaders will be good employers. The Action defines a good employer as one that operates policies for the fair and proper treatment of employees in all aspects of their employment, including recognition of the:

- aims, aspirations, and employment requirements of Māori, and the need for the greater involvement of Māori in the public service
- the aims and aspirations, employment requirements and cultural differences of ethnic and minority groups

- employment requirements of women and people with disabilities
- importance of achieving pay equity between female and male employees
- importance of remuneration decisions being free from bias (including, but not limited to, gender bias).

“I was told if I wanted to progress, I needed to ‘be in the eye of the manager.’ If you sit back and do your mahi you don’t get anything. You need to self-promote, which is culturally difficult.”

– Wāhine Māori public servant

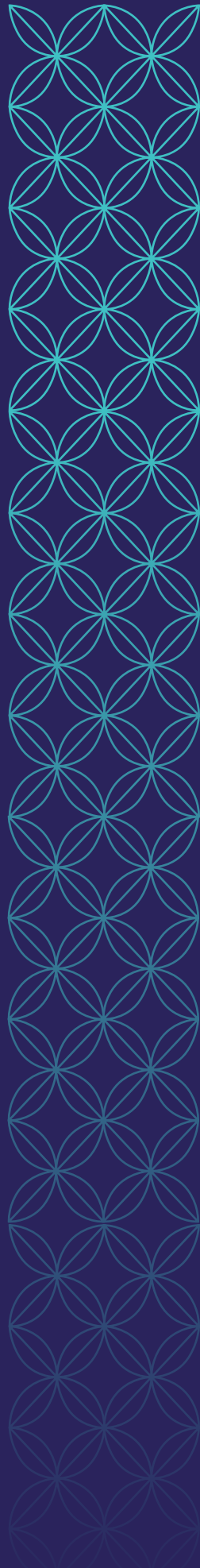
But pay gaps persist

Despite this, the latest pay gaps data (2022) shows that the Public Service gender pay gap is 7.7%, the Māori pay gap is 6.5%, the Pacific pay gap is 17.7%, and the Asian pay gap is 12.4%. As well, women in each ethnic group earn less on average than men in the same group.²

Comparable data across Crown entities is not currently available, but individual agencies can calculate their own gaps. Guidance is available on how to do this. Links are attached towards the end of this document.

¹ Kia Toipoto Public Service Pay Gaps Action Plan 2021-24

² Workforce Data: Pay Gaps



It's not just about pay

Occupational segregation: Women, Māori, Pacific and Asian peoples and people from ethnic communities are more likely to be employed in a narrow range of occupations that are at the bottom or middle levels of an organisation. Māori, Pacific, Asian and ethnic women are even more concentrated in lower-paid occupations than their European or male counterparts.

Undervaluing work in which women, Māori, Pacific, Asian and ethnic people predominate: The skills, responsibilities, effort and working conditions required by jobs in which women from all ethnic groups predominate, are not recognised or valued as they should be. Pay equity settlements reached to date demonstrate the discrepancies that exist.

The negative impact of career breaks and flexible working on pay and career progression: Women from all ethnic groups still take on most of the family and whānau-caring responsibilities. Many more women than men take career breaks and work part-time or flexibly to balance their paid and unpaid work. Part-time or flexible work is still more available in lower-paid occupations and positions, so women often trade down

their skills to get flexibility. Bias against women who take career breaks, and work flexibly or part-time, have traditionally stalled women's pay and career progression.

Leadership under-representation: While women now hold 53% of senior leadership roles in the Public Service, they are more likely to be European. Māori, Pacific and Asian peoples and people from ethnic communities, especially women from these groups, are still underrepresented.

“For us Pacific people in particular – we like to manākitanga (look after, support, give generously) and give hospitality to guests – it comes naturally! But we are thus the ones to do the dishes, look after guests and others ‘step back’ because others (Pākehā) expect it of you! This can harm one’s career – we don’t look like senior leaders, right?”

– Pacific public servant





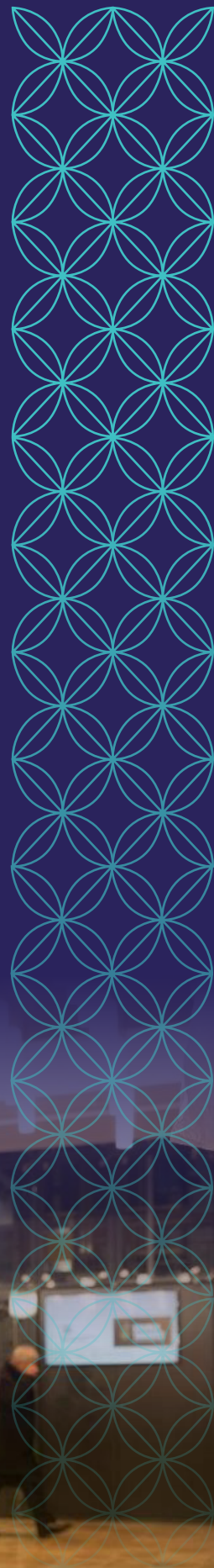
Bias and discrimination: Bias and discrimination are based on deeply held beliefs about gender, ethnicity, work, and family. They underpin all the factors above. Wāhine Māori, Pacific women, Asian women and women from ethnic communities, face both ethnic and gender bias. This has a compounding negative effect on their career progression and pay. In addition to gender and/or ethnic bias, members of diverse groups (such as disabled people, members of rainbow communities, and those who don't identify as cis-gender³), experience bias and discrimination in the workplace, because of their membership of these groups.

Biases are also embedded in remuneration and human resources (HR) policies and practices, influencing the design and application of job assessment, recruitment, and salary criteria. Biases also affect day-to-day behaviors in the workplace that benefit men (especially European men), and disadvantage others.

“I was asked to sit an English test when applying for a job in my agency, despite having been born and educated in New Zealand. Other staff in my cohort were not asked to do this.”

– Asian woman public servant

Te Taunaki/Public Service Census 2021, found that some employees from rainbow communities, who reported a mental health condition or disability, and those from ethnic communities felt less able than others to be themselves at work.



Kia Toipoto will help agencies and entities to close pay gaps

Kia Toipoto's three-year goals are to:

- make substantial progress toward closing gender, Māori, Pacific, and ethnic pay gaps
- accelerate progress for wāhine Māori, Pacific women, and women from ethnic communities
- create fairer workplaces for all, including disabled people and members of rainbow communities.

Kia Toipoto builds on the successful [Public Service Gender Pay Gap Action Plan 2018-20](#), but goes further, with specific actions to address the workplace drivers of gender, Māori, Pacific, Asian and ethnic pay gaps. It will do this by helping agencies and entities to:

- use and share gender and ethnicity data to support their actions under Kia Toipoto
- ensure that bias is not influence starting salaries or the pay of employees in the same or similar roles
- increase the representation of under-represented groups in their workforce and leadership.
- develop equitable career pathways and progression opportunities
- protect against the influence of bias and discrimination in their HR and remuneration policies and practices
- build cultural competency at all levels
- normalise flexible working.

It also aligns with the Public Service [Papa Pounamu](#) priorities which are designed to strengthen workplace diversity, inclusion and cultural competency.

Guidance and support will help agencies and entities implement Kia Toipoto

The guidance on ensuring bias does not influence starting salaries, or salaries within same or similar roles. This is the first in a suite of guidance that will help agencies and entities to address the factors driving pay gaps.

More guidance will be released this year and next to help agencies and entities meet all the milestones of Kia Toipoto. In the meantime, agencies and entities can refer to the guidance developed to support the Gender Pay Gap Action Plan, as follows:

- [Organisational gender pay gaps: Measurement and analysis guidelines](#)
- [Measuring and beginning to address Māori and ethnic pay gaps in the Public Service](#)
- [Flexible working by default: Guidance and resources](#)
- [Recruitment guidance](#)
- [Guidance on career progression, breaks and leave](#)
- [Guidance on remuneration.](#)

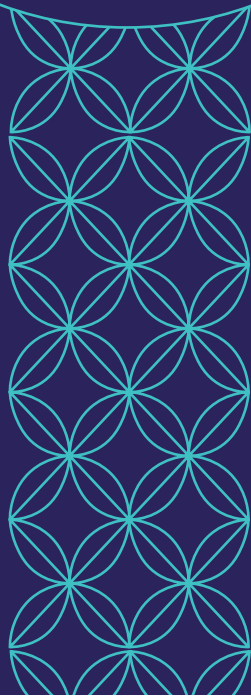
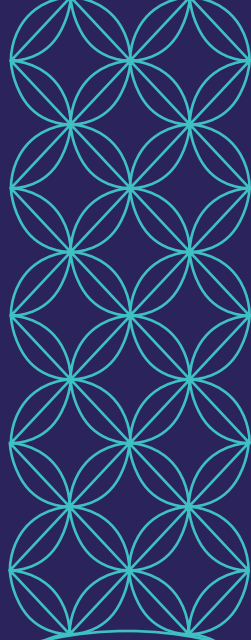
Conclusion

Pay gaps are complex, and eliminating gaps is a long-term exercise. However, the success of the Gender Pay Gap Action Plan has shown that focused action on the workplace drivers of pay gaps can lead to substantial reductions in pay gaps. By implementing Kia Toipoto, organisations will be taking positive action to close pay gaps, address bias and discrimination and create fairer workplaces for all their employees.



Kia Toipoto





Kia Toipoto



Te Kawa Mataaho
Public Service Commission



Manatū Wāhine
Ministry for Women



Te Puni Kōkiri
MINISTRY OF MĀORI DEVELOPMENT



Ministry for
**Ethnic
Communities**
Te Tari Mātāwaka



**Pacific
Peoples**
Ministry of Pacific Peoples