



Te Puni Kōkiri Pay Gaps Action Plan 2022-24 (2023 Update)



Introduction

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

Our organisational values, particularly manaakitanga, encourages inclusivity. In order to support whanau 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 that is 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 2022-24 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.

Pay gap information has been updated with 2023 data which shows progress to date for Te Puni Kōkiri. All data is as at 30 June 2023 unless stated otherwise.

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.

Significant progress has been made in the past year to improve employee data quality and reporting. Some improvements include updating onboarding forms in our recruitment system, aligning reporting to public service workforce standards, and providing monthly reporting to the Culture, Capability and Systems Governance Board.

There are still improvements to be made in our Recruitment and Payroll system, including collection and reporting on disability. These are included in the People and Capability workplan for 2023/24 and will be progressed as updated guidance is released by the Public Service Commission.

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.
- A small number of kaimahi have self-identified as another gender or “prefer not to say”, This number is too small to provide pay gap calculations.
- All current kaimahi have identified with at least one ethnicity.
- Te Puni Kōkiri has the highest Māori representation amongst all public service agencies, with nearly seventy percent of employees (69.8%) identifying as Māori. Just over twenty five percent (26.2%) of staff self-identify as European.

Table 1: Gender and ethnicity workforce representation

	Workforce representation % n=450	Senior Leaders (Tiers 2 & 3) ¹ n=26
GENDER		
Female	65.1%	53.8%
Male	34.2%	46.2%
Another gender/ prefer not to say	0.7%	-
ETHNICITY		
Māori	69.8%	73.1%
European	26.2%	23.1%
Asian	5.8%	-
Pacific Peoples	8.2%	11.5%
Middle Eastern/Latin American/ African	0.7%	-
Other	0.4%	-

¹ includes Deputy Secretaries, Directors, Regional Directors and people managers that report to Tier 2s

Gender and ethnic pay gap data

The two methods for calculating pay gaps are to use median pay or mean pay.

- **Median (50th 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 the fact that women are overrepresented in the low paid groups and underrepresented in high paid groups. This is the preferred method in the public service.

As at 30 June 2023, Te Puni Kōkiri had an average gender pay gap of 10.9%. There was a 2.3 percentage point (pp) decrease from 30 June 2022 (13.2%), and a 4.7pp decrease from 30 June 2021 (15.6%). This reduction met the 2022/23 target of reducing the average gender pay gap by 2%. The median gender pay gap is 5.4%, which is 3.2pp lower than the median gender pay gap in Aotearoa New Zealand (8.6%) (Labour Market statistics (income): June 2023 quarter. Stats NZ).

Te Puni Kōkiri has a Māori pay gap of 11.2% as at 30 June 2023. This has reduced significantly by 8.3pp since 30 June 2021 (19.5%). The key driver of this pay gap and our other pay gaps is occupational vertical segregation which will be explained later in this report.

As at 31 August 2023, our average gender pay gap has reduced even further to 9.1% and our average Māori pay gap has reduced significantly to 7.4%.

As a small agency, our pay gaps are volatile and small numbers of appointments or leavers can have large impacts on our pay gaps. This is why we track progress monthly to ensure we understand the drivers of these changes. The following table provides a summary of Te Puni Kōkiri pay gaps over time.

Table 2: Summary of pay gap data

	TPK Pay Gaps August 2023 ²	TPK Pay Gaps June 2023	TPK Pay Gaps June 2022	TPK Pay Gaps June 2021
Gender Pay Gap Mean (average)	9.1%	10.9%	13.2%	15.6
Gender Pay Gap Median (50 th percentile)	3.4%	5.4%	1.5%	9.4%
Māori Pay Gap Mean (average)	7.4%	11.2%	13.3%	19.5%
Asian Pay Gap	4.4%	2.8%	<i>less than 20 staff</i>	<i>less than 20 staff</i>
Pacific Pay Gap	13.3%	11.4%	15.3%	16.9%
MELAA Pay Gap	<i>less than 20 staff</i>	<i>less than 20 staff</i>	<i>less than 20 staff</i>	<i>less than 20 staff</i>

² Calculations have been made in accordance with guidance from Te Kawa Mataaho and Statistics New Zealand.

Pay Gaps Deep Dive

Robust pay gap analysis was conducted in July 2023 with the findings being presented to the Culture, Capability and Systems Governance Board. The main findings were this:

1. Equal pay gaps are not significant across Te Puni Kōkiri pay grades for gender or ethnicity.
2. Occupational vertical segregation is the main cause of gender and ethnic pay gaps in Te Puni Kōkiri.
3. Small over and under representation numbers has a large impact on Te Puni Kokiri pay gaps.

Occupational vertical segregation refers to the distribution of workers within different occupations. To assess occupational vertical segregation, we use pay grades rather than occupational groups. Using pay grades allowed us to assess jobs of equal value (roles which have been job sized the same) to determine if there are any equal pay gaps within those grades and the impact equal pay has on the overall pay gap.

The deep dive included a multitude of different measures and analysis with the key data being highlighted below.

Gender Pay Gap Deep Dive

For our analysis, we have considered, and will continue to monitor, like for like pay gaps for all kaimahi within Te Puni Kōkiri.

Table 3 shows the gender pay gaps within the three pay grades where we can make a statistically robust calculation (where there is 20+ kaimahi in each group). These roles account for 73% of kaimahi.

For all three pay grades the pay gap is negligible, and there is a negative gender pay gap in grade 18 (pay gap in favour of females). We also measured gender pay gaps across all other pay grades and did not find anything for concern.

Table 3: Gender equal pay gaps

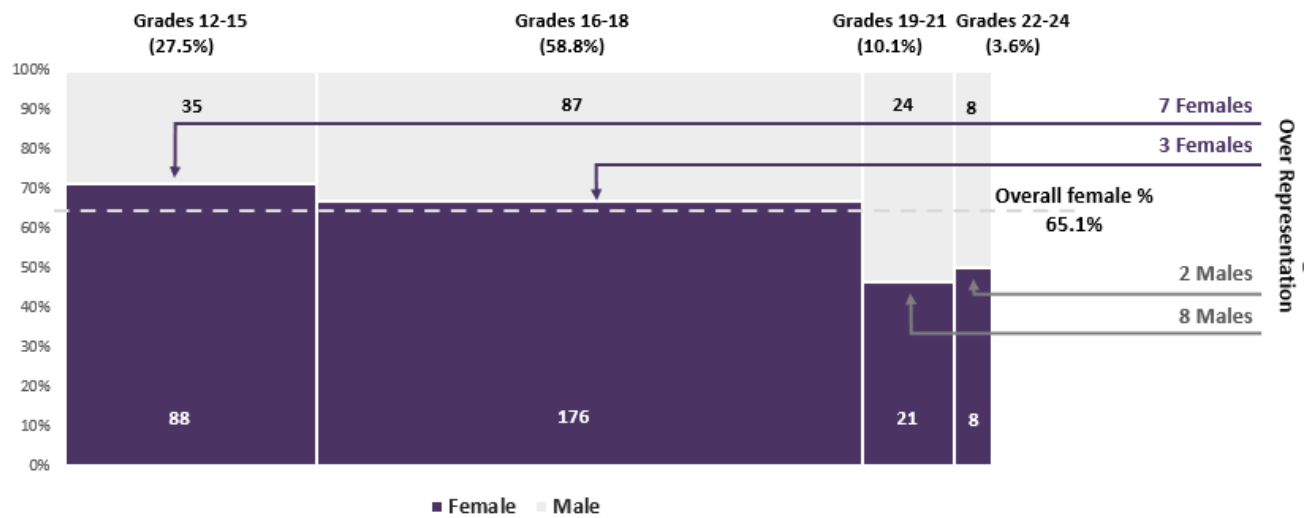
Grade	Number of Women (June 2023)	Number of Men (June 2023)	Gender Pay Gap June 2023
15	63	29	0.9%
17	104	52	1.2%
18	60	25	-3.3%

In our analysis we tested what would happen if we had 0% gender pay gaps across all our grades. We did this by adjusting the average salary of women in each grade to match the average salary of men in the same grade. This only reduced the overall gender pay gap by 0.7pp from 10.9% to 10.2%. This demonstrates how small the impact each grade's equal pay gap has on the overall pay gap.

Next, we tested the impact occupational vertical segregation has on the Te Puni Kōkiri gender pay gap.

Figure 1 shows the current state of gender representation across our pay grades and the numbers of over representation in each pay grade group. For the figure, pay grades have been combined into four groups to help visualise occupational vertical segregation across the Te Puni Kōkiri workforce.

Figure 1: TPK Female Occupational Vertical Segregation



Like many other agencies, Te Puni Kōkiri has a large representation of female kaimahi in lower pay graded roles (grades 12-18) and a relatively smaller representation in higher pay graded roles (grades 19-24). This causes the average salary of females to be skewed lower due to the over representation in lower pay grades and the average salary of males to be skewed higher due to the over representation in higher pay grades.

Figure 1 simplifies the over representation into 4 groups:

- **Grades 12-15:** 27.5% of kaimahi are on one of these grades. Females are overrepresented by 7 kaimahi.
- **Grades 16-18:** 58.8% of kaimahi are on one of these grades. Females are overrepresented by 3 kaimahi.
- **Grades 19-21:** 10.1% of kaimahi are on one of these grades. Males are overrepresented by 8 kaimahi.
- **Grades 22-24:** 3.6% of kaimahi are on one of these grades. Males are overrepresented by 2 kaimahi.

The next part of our analysis involved us changing the proportions of males and females to match the overall Te Puni Kōkiri gender representation (e.g., each grade has 65.1% females). We did this without adjusting average salaries, so all equal pay gaps remained the same as our current state.

This resulted in the overall **gender pay gap reducing by 9.9pp** from 10.9% to 1.0%. The residual 1.0% is the result of the remaining equal pay gaps at this new representation level. This clearly demonstrates that the main driver of the Te Puni Kōkiri gender pay gap is occupational vertical segregation.

Māori Pay Gap Deep Dive

Table 4 shows the Māori pay gaps within three pay grades where we can make a statistically robust calculation (where there is 20+ kaimahi in each group). These roles account for 73% of kaimahi.

Grades 15 and 18 have negligible Māori pay gaps and grade 17 has a relatively small Māori pay gap compared to the overall. We investigated Grade 17 further and found no unjustified pay gaps within this grade.

Table 4: Māori equal pay gaps

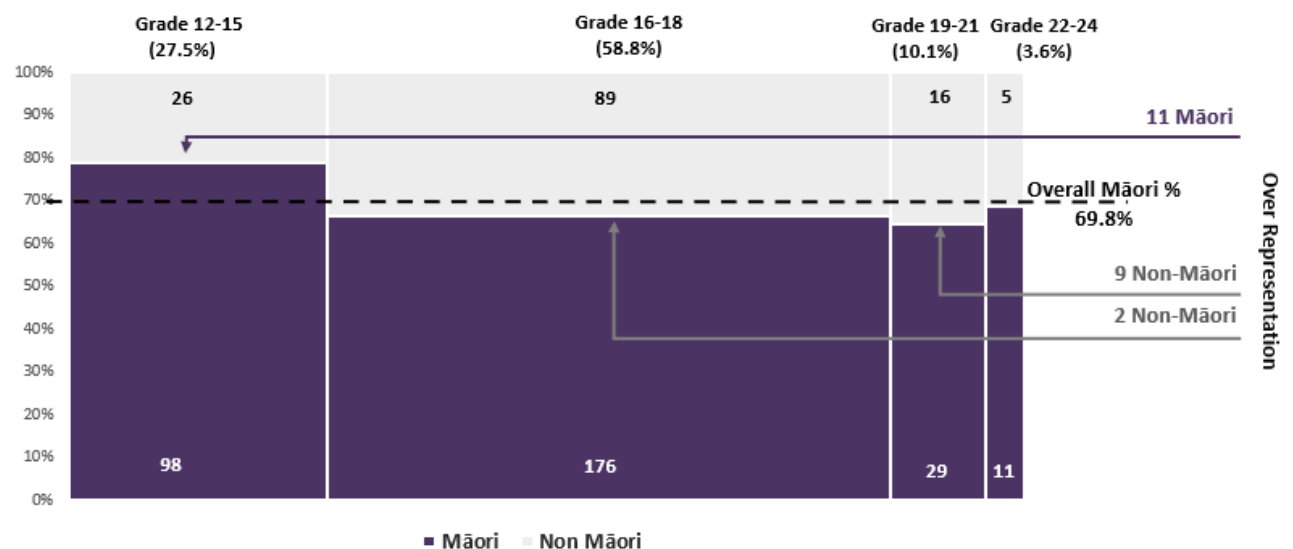
Grade	Number of Māori (June 2023)	Number of Non-Māori (June 2023)	Pay Gap June 2023
15	73	20	-1.5%
17	106	51	6.2%
18	53	33	3.7%

In our analysis we tested what would happen if we had 0% Māori pay gaps across all our grades. We did this by adjusting the average salary of Māori in each grade to match the average salary of non-Māori in the same grade. This only reduced the overall Māori pay gap by 3.0pp from 11.2% to 8.2%. This demonstrates how small the impact each grade’s equal pay gap has on the overall pay gap.

Next, we tested the impact occupational vertical segregation has on the Te Puni Kōkiri Māori pay gap.

Figure 2 shows the current state of Māori representation across our pay grades and the numbers of over representation in each pay grade group. For the figure, pay grades have been combined into four groups to help visualise occupational vertical segregation across the Te Puni Kōkiri workforce.

Figure 2: TPK Māori Vertical Segregation



Te Puni Kōkiri is unique in the fact that the majority of kaimahi identify as Māori. Te Puni Kōkiri has a significantly large representation of Māori kaimahi in lower pay graded roles (grades 12-15) and a more even representation across all other grades. This causes the average salary of Māori to be skewed lower due to the over representation in lower pay grades and the average salary of non-Māori to be skewed higher due to the over representation in higher pay grades.

Figure 2 simplifies the over representation into 4 groups:

- **Grades 12-15:** 27.5% of kaimahi are on one of these grades. Māori are overrepresented by 11 kaimahi.
- **Grades 16-18:** 58.8% of kaimahi are on one of these grades. Non-Māori are overrepresented by 2 kaimahi.
- **Grades 19-21:** 10.1% of kaimahi are on one of these grades. Non-Māori are overrepresented by 9 kaimahi.

- **Grades 22-24:** 3.6% of kaimahi are on one of these grades. This group has no overrepresentation.

The next part of our analysis involved us changing the proportions of Māori and non-Māori to match the overall Te Puni Kōkiri Māori representation (e.g., each grade has 69.8% Māori). We did this without adjusting average salaries, so all equal pay gaps remained the same as our current state.

This resulted in the overall **Māori pay gap reducing by 7.7pp** from 11.2% to 3.5%. The residual 3.5% is the result of the remaining equal pay gaps at this new representation level. This clearly demonstrates that the main driver of the Te Puni Kōkiri Māori pay gap is occupational vertical segregation.

Other Ethnic Pay Gap Deep Dives

We conducted the same analysis as above for Asian and Pacific Peoples pay gaps. These results were in line with the above two findings. We are unable to represent this in tables or figures due to the low number of Kaimahi who self-identify with these ethnicities. We continue to monitor pay gaps for all ethnicities in our monthly reporting.

Drivers

The driver for gender and ethnic pay gaps in Te Puni Kōkiri is occupational vertical segregation (in-equal representation across pay grades). This is a common driver in many organisations.

Levers

The key levers for closing the pay gaps are to:

- Continue to improve data quality to aid analysis
- 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
- Continuing 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

The following actions have contributed to the closing of the gender pay gap over the past three 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 emodule on Unconscious Bias, to improve awareness

Action Plan

Kia Toipoto Pay Gap Goals	Kia Toipoto Pay Gap Actions	Actions
Te Pono Transparency	<ul style="list-style-type: none"> Agencies and entities publish annual action plans based on gender and ethnicity data and union/employee feedback. Agencies and entities ensure easy access to HR and remuneration policies, including salary bands. 	<ul style="list-style-type: none"> Publish 2022/23 Pay Gap Action Plan. Improve Data collection for Ethnicity to be compliant with PSC and StatsNZ standards. Improve Data collection for Gender to be compliant with PSC and StatsNZ standards. Create a space on the intranet for HR and remuneration policies, including salary bands. Form a cross-puni working group to implement and monitor this plan.
Ngā Hua Tōkeke mō te Utu Equitable pay outcomes	<ul style="list-style-type: none"> By the end of 2022 entities ensure that starting salaries and salaries for the same or similar roles are not influenced by bias. Agencies monitor starting salaries and salaries for the same or similar roles to ensure gender and ethnic pay gaps do not reopen. Pay equity processes are used to address claims and reduce the impact of occupational segregation. 	<ul style="list-style-type: none"> Implementation and monitoring of approvals for 110%+ PIR appointments. Equal Pay Analysis for like for like roles (Grades). Contribution Analysis to identify potentially disadvantaged employees. Continued work on Admin/Clerical Pay Equity Claim.
Te whai kanoahi i ngā taumata Katoa Leadership and representation	<ul style="list-style-type: none"> By the end of 2022 agencies/entities have plans and targets to improve gender and ethnic representation in their workforce and leadership. By the end of 2024 the Public Service workforce and leadership are substantially more representative of society. 	<ul style="list-style-type: none"> No pressing action to increase representation of ethnicity and gender. For significant gains in lowering gender and Māori pay gaps – implement targeted initiatives to move towards perfect integration.
Te Whakawhanaketanga i te Aramahi Effective career and leadership development	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Actions will be developed in accordance with PSC guidance to be released in early 2023. Continue with Intern programme Continue with Defence/TPK development programme, which also benefits the wider public service.

<p>Te whakakore i te katoa o ngā momo whakatoihara, haukume anō hoki</p> <p>Eliminating all forms of bias and discrimination</p>	<ul style="list-style-type: none"> • Agencies embed and monitor the impact of bias-free HR and remuneration policies and practices. • Agencies/entities ensure leaders and employees learn about and demonstrate cultural competence. 	<ul style="list-style-type: none"> • Continue to monitor HR and remuneration policies and practices. • Review HR and remuneration policies and practices with a bias-free lens when they are due to reviewed. • Develop guidance for recruiting managers around gender and ethnic gaps • Continue to provide te reo and te ao Māori training for new and existing staff. • Provide greater context (in job descriptions and recruitment material) around what 'or equivalent' in relation to academic qualifications means.
<p>Te Taunoa o te Mahi Pīngore</p> <p>Flexible-work-by-default</p>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Monitor flexible-working practices.

Updated actions and progress can be found on the Te Puni Kōkiri Pay Gaps Action Plan 2023 – A3.

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. 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 whose main tasks are very similar – 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 (for example) 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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