



# Te Puni Kōkiri Pay Gaps Action Plan 2022



# Introduction

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Te Puni Kōkiri proudly promotes and engages in diversity and inclusiveness across the spectrum.

Our organisational values, particularly manaakitanga, encourage inclusivity. To support whānau to thrive, we need to have a workforce that is able to understand, and reflect, the Māori communities we serve. This fulfils section 75 of the Public Service Act 2020 and aligns with the Public Services Papa Pounamu work programme.

Te Puni Kōkiri is committed to ensuring all kaimahi are able to achieve their full potential in a workplace free from gender and ethnicity-based inequities, in line with Kia Toipoto – the Public Service Gender, Māori, Pacific and Ethnic Pay Gaps Action Plan 2021-24 and the Public Service Gender Pay Principles.

Te Puni Kōkiri Pay Gaps Action Plan 2022 includes analysis of the workforce data, drivers for Te Puni Kōkiri pay gaps, progress to date and outlines an action plan for closing gaps aligned with Kia Toipoto.

The approach has been discussed with the PSA who are comfortable with the ongoing progress Te Puni Kōkiri is making towards closing pay gaps.

## Kia Toipoto: Public Service Pay Gaps Action Plan 2021-24

Kia Toipoto is the public service gender, Māori, Pacific and ethnic pay gaps action plan for 2021-24.

Kia Toipoto builds on the achievements and success of the Gender Pay Gap Action Plan 2018-20. It recognises that common barriers drive all pay gaps, with more targeted action needed to accelerate progress for wāhine Māori, Pacific women, and women from ethnic communities.

The three-year goals for Kia Toipoto 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.

Putting Kia Toipoto into action will help Te Puni Kōkiri to achieve the expectations set out in the Public Service Act 2020 and the Government Workforce Policy Statement 2021. These expectations form the six focus areas of Kia Toipoto and include:

- Publishing pay gaps in a pay gap action plan each year.
- Ensuring bias does not influence starting salaries or pay for employees in the same or similar roles.
- Having plans to improve gender and ethnic representation in the workforce and leadership.
- Developing equitable career pathways and opportunities to progress.
- Protect against bias and discrimination in HR and remuneration policies and practices.
- Building cultural competence.
- Normalising flexible working.

The actions Te Puni Kōkiri will take to close gaps are aligned with the Kia Toipoto focus areas.

# Workforce Representation

This section covers gender and ethnicity representation for Te Puni Kōkiri.

It is important to note there are limitations with this data due to current data collection methods and current system constraints.

Employee data is collected during the onboarding process. Currently, the forms ask for one ethnicity and the gender is binary. This is likely to have resulted in some ethnicity data being under reported, including Māori representation.

At present, the system does not allow staff to self-update their ethnicity or gender during the course of their employment. Addressing these limitations is a key goal for 2022/23 to help validate the current data.

## Key points to note:

- Two-thirds (65.1%) of the workforce are women, with women making up over half of senior leaders in the organisation.
- Te Puni Kōkiri has ethnicity representation data for **99.5%** of the workforce, although as mentioned above this is limited by only having one ethnicity recorded.
- Māori representation at Te Puni Kōkiri is high, with nearly 70% of employees (69.6%) identifying as Māori based on the current data. Just over twenty percent (21.7%) of staff identify as European.

**Table 1:** Gender and ethnicity workforce representation

	Workforce representation % n=407	Senior Leaders (Tiers 2 & 3) <sup>1</sup> n=41
<b>GENDER</b>		
Female	65.1%	58.6%
Male	34.4%	39.0%
Another gender/ not stated	0.5%	2.4%
<b>ETHNICITY</b>		
European	21.7%	22.0%
Māori	69.6%	70.7%
Asian	3.7%	2.4%
Pacific Peoples	4.7%	4.9%
Middle Eastern/Latin American/ African	-	-
Other	0.3%	-

<sup>1</sup> includes Tier 2 manager, Directors, Regional Directors and Grade 20 manager roles that report into Tier 2

# Gender and ethnic pay gap data

There are two methods for calculating the gender pay gap either median pay or mean pay.

- **Median (50<sup>th</sup> percentile) pay** is the middle amount of pay earned — half of employees earn less and half earn more. Median pay better reflects the pay a typical employee receives.
- On the other hand, **mean (average) pay** better reflects employees with very low, or very high pay, and that women are overrepresented in the low paid groups and underrepresented in high paid groups.

This year additional data analysis has been undertaken to align with Kia Toipoto, including providing the median gender pay gap and the Māori pay gap.

Te Puni Kōkiri has a mean gender pay gap, as at September 2022, of **10.6%**. The mean pay gap has reduced from **15.9%** in June 2021. The gender pay gap benchmark for the public service was 7.7% as at 30 June 2022, down from 8.6% the year before.

The median gender pay gap for Te Puni Kōkiri is **3.7%**, compared with the benchmark for the public service of 6.8%.

Neither the Asian pay gap or the Pacific pay gap have been provided in this report due to less than twenty staff in each ethnic group<sup>2</sup>. However, these gaps are still calculated and monitored.

The following table provides a summary, alongside the relevant benchmarks.

**Table 2:** Summary of pay gap data

	TPK Pay Gap September 2022 <sup>3</sup>	TPK Pay Gap June 2021	Public Service June 2022	NZ Workforce (2022 NZ Stats)
<b>Gender Pay Gap</b> Mean (average)	<b>10.6%</b>	<b>15.9%</b>	7.7%	-
<b>Gender Pay Gap</b> Median (50 <sup>th</sup> percentile)	<b>3.7%</b>	-	6.8%	9.2%
<b>Māori Pay Gap</b> Mean (average)	<b>11.3%</b>	-	6.5%	-
<b>Asian Pay Gap</b>	<i>less than 20 staff</i>	-	12.4%	-
<b>Pacific Pay Gap</b>	<i>less than 20 staff</i>	-	17.7%	-

<sup>2</sup> Calculations with less than 20 staff are not considered to be statistically robust.

<sup>3</sup> Calculations have been made in accordance with guidance from Te Kawa Mataaho and Statistics New Zealand.

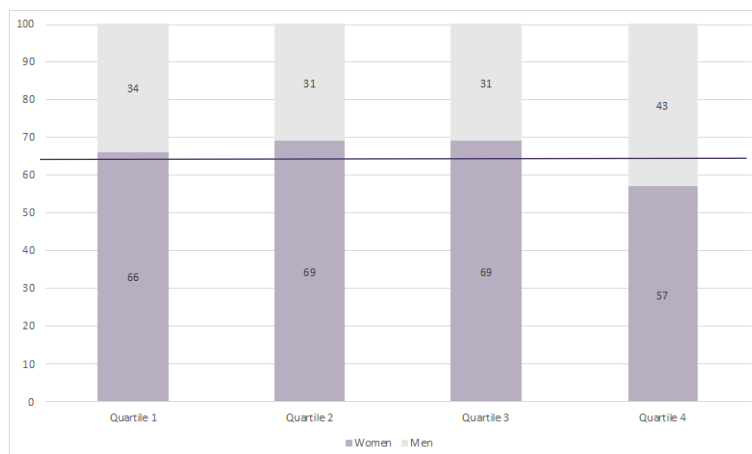
## Mapping gender representation by quartile

Mapping gender representation across pay quartiles helps to shed light on the main driver of the organisation wide gender pay gap.

The following graph divides the workforce into four equal 'buckets' based on pay and shows the gender representation for each quartile.

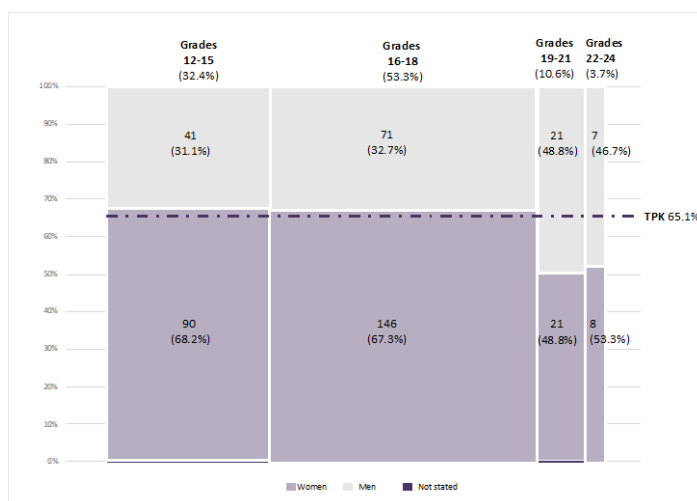
The graph shows the gender representation in quartiles one to three is similar, or slightly higher, to the gender representation of the organisation as a whole (65.1% women), while there are more men represented in quartile 4. This is known as vertical segregation and is the biggest contributor of the gender pay gap.

**Figure 1:** Gender representation (%) by pay quartile



The following graph shows a similar representation, showing gender representation by pay grade groupings. This helps to demonstrate the proportion of staff by pay grade.

**Figure 2:** Gender representation by grade groupings



## Mapping quartile pay gaps

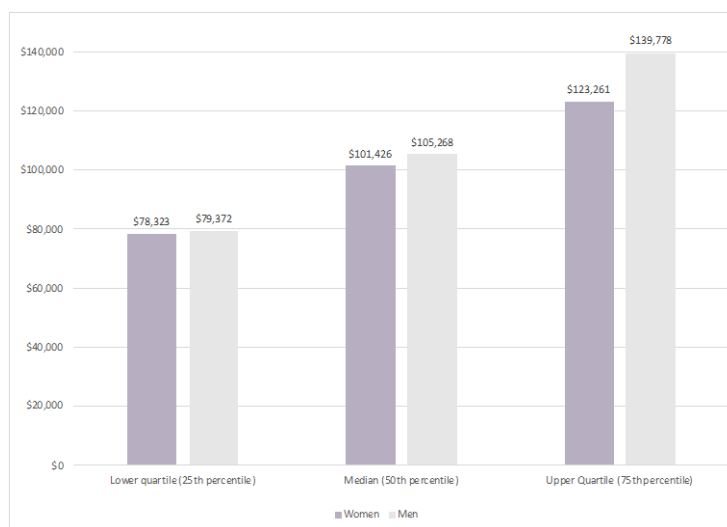
Quartile pay gaps compare the pay of men and women at the lower, median and upper quartile, and allows for the consideration of quartile pay gaps.

The quartile pay gaps for Te Puni Kōkiri are:

- Lower quartile gender pay gap is **1.3%**
- Median gender pay gap is **3.7%**
- Upper quartile gender pay gap is **11.8%**

This shows the gender pay gap is more prominent in the upper quartile, which also contributes to the organisation wide gender pay gap.

**Figure 3:** Full time equivalent pay (s) by sex and quartile



## Māori & ethnic pay gaps

In alignment with Kia Toipoto, this year we have considered Māori and ethnic pay gaps. As mentioned earlier in this report, there are limitations with the current data which should be taken into consideration.

While the Māori pay gap is provided, neither the Asian pay gap or the Pacific pay gap have been provided in this report, due to less than twenty staff in each ethnic group.<sup>4</sup> However, these gaps have been calculated and will be monitored.

### Māori pay gap

As mentioned earlier in the report, as only one ethnicity is recorded for each staff member we consider Māori representation may currently be under recorded. Therefore, caution needs to be taken when drawing conclusions from the current data. This data will be validated as part of the action plan.

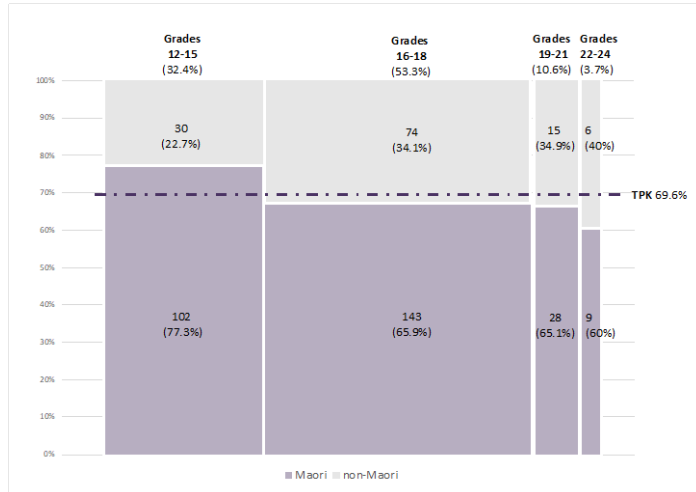
The Māori pay gap is calculated as the difference between the average salary for Māori and the average salary of non-Māori, expressed as a percentage of the average salary of non-Māori.

<sup>4</sup> Calculations with less than 20 staff are not considered to be statistically robust.

The average salary for Māori is \$108,731, while the average salary for non-Māori is \$122,524. Therefore, the Māori pay gap is **11.3%**.

The following graph shows Māori representation and proportionality, by pay grade groups (based on the current data).

**Figure 4: Māori representation by grade groupings**



**Points to note:**

- Te Puni Kōkiri is a unique agency with high Māori representation in relation to other agencies.
- The high proportion of Māori in lower grade roles reflects the communities we work in and is a strength for Te Puni Kōkiri.
- There may be a lower representation of Māori in higher grades as Te Puni Kōkiri provides a pipeline for Māori in the public service, meaning kaimahi begin their careers at Te Puni Kōkiri before progressing on to more senior roles in other agencies.
- Kaimahi from a range of ethnicities, including European, are more likely to hold corporate, specialist or senior roles.

**Like for like pay gaps**

As part of the analysis, we have considered, and will continue to monitor, like for like pay gaps for all kaimahi within Te Puni Kōkiri.

The table below shows the pay gaps for the three roles where we are able to make a statistically robust calculation (where there are 20+ staff in each group). These roles account for 73% of kaimahi.

For all three roles the pay gap is now negligible, with the pay gap in both Grade 17 and Grade 18 having fallen by more than two percentage points since last year.

**Table 3:** Like for like pay gaps

Grade	Number of Women (Sep 2022)	Number of Men (Sep 2022)	Pay Gap Sep 2022	Pay Gap June 2021
15	68	33	<b>-0.3</b>	-0.5%
17	88	40	<b>1.6</b>	4.9%
18	48	20	<b>1.0</b>	3.3%



# Drivers

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The driver for both the gender pay gap and the Māori pay gap is vertical segregation (more women in lower-paid roles). This is a common driver in many organisations.

# Levers

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The key levers for closing the pay gaps are to:

- Improve data quality to ensure the validity of gender and ethnicity data.
- Continue to closely monitor starting salaries and provide more robust guidance.
- Provide career and leadership development and progression for Māori and ethnic women.
- Consider how we can tap into diverse talent pools for specialist, corporate and senior roles.
- Continue to monitor HR practices and processes for unconscious bias.
- Continue to provide manager training to support fair and equitable practices within the organisation.
- Include employee led networks impacted by this mahi in the review of HR practices and processes.

# Progress

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The following actions have contributed to the closing of the gender pay gap over the last couple of years:

- Greater awareness amongst managers of the gender pay principles.
- Consideration of the implications for gender pay gaps at key decision points such as recruitment, promotion, and remuneration review.
- Improvement in HR processes and practices to provide greater robustness and to ensure like for like pay gaps do not reemerge.
- The implementation of a new remuneration structure, as recommended by the working group with PSA, which included the Remuneration and Performance Framework being reviewed and updated.
- Greater transparency of remuneration rates through all HR policies and practices, including remuneration rates now being published in the Collective Employment Agreement.
- Introduction of manager training, such as an e-module on Unconscious Bias, to improve awareness.

# Action Plan

Kia Toipoto Pay Gap Goals	Kia Toipoto Pay Gap Actions	Actions
<b>Te Pono</b> Transparency	<ul style="list-style-type: none"> <li>Agencies and entities publish annual action plans based on gender and ethnicity data and union/employee feedback.</li> <li>Agencies and entities ensure easy access to HR and remuneration policies, including salary bands.</li> </ul>	<ul style="list-style-type: none"> <li>Publish 2022/23 Pay Gap Action Plan.</li> <li>Improve Data collection for Ethnicity to be compliant with PSC and StatsNZ standards.</li> <li>Improve Data collection for Gender to be compliant with PSC and StatsNZ standards.</li> <li>Create a space on the Intranet for HR and remuneration policies, including salary bands.</li> <li>Form a cross-puni working group to implement and monitor this plan</li> </ul>
<b>Ngā Hua Tōkeke mō te Utu</b> Equitable pay outcomes	<ul style="list-style-type: none"> <li>By the end of 2022, entities ensure that starting salaries and salaries for the same or similar roles are not influenced by bias.</li> <li>Agencies monitor starting salaries and salaries for the same or similar roles to ensure gender and ethnic pay gaps do not reopen.</li> <li>Pay equity processes are used to address claims and reduce the impact of occupational segregation.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation and monitoring of approvals for 110%+ PIR appointments.</li> <li>Equal Pay Analysis for like for like roles (Grades).</li> <li>Contribution Analysis to identify potentially disadvantaged employees.</li> <li>Continued work on Admin/Clerical Pay Equity Claim.</li> </ul>
<b>Te whai kano i ngā taumata Katoa</b> Leadership and representation	<ul style="list-style-type: none"> <li>By the end of 2022, agencies/entities have plans and targets to improve gender and ethnic representation in their workforce and leadership.</li> <li>By the end of 2024 the Public Service workforce and leadership are substantially more representative of society.</li> </ul>	<ul style="list-style-type: none"> <li>No pressing action to increase representation of ethnicity and gender.</li> <li>For significant gains in lowering gender and Māori pay gaps – implement targeted initiatives to move towards perfect integration.</li> </ul>
<b>Te Whakawhanaketanga i te Aramahi</b> Effective career and leadership development	<ul style="list-style-type: none"> <li>By mid 2023, agencies/entities have career pathways and equitable progression opportunities that support women, Māori, Pacific and ethnic employees to achieve their career aspirations.</li> </ul>	<ul style="list-style-type: none"> <li>Actions will be developed in accordance with PSC guidance to be released in early 2023.</li> <li>Continue with Intern programme</li> <li>Continue with Defence/Te Puni Kōkiri development programme, which also benefits the wider public service.</li> </ul>
<b>Te whakakore i te katoa o ngā momo whakatoihara, haukume anō hoki</b> Eliminating all forms of bias and discrimination	<ul style="list-style-type: none"> <li>Agencies embed and monitor the impact of bias-free HR and remuneration policies and practices.</li> <li>Agencies/entities ensure leaders and employees learn about and demonstrate cultural competence.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor HR and remuneration policies and practices.</li> <li>Review HR and remuneration policies and practices with a bias-free lens when they are due to reviewed.</li> <li>Develop guidance for recruiting managers around gender and ethnic gaps</li> </ul>

		<ul style="list-style-type: none"> <li>• Continue to provide te reo and te ao Māori training for new and existing staff</li> <li>• Provide greater context (in job descriptions and recruitment material) around what 'or equivalent' in relation to academic qualifications means..</li> </ul>
<b>Te Taunoa o te Mahi Pīngore</b> Flexible-work-by-default	<ul style="list-style-type: none"> <li>• By the end of 2024 agencies and entities offer equitable access to flexible-by-default working and ensure it does not undermine career progression or pay.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor flexible-working practices.</li> </ul>

## Glossary

**Base pay** – The fixed rate of ordinary pay for the job.

**By-level gender pay gap** – The difference in pay between men and women in groups or levels in an organisation, such as tiers, departments, pay bands, groups, or occupations such as managers.

**Equal pay** – Men and women receive the same rate of pay for the same work, or for substantially similar work.

**Gender diverse** – A third official gender identity classification category, along with male and female, recognised by Stats NZ in 2015.

**gender pay gap** – The difference in pay for groups of women and men.

**Horizontal segregation** – Where disproportionately more women or men are performing specific roles. This can be within an organisation, particular occupation, or industry. It is sometimes used interchangeably with occupational segregation.

**Like-for-like job gender pay gap** – The difference in pay for men and women doing the same jobs/work or substantially similar jobs/work.

**Mean** The sum (total) divided by how many numbers there are in a list. When people say 'average', they are often referring to the mean.

**Median** – The middle value in a list of numbers.

**Occupation** – A set of jobs with similar main tasks, i.e. nursing, teaching, driving are different occupations.

**Occupational segregation** – The clustering of men and women employees across and within occupations. Occupational segregation can be horizontal or vertical.

**Organisation-wide gender pay gap** – The difference in pay between all the men and all the women in an organisation.

**Pay equity** – For work predominantly or exclusively performed by women, employees receive the same rates of pay as would be paid to male employees that:

- have the same, or substantially similar, skills, responsibility, and service
- work under the same, or substantially similar, conditions, and with the same, or substantially similar, degrees of effort

**Quartiles** – Quartiles are formed by dividing all people in a group into four equal groups. For instance, in this paper, employees in an organisation are ranked from lowest to highest pay. The quartile is the cut off between the lowest earning group and highest earning group

**Tenure** – The length of time an employee has been at an organisation, or the length of time an employee has held a particular job.

**Remuneration** – Reward for employment in the form of pay, salary, or wages, including allowances, benefits (eg company car, medical plan, pension plan), bonuses, cash incentives, and monetary value of the non-cash incentives.

**Vertical segregation** – Disproportionately more women or men hold senior, higher-paid positions. This can also be in a particular occupation or industry.

**Source:** Organisational gender pay gaps measurement analysis guidelines, Stats NZ Second edition



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