The gender pay gap in New Zealand:
a rapid review of the current state of play

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Executive summary

- Women are paid less than men in every country in the world. The World Economic Forum’s 2015 Global Gender Gap Report found that, at the present rate of progress, it would take 118 years for women to be paid the same as men.
- New Zealand in 2015 ranked tenth out of 145 countries in the report for its overall gender gap across education, health, economic opportunity and politics. However, it was ranked only 27th for its wage equality for similar work, and 54th for estimated earned income.
- The gender pay gap in New Zealand in 2015 was 13.9 per cent – the widest in almost a decade.
- The median wage for men in 2015 was almost $15,000 more than for women.
- The industry with the largest gender pay gap was finance, where women earned 30.2 per cent less than men.
- The gender pay gaps are much larger for Māori, Pasifika and immigrant women, and women with disabilities.
- New Zealand’s gender pay gap has persisted for decades, hovering around 10 per cent but never significantly reducing.
- The gender pay gap exists irrespective of qualifications, skills or experience.
- A raft of legal claims over the gender pay gap led to the Government setting up a Joint Working Party in October 2015 to draw up principles for resolving claims.

This paper has been prepared as a reference document relating to pay differentials between men and women in New Zealand. It outlines developments which have occurred since the 2015 version of the paper was released. The YWCA Equal Pay Awards focus on equal pay, rather than pay equity.

YWCA and Equal Pay Awards

The YWCA Auckland advocates equal pay for equal work. In light of the continuing gender pay gap within New Zealand, the organisation initiated the YWCA Equal Pay Awards. The aim of these is to recognise best practice amongst business leaders actively addressing equal pay within their organisations. All entrants must demonstrate their initiatives, processes, cultural intent and commitment to addressing this issue. Entries for the 2016 awards will be called for in June and close in September, and the winners will be announced in October.

The Supreme title for best practice as an equal pay employer in 2015 was won by ANZ Bank Ltd. Insurers IAG New Zealand Ltd were named Gold Champions, while the joint Silver Distinguished winners were Bell Gully and the Education Review Office. The New Zealand Defence Force won the Bronze Emerging trophy. YWCA Auckland CEO, Monica Briggs, said the widening gender pay gap meant there was an even stronger case for businesses to prioritise equal pay within their organisations.
Equal pay and pay equity

A number of terms are used in discussing the gender pay gap. “Equal pay” refers to women and men being paid the same amount for doing the same work. Prior to the Equal Pay Act 1972, there were different pay rates for men and women. It was thought that the legislation would end that by providing for equal pay regardless of gender. However, women have continued to be paid, on average, less than men. The term “pay equity” refers to the concept of redressing that income differential by comparing the rates paid to those in female-dominated occupations with those paid in comparable male-dominated jobs and raising women’s pay to match that of men. This could, for example, involve comparing nurses with probation officers, or education support workers with prison officers, or midwives with mechanical engineers.

A third term used is pay parity. In New Zealand, primary teachers in 1998 achieved pay parity within a unified pay system for primary teachers. This meant that primary teachers and principals with the same experience and qualifications were paid the same as secondary teachers and principals. Kindergarten teachers won pay parity with other teachers in 2002, and early childhood education teachers were granted pay parity in 2004.

Statistics New Zealand notes that the gender pay gap depends not only on the amounts paid to men and women, but also on the way pay is measured. Internationally, there is no agreement on a standard way for measuring the gender pay gap, although there appears to be a strong preference for comparing hourly pay. However, Statistics New Zealand notes that there are differences depending on whether the hourly pay measured is average or median pay; full-time pay only, or part-time and full-time pay; or ordinary pay or pay that includes overtime. Statistics New Zealand believes that using hourly pay produces the most accurate figures as it compares what men and women are paid for a fixed amount of work (one hour). This measure is not affected by the number of hours a person works, or periods without pay http://www.stats.govt.nz/browse_for_stats/income-and-work/Income/gender-pay-gap.aspx. Statistics New Zealand also recommends using median, rather than average, pay as the former is less influenced by very high or very low earners. Averages calculated from surveys fluctuate more than medians.

Wellington economist Prue Hyman demonstrated the different results produced by using different measures by analysing the gender pay gap using data from the June 2014 quarter Statistics New Zealand Income Survey –

- Median hourly, full-time only - 6.0 per cent
- Median hourly, full-time and part-time - 9.9 per cent
- Mean (average) hourly, part-time and full-time – 13.9 per cent
- Median weekly full-time - 14.3 per cent
- Mean weekly full-time – 18.4 per cent
- Mean weekly part-time and full-time – 25.1 per cent
- Median annual personalized income from all sources, all adults – 36.7 per cent. (Pay Equity Coalition Auckland – Pay equity lobbying arguments).

The figures show that, regardless of which measurement is used, there is a significant gender pay gap.
The global gender pay gap

Women are paid less than men in every country in the world. The World Economic Forum’s 2015 Global Gender Gap Report found that the overall gender equality gap had closed only slightly in the past 10 years and that progress on pay equity had stalled. At the present rate of progress, it would take 118 years for women to earn the same as men. The average full-time salary for a working woman globally in 2015 was $US11,102 a year - just over half the male income of $20,554 and approximately the same as the male average income in 2006. The average American woman earns $US430,000 less than a man over her working life.

New Zealand in 2015 ranked tenth out of 145 countries in the Global Gender Gap Report for its overall gender gap across education, health, economic opportunity and politics. However, it was ranked only 27th for its wage equality for similar work, and 54th for estimated earned income - http://reports.weforum.org/global-gender-gap-report-2015/economies/#economy=NZL.

Australia’s gender pay gap

Australia’s Workplace Gender Equality Agency’s March 2016 Gender pay gap statistics showed that Australian women’s full-time, average weekly earnings were $A277.70 less than those of men, representing a full-time gender pay gap of 17.3 per cent. Australia’s national gender pay gap has hovered between 15 and 19 per cent for the past two decades - https://www.wgea.gov.au/sites/default/files/Gender_Pay_Gap_Factsheet.pdf.

Australia’s gender equality scorecard, which was released in November 2015, reported key findings from the Workplace Gender Equality Agency’s 2014-15 data. It was the second year of reporting under Australia’s Workplace Gender Equality Act 2012. The data covered 12,229 employers and almost 4 million employees – more than 40 per cent of the Australian workforce – and showed there was still a gender pay gap across all industries and at all management levels. Women were concentrated in lower-paying occupations and industries.

The gender pay gap across the WGEA data was 19.1 per cent for full-time base salaries, and 24 per cent for full-time total remuneration. In dollar figures, that meant women received an average annual base salary $17,243 lower than that of men, while the gulf soared to $27,254 when bonuses and superannuation were included. The Finance and Insurance Services sector remained the industry with the highest base salary gender pay gap – 27.3 per cent – as well as the highest total remuneration gap – 35 per cent. The gender pay gap was larger at higher levels of management – sitting at 29 per cent for key management personnel; 25 per cent for other executives/ general managers; and 22.8 per cent for senior managers - https://www.wgea.gov.au/sites/default/files/2014-15-WGEA_SCORECARD.pdf.

The study Gender Equity Insights 2016: Inside Australia’s Gender Pay Gap analysed the WGEA data in more detail. It reported that women key management personnel working full-time earned an average of $100,000 less a year than male key management personnel. WGEA data showed an average total remuneration of $244,569 for women key management personnel, whole the figure for men was
$343,296. The gap meant that, if women and men moved through managerial positions at the same pace, working full-time and reaching key management personnel positions in their tenth years, men could expect to earn $2.3 million and women $1.7 million in their base salaries over that period. Men would accordingly be $600,000 better off. Even if women moved towards key performance personnel roles twice as fast as men, they would still earn $100,000 less than men.

The analysis also showed that men were consistently paid more additional remuneration than women. Women working full-time were paid an average additional 18.1 per cent of their base salaries in extras, while the figure for men was 25 per cent. The full-time gender pay gap in Australia has remained around 20 per cent for over 20 years. It is currently 19 per cent, meaning women earn on average only 82 per cent of men’s pay. Women would accordingly have to work an extra 65 days a year to take home the same amount as men. – https://www.wgea.gov.au/sites/default/files/BCEC_WGEA_Gender_Pay_Equity_Insights_2016_Report.pdf.

A December 2015 report commissioned by the Fair Work Commission and titled Low-paid women’s workforce participation decisions and pay equity found that 21 per cent of female employees were low-paid, compared with only 16.4 per cent of their male counterparts.

New Zealand’s gender pay gap

The current position
New Zealand passed an Equal Pay Act in 1972, but despite that women have continued to be paid less than men in the 44 years since then. The gender pay gap in this country persists across different sectors of the economy and exists regardless of qualifications, skills and experience. In the past, it was argued that women were paid less than men because men were more qualified and had lengthier workforce experience. However, women have comprised a majority of law graduates for many years now (56 per cent in 2014) but while 6.3 per cent of male lawyers in law firms become partners or directors within 10 years, the figure is just 3.2 per cent for women. In accountancy, men earn tens of thousands of dollars more than women, irrespective of the women’s qualifications or length of time in the profession.

Analysis of census data from 1996-2006 reveals that – on average – women post-school graduates aged 18-45 years earned around 40 percent less annual income than men. These figures dropped when different subgroups were considered: for example, graduates who were employed full-time (25 percent gap). When other differences (such as age, industry/occupation, and whether someone was working in the field they trained in) were controlled for, the gap dropped to 19 per cent. According to the Aged Care Workforce Survey, two-thirds of adult minimum wage earners in 2014 were women. This survey will be repeated again in 2016.


The Government’s careers website – www.careers.govt.nz – provides information about pay rates in different industries. It records both the highest and lowest median salaries for jobs advertised on Trade Me. In 2014, the highest median salaries advertised included jobs as information technology systems architects ($125,000); information technology managers/ project managers ($115,000);
commercial real estate agents ($115,000); doctors/specialists ($105,000); information technology consultants ($105,000) and engineering managers ($105,000). By contrast, the lowest-paying jobs advertised were those in many female-dominated industries – caregivers ($32,000); retail assistants ($32,000); au pairs and nannies ($32,000); housekeepers $33,000) and cleaners ($35,000).

The gender pay gap in New Zealand measured using the median or mid-way figure for hourly rates was 11.8 per cent in 2015, up from 9.9 per cent in 2014. The smallest gap in the years 1998 to 2015 was in 2012, when the difference fell to 9.1 per cent. The Ministry for Women and the Government use this measurement of the gender pay gap. Median weekly income does not account for differences in hours worked – particularly that women are more likely to be employed part-time. The Human Rights Commission uses figures based on the difference between men’s and women’s average hourly wage rates. The gender pay gap using that measurement was 13.9 per cent in 2014.

Human Rights Commission figures showed that 66.6 per cent of minimum wage earners over 25 were women in 2014 – http://tracking-equality.hrc.co.nz/. The Ministry for Women reported that, in 2014, women earned $300 less a week than men. The data displayed in the table below show the median weekly earnings received by men and women in paid employment from 2009 to 2014. In 2009, male weekly earnings were $863, compared with $620 for women. By 2014, the figures were $978 and $729, respectively – a gap of 25.5 percent.

The New Zealand Income Survey publishes statistics about incomes in this country. The figures for the June 2015 quarter, released in October 2015, recorded a gender pay gap of 11.8 per cent. That was up from 9.9 per cent in the June 2014 quarter, and 11.2 per cent in the June 2013 quarter. Median hourly earnings for men increased $1.06 – or 4.6 per cent - to $24.07, while pay for women rose 50 cents – or 2.4 per cent - to $21.23. The June 2015 statistics showed that women’s average weekly earnings from wages and salaries were $432 a week, equivalent to 61.1 per cent of men’s earnings of $707 a week.
The New Zealand Herald in January 2016 analysed Statistics New Zealand figures and reported that the gender pay gap was the widest it had been in almost a decade, with the median wage for men being almost $15,000 more than it was for women. The last time the gap was this large was in 2006, when it was 85 per cent.

In 2015, for every dollar that men aged between 25 and 64 were paid, women were paid just under 86 cents. The figure climbed to more than 89 cents in 2014, but then fell in 2015. The Herald reported that the industry with the largest gender pay gap was finance, where women were paid 30.2 per cent less than men. The smallest gap was in laboring, where men were paid $2.82 more an hour than women. Women in 2015 were paid $7.16 less an hour than men for community and personal services jobs - http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11573349.

Non-pakeha women

Māori, Pasifika and migrant women are the lowest-paid workers in New Zealand, as well as being the most likely to be in casual, part-time and insecure work. On average, Māori women earn only 76 per cent of what men earn, while Pasifika women earn only 69.9 per cent of male earnings.

Māori, Pasifika and Asian public servants are more highly represented in lower-paid occupational groups. Human Resource Capability in the New Zealand State Services 2015 recorded that the pay gap for Pasifika and Asian staff in the Public Service showed a small increase over time, while the pay gap for Māori remained about the same. The pay gap for Māori in 2011 was 11.5 per cent. In 2015 it was 11.0 per cent. The pay gaps for Pacific peoples were 19.3 per cent in 2011 and 20.5 per cent in 2015, while the figures for Asians were 10.6 and 12.1 per cent respectively.

The New Zealand Income Survey: June 2015 quarter recorded that median hourly earnings rose 95 cents to $23.97 for Europeans, $1.05 to $19.18 for Pasifika people, and $1.34 to $21 for Asians.

The Human Rights Commission’s Tracking Equality at Work tool is an interactive tool enabling inequality to be tracked over time, as well as providing information about whether progress towards equality is being made - http://tracking-equality.hrc.co.nz/#/issue/pay. The tool makes it possible to track the outcomes of a particular group across multiple indicators. Research based on the tool was first released in June 2015. It showed that gender and ethnic pay gaps compounded, so that Pasifika and Māori women were paid less per hour than pakeha women. The majority of people on the minimum wage were young people, and were more likely to be women. Pasifika people were over-
represented in minimum wage jobs relative to their population. The statistics showed that pakeha men aged between 45 and 64 were paid an average of $28.77 an hour – almost double the $14.25 an hour paid to Pasifika women aged between 15 and 24.

**How does your race and gender affect your pay?**

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<th>Maori</th>
<th>Pacific</th>
<th>Asian</th>
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<td>$15.86</td>
<td>$15.10</td>
<td>$15.20</td>
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<tr>
<td>(Women)</td>
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<td>$15.34</td>
<td>$14.75</td>
<td>$15.00</td>
<td>$14.25</td>
</tr>
<tr>
<td>25-44</td>
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<td>$21.86</td>
<td>$19.50</td>
<td>$20.14</td>
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<tr>
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<td>$20.14</td>
<td>$19.28</td>
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<tr>
<td>45-64</td>
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<td>$20.50</td>
<td>$20.00</td>
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<td>$19.00</td>
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**Human Rights Commission’s interactive tool 2015**

**Women with disabilities**

Like non-pakeha women, women with disabilities suffer more than one form of discrimination. They are concentrated in low-paying occupations and their incomes are lower than average female incomes. The Human Rights Commission’s Tracking Equality at Work research reported that people with disabilities had higher rates of unemployment and lower rates of labour force participation than those without disabilities. It said that women with disabilities were more vulnerable than their male cohort - [http://tracking-equality.hrc.co.nz/#/issue/pay](http://tracking-equality.hrc.co.nz/#/issue/pay). The Human Rights Commission recorded that 71.1 per cent of women with disabilities earned less than $30,000 in 2013 – [http://tracking-equality.hrc.co.nz/](http://tracking-equality.hrc.co.nz/). The New Zealand Diversity Survey 2015 Bi-Annual Report reported that disability was an important issue to only 13.4 per cent of the organisations for which respondents worked.

**The Public Sector and Public Service**

The State Services Commission in January 2016 released statistics about the gender pay gap in the public sector. The figures covered 29 government agencies, including the Department of Corrections, Te Puni Kokiri, the Ministry of Education, Treasury and the Ministry of Justice. The statistics for annual full-time salaries in 2015 showed women were paid less than men in 28 of the agencies, with the Ministry for Women being the only organisation in which women were paid more than men.

The largest pay differentials between men and women were at the Crown Law Office and the Ministry of Defence, where men were paid on average 39 per cent more than women. The gap at the Canterbury Earthquake Recovery Authority was 28 per cent, while at the State Services Commission it was 27 per cent and at the Ministry of Education the figure was 26 per cent. The smallest gaps were at the Department of Corrections and Te Puni Kokiri, where the gaps were two and one per cent respectively. The full table can be found here - [http://www.ssc.govt.nz/sites/all/files/GenderPayGap2015.pdf](http://www.ssc.govt.nz/sites/all/files/GenderPayGap2015.pdf).
The State Services Commission also released figures for each year back to 2008. They showed that Treasury had reduced its gender pay gap from 32 to 18 per cent between 2008 and 2015. The gap fell from 28 to 7 per cent at the Department of Prime Minister and Cabinet, and from 25 per cent to 11 per cent at the Serious Fraud Office. However, the overall public service gender pay gap declined by just 1 per cent in the seven year period, falling from 15 per cent in 2008 to 14 per cent in 2015.

At seven of the agencies, the gulf between men’s and women’s pay increased between 2008 and 2015. Those organisations were the Crown Law Office, the Ministry for Culture and Heritage, the Ministry of Defence, the Ministry for the Environment, the Ministry of Internal Affairs, the Ministry of Justice, and Statistics New Zealand. The gap at the Crown Law Office rose from 29 to 39 per cent, while at the Ministry for Culture and Heritage it climbed from 15 to 20 per cent. There was no movement in the 27 per cent gap between men’s and women’s pay at the State Services Commission between 2008 and 2015.

Women comprise 60 per cent of workers in the public sector but hold only 42 per cent of senior management positions. The average public sector female employee is paid 14 per cent less than her male counterpart. The ten highest-earning chief executives in the public sector are all male, while the five lowest-paid are all female. However, women’s representation in management increased slowly over the past five years and reached 52.5 per cent in 2015. This was up from 48.8 per cent in 2011.

The statistics in Human Resource Capability in the New Zealand State Services 2015 showed that the average salary at 30 June 2015 for men in the public service was $78,850, while for women it was $67,820. The average salary increased by 2.7 per cent for men, and by 2.9 per cent for women, between June 2014 and June 2015. This meant the unadjusted gender pay gap decreased by 0.1 per cent to 14.0 per cent.

Women in the public service continued to be concentrated in the lowest-paid occupations, comprising 82.2 per cent of clerical workers, and 76.2 per cent of contact centre workers. Managers in the Public Service in 2015 were paid average salaries of $124,388, while the averages for contact center workers and clerical and administrative workers were $47,469 and $55,336 respectively. The average salary for female senior leaders was around 9 per cent lower than that of their male counterparts between 2011 and 2015.

Highly-skilled but low-paid
Women in many occupations in New Zealand are paid either the minimum wage, or only slightly more than the minimum wage. From 1 April 2016, the minimum wage rose to $15.25 an hour. The Living Wage for 2016 is $19.80 an hour, meaning that many New Zealand women working full-time are not earning enough to support their families.

Statistics New Zealand’s New Zealand Income Survey figures for June 2014 compared median hourly wages in selected male and female-dominated occupations. The figures showed engineering professionals on the top hourly rate of $35 an hour, with automotive electricians and mechanics on $24 and bricklayers, carpenters and joiners on $23.50. The top hourly pay rate for a female-dominated occupation was $22.50 for general clerical workers. Child carers, personal carers and assistants were on $16 an hour, while sales assistants, salespersons, checkout operators and office cashiers were on $17 an hour - http://www.stats.govt.nz/browse_for_stats/income-and-work/Income/NZIncomeSurvey_HOTPJun14qtr.aspx.

Occupations traditionally dominated by women suffer not only from low wages, but often also from a lack of career advancement. This means that women with decades of experience are unable to
advance to more senior positions, instead remaining stuck on very low wages. One example of this is caregivers and home care workers, who work in highly-skilled occupations which require multiple competences. In 2009, there were 33,000 workers in the aged care sector in New Zealand, 92 per cent of whom were women. Caregivers and home care workers monitor the mental and physical conditions of elderly and disabled people, provide companionship and emotional support, give palliative care, change and clean catheters, check that medication has been taken, and perform many other functions. However, carers in New Zealand generally earn only slightly more than the average wage, regardless of whether they have decades of experience in their jobs. Caregiver Kristine Bartlett, who has worked as a caregiver for more than 22 years, was in January 2016 paid $15.21 an hour. When she first began working in the sector, she was paid $9.95 an hour.

By contrast, many occupations in which the majority of workers are male, are much better remunerated, even though the skills required for the position may be far fewer. For example, most hardware store workers are paid wages equivalent to the Living Wage. Truck drivers may be paid around $25 an hour – almost $10 an hour more than highly-skilled caregivers receive.

The professions
Statistics on pay differentials between men and women are available for only some professions. However, where there are figures, they paint a stark – and persistent – picture of disadvantage for women.

Accountancy
The 2015 Remuneration Survey by Chartered Accountants Australia and New Zealand showed male chartered accountants in New Zealand earned an average of $45,573 more than female chartered accountants. More than 6500 chartered accountants completed the survey, which showed the gender pay gap had risen to its highest level since 2010 - http://www.nzica.com/beyondthenumbers.aspx.

The figures showed the pay gap between men and women emerged within five years of chartered accountants entering the industry. It increased at the eight year mark and reached its highest point when chartered accountants had 21 years or more experience in the profession. Male chartered accountants aged 50 or older were paid an average of $55,000 more than their female counterparts. Chartered Accountants Australia and New Zealand Chief Executive, Lee White, said the gap between the earnings of male and female accountants was increasing, and further researched carried out by the organisation had established that factors such as work experience and career breaks did not affect the results.

Engineering
The Institution of Professional Engineers New Zealand’s Remuneration Survey 2015 showed that the median salary of male engineers was 22 per cent higher than that of their female counterparts. The figures revealed that male engineering graduates earned 5 per cent more than women, while independent practitioners were paid 8 per cent more. Female team leaders were paid 25 per cent less than their male counterparts. Female general managers received only 81 per cent of the income paid to men - https://ipenzproduction.blob.core.windows.net/cms-library/docs/default-source/news-publication/remuneration-survey/ipenzremsurvey-snapshot2015-lr.pdf?sfvrsn=4

Law
The annual New Zealand Law Society & Hays Legal Salary Guide does not break down salary figures for lawyers by gender. However, the highest-paid lawyers are partners in law firms and Queen’s Counsel, and the numbers of women occupying both those positions in New Zealand remain very low. In New South Wales, a 2014 survey found a 38 per cent differential in the fees earned by male and

Research commissioned by the Auckland Women Lawyers’ Association and published in 2014 surveyed volunteers from large Auckland law firms. The study, titled *Women’s career progression in Auckland law firms: Views from the top, views from below*, found that the average income for the male lawyers who participated in the research was $157,759, while for the female lawyers it was $143,431. The gender pay gap for the sample was accordingly 10 per cent.

### Key influences on women’s earnings and the gender pay gap

Gibb et al (2009) presented two broad explanations for the gender wage gap: the first focused on differences in levels of work-related and non-work-related factors such as education, hours worked, and employment history. These aspects were seen to be shaped by gender differences in life circumstances and career trajectories that ultimately influence the nature and scope of participation in paid employment. The second explanation was that pay differentials occur because women in identical circumstances and with similar characteristics earned less than men – suggesting that discriminatory practices mitigated against females’ earnings, and/or promoted those of men (Gibb et al., 2009). This is sometimes referred to as the ‘unexplained gap’ and has been estimated to account for between 10-50 percent of the overall gender pay gap.

This review identified a number of reasons for the ongoing earnings gap in New Zealand:

- **Length of time women spend in the workforce** (Hensen & Yeabsley, 2012), including career interruptions. Interestingly, it has been highlighted that women’s involvement in child-rearing accounts for only part of the difference in length of time in the workforce between men and women. Other factors include societal attitudes, level of involvement in part-time work, and women’s likelihood to work outside their fields of study (Hensen & Yeabsley, 2012).

- **Higher rates of women employed in part-time rather than full-time work**: it has been reported that one in three women works less than 30 hours per week (Ministry for Women, 2015), and that women make up nearly three quarters of all part-time workers.

- **Occupational segregation**: a higher proportion of women is involved in clerical/administrative roles, and community and personal service positions, which are generally valued (and paid) less than equivalent occupations dominated by males. In addition, there is a lack of vertical career structure in predominantly female occupations, and many of the skills inherent in these types of roles are not remunerable. Overall, the Ministry for Women reports that approximately half of all women and men are working in occupations where at least 70 percent of employees are of the same gender, and occupational segregation is estimated to account for around 30 percent of the gender pay gap, although some have argued it may be up to 40 percent – [http://cevepnz.org.nz/Gender%20pay%20gap/gender%20pay%20gap.htm](http://cevepnz.org.nz/Gender%20pay%20gap/gender%20pay%20gap.htm).

- **Lack of flexible work**: flexible work arrangements have been reported to be a key enabler of parents being able to participate in the workforce (Heathrose Research Ltd, 2011; Ministry for Women). As such, a lack of flexibility with hours worked can influence whether or not women remain in the labour market, and/or create barriers to senior management positions.
• **Bias and discrimination** (Lonti & May, 2005; McGrath-Champ & Jefferson, 2013) in the workplace: this includes, for example, different performance bonuses being given to men and women (The Ministry of Women’s Affairs & Institution of Professional Engineers New Zealand, 2012).

• **Negotiation skills and behaviour:** women are less likely to negotiate pay rates with their employers, compared with their male counterparts (Lonti & May, 2005; 2012; NACEW; The Ministry of Women’s Affairs & Institution of Professional Engineers New Zealand, 2012). A recent survey of engineering graduates found that, of those who negotiated their salary in their first jobs, twice as many were men (The Ministry of Women’s Affairs & Institution of Professional Engineers New Zealand, 2012). Other research has identified that less-assertive behaviour by women in salary negotiations can result in lower starting salaries (Lonti & May, 2005).

Legal claims relating to pay equity

Pay equity cases were brought by the Service and Food Workers Union Nga Ringa Tota Inc and caregiver Kristine Bartlett against TerraNova Homes & Care in 2012. Ms Bartlett lodged an application in the Employment Relations Authority, stating that her $14.46 hourly rate of pay was in breach of the Equal Pay Act 1972. The SFWU, on behalf of 15 caregivers employed by TerraNova, asked for a statement under section 9 of the act about the general principles for implementing equal pay.

TerraNova at June 2012 employed four male caregivers out of a total of 110 caregivers. The devaluation of female work means that men who work in traditionally female occupations also suffer from low pay.

The cases were transferred to the Employment Court, which examined section 3(1)(b) of the act. This states that remuneration for work done primarily by women should match that paid to men with similar skills, working in jobs requiring similar responsibility, effort and work conditions. Ms Bartlett and the SFWU argued that, as caregiving was considered to be “women’s work” and was therefore undervalued, establishing the appropriate pay rates for caregivers required examination of sectors apart from aged care. The Employment Court in its August 2013 decision accepted this argument and ruled that the case should proceed to the second stage of determining how fair pay for caregivers should be determined.

The court said that s 3(1)(b) required that equal pay for women for work predominantly or exclusively performed by women, was to be determined by reference to what men would be paid to do the same work, abstracting from “skills, responsibility, conditions and degrees of effort as well as from any systemic undervaluation of the work derived from current or historical or structural gender discrimination.”

TerraNova in January 2014 appealed to the Court of Appeal, which released a judgment in October that year upholding the Employment Court decision. It ruled that the case was to return to the Employment Court so that male-dominated sectors for comparison of pay rates could be determined. The Supreme Court refused to allow TerraNova to appeal the Court of Appeal decision to New Zealand’s highest court. The effect of the court rulings is that “equal pay” and “pay equity” are now synonymous, whereas previously they were regarded as being different concepts.

A number of other pay equity claims were also lodged. In August 2015, midwives filed an equal pay
claim in the High Court under the New Zealand Bill of Rights Act 1990, arguing that the fees paid to
midwives by the Ministry of Health breached the act. The New Zealand Education Institute in October
2015 lodged a claim with the Employment Relations Authority on behalf of three education support
workers who earn an estimated $8 less an hour than those working in comparable male-dominated
jobs. The following month, the Public Service Association lodged a claim on behalf of Child Youth and
Family social workers, seeking equal pay for what has traditionally been women’s work. The PSA has
also filed legal proceedings against the State Services Commission for equal pay and the removal of
barriers to ensure fair treatment for women in their careers.

Joint Working Party and direct negotiations on pay equity
claims

The proliferation in legal claims relating to pay equity led the Government in October 2015 to
establish a Joint Working Group to develop proposals for dealing with claims of pay equity under the
Equal Pay Act. The group was set up by Minister of State Services Paula Bennett and Minister for
Workplace Relations and Safety Michael Woodhouse and comprised union, employer and
government representatives. Unions agreed to place their legal actions on hold until March 2016 to
allow the Joint Working Group to proceed.

Dame Patsy Reddy was appointed as the group’s facilitator and representatives met for the first time
in November 2015 and agreed on terms of reference to guide their work -
of time until the middle of May 2016 to enable it to complete its work.

On the same day as the Joint Working Group was announced, Health Minister Jonathan Coleman said
the Government would be entering into negotiations over pay rates for care and support workers.
The minister said representatives from the Ministry of Health, unions, the New Zealand Aged Care
Association, the New Zealand Disability Support Network, Business New Zealand and the District
Health Boards would meet to negotiate pay rates for approximately 50,000 workers in aged and
disability residential care, and aged and disability home and community services.

On 7 June 2016, State Services Minister Paula Bennett and Workplace Relations and Safety Minister
Michael Woodhouse announced that the Joint Working Group had reported to the Government with
a number of recommendations. The ministers said the Government would take time to consider the
recommendations. There has as yet been no announcement of any outcome to the negotiations over
pay rates for care and support workers.

The principles agreed by the working group, if accepted by the Government, will be written into the
Equal Pay Act and will be used to guide settlement of future equal pay claims. The principles are
based on the notion that parties to pay equity claims will resolve the issues at the earliest time at the
most appropriate level, using the good faith bargaining arrangements of the Employment Relations
Act 2000 as the platform. The main elements of the agreed process and principles are that pay equity
claims may be made by any employees to their employers at any time. Employers receiving such
claims will be required immediately to notify other employees who might also be affected by the
claim. Once a claim is accepted as a pay equity claim, the parties will bargain to resolve it, with
guidance from the pay equity principles. These include a thorough assessment of the skills,
responsibilities, conditions and degrees of effort, with the assessment being made objectively and
comparators being used as long as they are not distorted by systemic undervaluation due to an occupation being “women’s work.” The principles can be accessed here - http://www.ssc.govt.nz/sites/all/files/pay-equity-jwg-recommendations.pdf.
Appendix - Measuring the gender pay gap

When considering equal pay for women, much of the literature discusses this in terms of the gender pay gap. This can be defined as the difference between what women and men earn, on average, and is generally expressed as the ratio of women’s earnings to men’s. It is also calculated by dividing the earnings of female employees by the earnings of male employees, showing this as a percentage and subtracting the figure from 100 percent (a zero percent figure would therefore indicate there is no gender pay gap).

Earnings may be presented in various ways, drawing on different units of measure. Findings from this review suggest that, currently, it is more common to present earnings as ‘median’ figures – i.e. the midway point at which half the people receive more and half receive less than the stated amount. A key reason for utilising this measure (instead of an ‘average’ or ‘mean’ figure) is because it is less influenced by extremely high or very low incomes. As a result, gender pay gaps which are presented as median figures are usually narrower. It should be noted that this has also been highlighted as problematic. For example, it is claimed that such a measure masks the fact that a larger proportion of men than women are in the top percentile of earners, and that it can be utilised by the Government as a way of making the earnings gap appear narrower.

Another consideration when measuring the gender pay gap is whether the information is presented as an hourly pay rate figure or earnings over a longer time frame (e.g. weekly or annual income). Hourly earnings are generally the preferred measure, as this excludes gender differences in hours worked. In particular, this allows for the fact that women are more likely to be working fewer hours per week, and fewer weeks per year, on average, than men.
References


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