

Frequently Asked Questions

MindtheGap NZ are calling on all Kiwis to **#JustAsk** organisations about their pay gaps. If you **#JustAsk** your employer or another organisation about pay gaps, you are exercising your power to influence unfair pay.

You are standing up for not only yourself, but women, Māori, Pacific peoples, gender diverse communities, disability communities and ethnic minorities across the country.

Sometimes, as we prepare to ask, it can be helpful to navigate the jargon – so we've broken down the key terms that get thrown around when talking about pay gaps (and some suggested responses you might like to have up your sleeve in a discussion!).



What are Pay Gaps?

Pay gaps are differences in pay between groups of employees. Gaps are found between men and women (gender pay gap), for Māori employees, for Pacific employees, for other ethnic groups (ethnic pay gaps), for employees with disabilities and people who are gender diverse!

Definitions

Equal Pay is the same pay for the same job (no differential based on gender).

Pay Parity is the same pay for the same job, across different employers/workplaces.

Pay Equity is the same pay for different work of equal value.

The Gender Pay Gap is the gap between the average earnings of women compared with men.

Employment Equity is pay, conditions, experiences in the workplace and access to jobs at all levels **not** being affected by an employee's ethnicity or gender.

Who is affected by unfair pay in New Zealand?

- Many groups of workers in Aotearoa/New Zealand face significant gaps in their pay. Gaps are found between men and women (gender pay gap), as well as the general population compared with Māori employees, Pacific employees, other ethnic groups (ethnic pay gaps), employees with disabilities, and people who are gender diverse².
- These gender and ethnic pay gaps are driven in part by conscious or unconscious discrimination and the behaviours of employers.
- Statistics NZ data shows that the average hourly wage earned by Māori employees was 82% of the average hourly Pākehā wage in 2017, while the average wage earned by Pacific employees was 77% of the average Pākehā wage¹.

And what are our current pay gaps?

- The gender pay gap in the June 2021 quarter was 9.1% and has remained stubbornly around 9-10% for the last decade².
- Evidence from Strategic Pay suggests the gap could in fact be as large as 18.5% for employees and 32% for CEs³.
- The intersection of gender and ethnicity generates even more substantial pay gaps. The gap between the average hourly earnings of a European male worker and Pacific female worker is 27 percent⁴.

Why do pay gaps exist?

- About 20% of the gender pay gap in Aotearoa/New Zealand can be accounted for by differences between men and women in education, occupation choice, age, type of work and family responsibilities.
- The remaining 80% cannot be easily explained other than by behaviour, attitudes, and assumptions about women in work, including unconscious bias and discrimination⁵.
- For Māori, approximately 70% of the pay gap can be explained by personal and job characteristics with education level and occupation the most important. For Pacific workers, 40-50% of the gap can be explained this way.
- The remaining proportion of the gaps are attributed to a variety of factors, including discrimination⁶.



What can I do about pay gaps?

#JustAsk

We're encouraging everyone to **#JustAsk** your employer or another organisation about pay gaps - this is your way to immediately exercise your power to influence unfair pay. You are standing up for not only yourself, but women, Māori, Pasific peoples, gender, disability, and ethnic minorities across the country.

Importantly, not everyone is in a position to **#JustAsk**. For some people, cultural, structural, or personal reasons can make the process of asking difficult or inappropriate. If this is you, see other ways to get involved on our website ([mindthegap.nz](https://www.mindthegap.nz)).

1. <https://www.treasury.govt.nz/publications/ap/ap-18-03-html>
2. <https://www.stats.govt.nz/information-releases/labour-market-statistics-income-june-2021-quarter>
3. Strategic Pay (remuneration consultants) analysis of 187,000 New Zealand workers, 30 August 2021
4. <https://www.hrc.co.nz/our-work/economic-and-social-rights/pacific-pay-gap-inquiry/>
5. Pacheco, G; Li, C; and Cochrane, B (2017) Empirical Evidence of the Gender Pay Gap in NZ, Ministry for Women
6. Treasury, 2018. Statistical Analysis of Ethnic Wage Gaps in NZ (AP 18/03), <https://www.treasury.govt.nz/publications/ap/ap-18-03-html#section-1>