

Tracking Equality at Work 2018

Summary and Recommendations



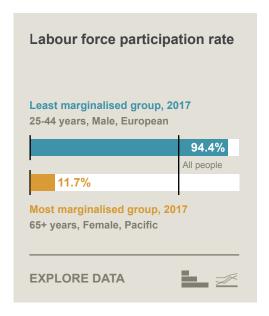
June 27 2018

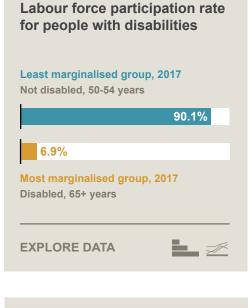
Tracking Equality at Work is an evidential base for monitoring fairness at work.

More information is available at tracking-equality.hrc.co.nz/

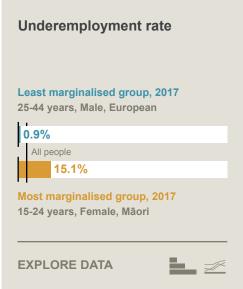
It is a human right to be treated fairly at every point of the employment process whether it is getting a job, fair pay, or promotion pathways. Like schools, homes and the community, workplaces are environments in which human rights must live.

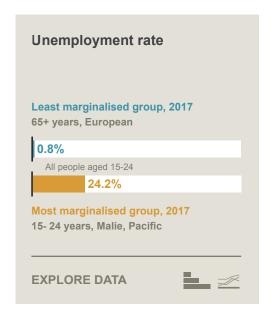


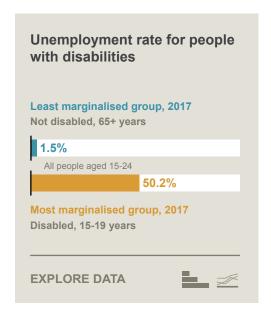












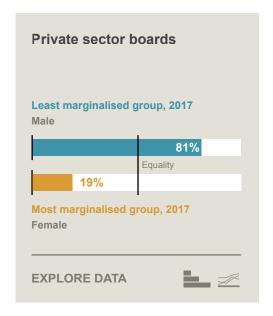


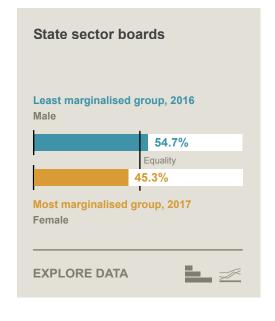


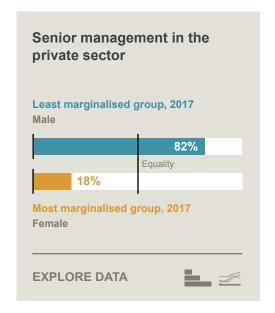


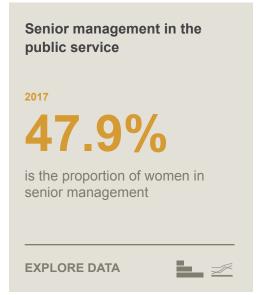


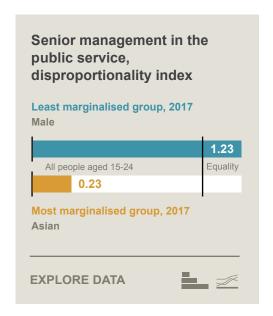


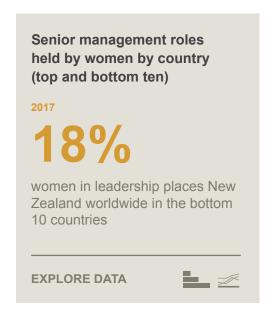


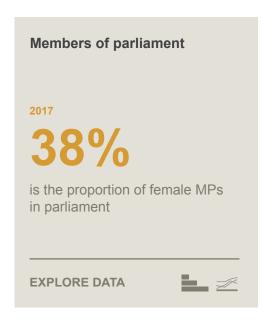


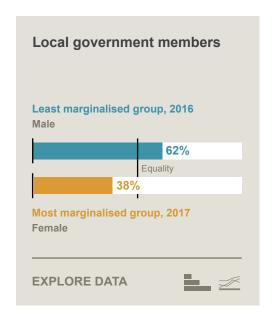




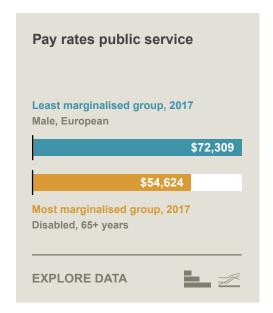


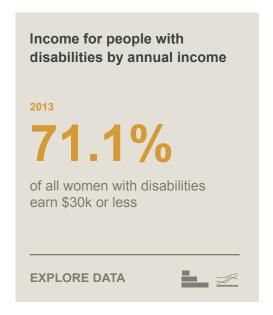


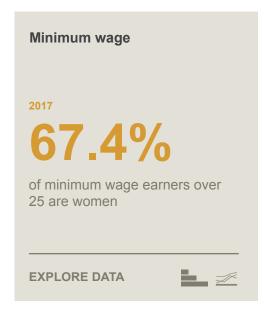


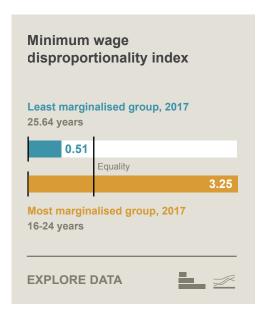


















Introduction

Everyone has the right to work. The right to work is a fundamental human right that is set out in international law. It guarantees workers should be free from discrimination and have the right to equal pay for equal work. Whether workers are treated fairly, with dignity and can adequately support themselves and their families is a measure of how equal a society is.

Tracking Equality at Work is a web-based interactive tool, updated every two years, that measures equality at work. It includes data¹ on four key aspects of work: employment, pay, leadership and discrimination, using 26 indicators. This update of the web-tool includes 2017 data. Two indicators are new for 2018 – Members of Parliament by gender and ethnicity, and women in local government. The data is disaggregated by sex, ethnicity, age, and disability and indicates trends over time. The web-tool makes it possible to track the persistence of inequality over time, and whether or not progress towards equality is being achieved.

Overall results show that the labour force participation and unemployment rate for women is improving however there are persisting inequalities particularly for young Māori women and young Pacific men and women, evidenced by high not in education, employment or training ("NEET") rates for 20-24 year olds and high unemployment rates for people under 25 years which are two to three times higher than those of European New Zealanders. Young Middle Eastern, Latin American and African ("MELAA") women of 20-24 years also have a high NEET rate that is over double that of European New Zealanders.

Full data sets are not available for disabled workers until the Census 2018 data is made available at the end of 2018. However, data reflective of the Census 2013 data shows that disabled people and particularly disabled women are the most marginalised in New Zealand's labour market.

Women continue to dominate minimum wage earners over the age of 25 years, making up 67% of this group, reflective of their work in low-wage sectors. The pay equity settlement for carers will be reflected in 2018 data and is expected to lift a significant number of women's wages higher than the minimum wage.

The gender pay gap is at an all-time low of 9.4%, however, if progress moves at the same pace it is tracking currently, it will take 40 years before a gender pay gap of zero is reached.

There is a downward trend for minimum wage exemptions being granted to employers of disabled people, however there are still over 500 employers paying disabled people \$5.00 per hour or less than other New Zealanders.

¹ The data sets that inform Tracking Equality at Work are:

The Minimum Wage Review 2018 (MBIE), Local Government Election Statistics 1992-2016 (Department of Internal Affairs), Complaints of unlawful discrimination 1 July 2016-30 June 2017 (Human Rights Commission), Gender Stocktake of Sector Boards and Committee 2016 (Ministry of Women's Affairs), Grant Thornton International Business Report 2017, New Zealand Household Labour Force Survey 2017 (Statistics New Zealand), New Zealand Income Survey, June 2017 (Statistics New Zealand), Human Resource Capability Survey 2017 (State Services Commission), Minimum Wage Exemption 2017 (MBIE), NZX Diversity Statistics 2017, Parliamentary Service Statistics 2011, 2014, 2017, Census 2013 (Statistics New Zealand), New Zealand 2013 Disability Survey (Statistics New Zealand). The data sets missing are the Ministry for Women's Gender Stocktake 2017 regarding state sector boards and 2018 Census data which will inform data regarding disabled people's employment status and wages.

A. Employment

The employment indicators used in the tool are: unemployment, underemployment, NEET (not in education, employment or training), and labour force participation.

Against these indicators, the data shows that:

- Women have higher rates of unemployment, underemployment and lower rates of labour force participation than men.
- Pacific people have the lowest rates of labour force participation at 66% (compared to 70.6% of all people).
- Māori people have the highest rates of unemployment at 9.9% (compared to 4.6% of all people). This is a small improvement in the unemployment rate of Māori people since 2015.
- The unemployment rate of Māori women has dropped from 13.8% in 2015 to 12.1% in 2017. This is 4.3% higher than Māori men and 7.5% higher than the average unemployment rate of 4.6% for all people.
- Young women have higher NEET rates than young men across all ethnicities and for both age groups (15-19 and 20-24 years) except for European and Pacific women aged from 15-19, where the NEET rate has fallen below that of men of the same ethnicity.
- Young Māori and Pacific women under 25 years have a high NEET rate of 22.5%. This
 is much higher than the NEET rate for all people under 25 which is 10.8%. Since 2015,
 this represents an almost 4% increase for Pacific women and a 1% increase for Māori
 women.
- NEET rates for 15-19 years remains relatively low (under 12%) for both genders in all
 ethnic groups indicating that many are in work, education or training. However, NEET
 rates are high and increasing for Pacific women and men (20 24 years) with one third of
 Pacific women and a quarter of Pacific men NEET.² The NEET rate for Māori women 20-24
 years is trending upwards and particularly high at 34.2%.
- Young Māori and Pacific women under 25 years have an unemployment rate of 23.6% and 20% respectively. However young Pacific men under 25 years have the highest rate at 24.2%. This is much higher than the unemployment rate for all people under 25 which is 12.7%. There has been a 3% increase for Pacific women and a 1% increase for Māori women since 2015.
- In 2017, Asian New Zealanders surpassed all other ethnic groups in labour force participation at 71.7% which was 0.6% more than European New Zealanders at 71.1%
- Underemployment is increasing for Asian females and sits at almost 6%. While it is trending down for Māori women, their underemployment rate remains high at 8%
- Labour force participation for people over 65 years has increased to almost 25%, up from 20% in 2012. The increase is particularly marked for men with one in three men over the age of 65 years working in the labour market.

Recommendations

1. The Ministry of Business, Innovation and Employment (MBIE) urgently improves the employment outcomes for women, Māori and Pacific people and disabled people, who experience persistent inequality against all employment indicators by:

² Pacific women – 32.9% and Pacific men – 26.6%.

- a. increasing the number of places available in successful employment and apprenticeship schemes administered by the Ministry for Pacific People to provide for the 17% Māori and 20% Pacific young people, who are NEET.
- b. Introducing specific education and employment programmes for the 40% of young disabled people who are NEET;
- 2. The New Zealand Government takes the lead in employing disabled people and providing paid internships. The Ministry of Social Development (MSD) improve employment outcomes for disabled people in the private sector by providing training, support and incentives for employers to hire disabled workers.
- 3. The New Zealand Government resources Statistics New Zealand to collect annual data in the Household Labour force survey to obtain accurate and up to date information regarding the employment of disabled people.
- 4. MSD urgently addresses Māori and Pacific high unemployment rates and NEET rates for the 20-24 years group, by extending the youth mentoring and assistance programmes currently available to under 18's.

B. Pay rates

The pay indicators are: median hourly pay in the labour force, full time equivalent median annual pay in the public service, annual income of disabled and non-disabled people, characteristics of people in receipt of the minimum wage, minimum wage exemptions and hourly pay rates based on educational qualification.

Against these indicators, the data shows that:

- Pay differences exist in both the broader labour market and the public service. Men are paid more than women, European New Zealanders are paid more than other ethnic groups, and disabled people have lower incomes than non-disabled people (based on the last data available from 2013).
- Compounding factors result in increased inequality for some groups. For example, there
 is a significant difference in median hourly pay rate between European men and Pacific
 women of \$7.28 per hour. The gender pay gap for a European male and Pacific female is
 27%.
- In 2017, the gap between male and female pay rates narrowed slightly in the public service. The gap in pay rate between European and Māori workers in the public service also narrowed slightly. The difference in pay between European men and Pacific women is \$17,685 which is an increase of \$1,000 since 2015.
- In the labour market, Pacific and Māori women are paid a lower rate than European women.
- In 2017 the overall number of minimum wage exemptions granted allowing employers to pay disabled people less than the minimum wage has continued to trend downwards.
- Women continue to dominate minimum wage earners over the age of 25 years, making up 67.4% of this group. There has been a 0.8 % rise in the number of women under 25 on the minimum wage since 2015 to 53.5% in 2017.

Recommendations

- 1. The New Zealand Government implements new pay equity legislation as soon as possible enacting the recommendations of the Joint Working Group on Pay Equity Principles.
- 2. The Ministry of Business, Innovation and Employment (MBIE) urgently develop better alternatives to replace the minimum wage exemptions for disabled people, looking at existing and new schemes.
- 3. The New Zealand Government enacts legislation enforcing a requirement that companies with more than 100 workers publicly report annually on their gender pay, bonus gaps and other EEO metrics to track progress.
- 4. The Government adequately resources Statistics New Zealand to collect and publish annual data in the Household Labour Force Survey regarding the pay of disabled workers.

C. Leadership

The leadership indicators used are: senior management in the private sector, senior management in the public service, state sector boards, publicly listed NZX boards and women in senior leadership globally.

Against these indicators, the data shows that:

- Gender equality has not been achieved against any of the leadership indicators.
- Women in senior management roles in the private sector have dropped 1% over two years.³ This puts New Zealand 33rd out of 35 countries surveyed regarding women in senior management roles.
- Women on publicly listed NZX boards have risen from 17% to 19% over two years.
 This is an increase of 7% since 2012. If this upwards trend continues, equality will be achieved in 2037.
- Women senior managers in the public service, have increased by 3.7% since 2015 to 47.9% in 2017.
- Information on the representation of people from different ethnic backgrounds in publicly listed NZX boards and on state sector boards is still not being collected so progress cannot be measured.
- A new indicator was added to the Tracking Equality webtool in 2018 tracking the gender and ethnic diversity of MP's in Parliament. In 2017, the highest number of women were voted into Parliament at 38% This is a 9% increase on the 2014 election. Since the 2017 election, following a number of retirements, women MPs now make up 40.8% of New Zealand's Parliament.
- There was a 1.5% increase in Māori MP's in 2017 to 22.5%, the highest number of Māori MP's elected to Parliament. The number of Pasifika MP's remained steady at 7% in 2017. There are 6% Asian MP's in Parliament, an increase of 3% since the 2014 election.
- In the 2016 local body elections women made up 38% of elected members, up from 33% in the 2013 elections. The highest number of women were elected to District Health Boards at 53%. The lowest proportion of women were elected onto Regional Councils at just over 20% and to the position of Mayor in both Cities and District Councils at below 20%.

Recommendations

- 1. The New Zealand Government actively applies special measures (ways of realising equality), to identify and promote under-represented groups such as women, Māori, Pacific, ethnic minorities and disabled people into senior leadership positions, requiring that women equate to 50% of senior leaders in the state sector.
- 2. Responsible Ministers commit to ensuring that state sector boards and committees are representative of women, Māori, ethnic minorities and disabled people. The Department of the Prime Minister and Cabinet considers collecting annual data related to ministerial appointments to state sector boards and committees and publishing this transparently so progress can be measured.

^{3 19%} in 2015 to 18% in 2017

- 3. Targets for women on publicly listed NZX boards are lifted to 30% and a new target is set for women on state sector boards of 50%.
- 4. Affordable, high quality early child care services are prioritised by the government to ensure that women with children can continue in the workforce and progress to senior roles. Childcare should not stop when children are school aged but wrap around school hours.
- 5. Local Government New Zealand set a target of 50% representation of women on Local Boards, City, District and Regional Councils.
- 6. Political parties should be encouraged to strive for 50% women MPs.

D. Discrimination and harassment

Indicators for discrimination and harassment are based on complaints made to the Human Rights Commission in the areas of employment and pre-employment. Sexual harassment data is also reported.

Against these indicators, the data shows that:

- The most frequent ground of complaint pre-employment in 2015 the most frequent grounds for complaint were age and race. In 2017 the most frequent ground was disability.
- The number of complaints based on race pre-employment halved, although there are a significant number of complainants where the ethnicity of the complainant is unknown.
- European women aged 18-30 are most likely to make a complaint based on sexual harassment than people of other ethnicities and ages.

Recommendations

- 1. The Government create a nation-wide sexual harassment strategy and fund a centralised agency (like Worksafe) that is mandated to confidentially investigate complaints, provide support to victims, and conduct sexual harassment training within workplaces.
- 2. The Government resource a nationwide anti-discrimination campaign to change attitudes regarding the recruitment and retention of disabled workers.

