Te Kawa Mataaho
Public Service Commission

Te kohikohi, te ine me te pūrongo utu, ngā āputa utu me te whakakanohitanga i roto i te Ratonga Tūmatanui

Collecting, measuring and reporting pay, pay gaps and representation in the Public Service

August 2023

Contents

1. Purpose

This guidance provides advice for Public Service agencies (agencies) and Crown entities (entities) on how to:
- Collect high quality workforce data on gender, ethnicity, Rainbow identities and disability status
- Measure pay, i.e.:
  - Gender, Māori, Pacific and ethnic pay gaps
  - Pay by gender and ethnicity combined
- Report on pay gaps and representation.

This guidance:
- Should be read in conjunction with [Organisational gender pay gaps: measurement and analysis guidelines](#) (Organisational gender pay gaps), which was developed for all employers in Aotearoa New Zealand by Tatauranga Aotearoa Stats NZ, with Te Kawa Mataaho Public Service Commission (the Commission) and Manatū Wāhine Ministry for Women
- Reflects the [Standards of Workforce Data](#) from the Commission
- Includes advice on measuring Māori, Pacific and ethnic pay gaps and replaces our prior guidance *Measuring and beginning to address Māori and ethnic pay gaps in the Public Service*
- Includes interim approaches to collecting and measuring disability and Rainbow data in accordance with existing advice for the Public Service, while further advice is in development.

Agencies and entities should use this advice to help them meet the milestones of [Kia Toipoto](#), including publishing annual Kia Toipoto action plans, and to report their progress against the diversity and inclusion priorities of [Papa Pounamu](#).

Note on disability and Rainbow data collection and measurement

Note that a methodology for calculating pay gaps for tāngata whaikaha Māori, disabled employees and for members of Rainbow communities is not included here, as data collection and measurement approaches for these groups are in development. Disability and Rainbow data differ from other types of workforce data in being highly personal, and therefore different approaches may be needed. Work by Stats NZ, the Commission and other stakeholders on collecting and measuring disability data and data on Rainbow communities is underway. The data work is a key element in plans to improve diversity, equity and inclusion outcomes for tāngata whaikaha Māori, disabled employees and for members of Rainbow communities within the Public Service, released in July 2023.

Our advice in this guidance is an interim approach and this guidance will be updated as measurement standards develop.
Te Kawa Mataaho is also developing separate advice on identifying and addressing inequities faced by tāngata whaikaha Māori and disabled employees and by members of Rainbow communities and we will share this with agencies and entities as it develops.

Support and queries

Please contact the Equal Pay Taskforce at EqualPay@publicservice.govt.nz

2. Collecting high quality workforce information

High quality workforce data provides a solid foundation for agencies/entities to develop effective actions to close gender, Māori, Pacific and ethnic pay gaps, and create more diverse and fairer workplaces for all, including tāngata whaikaha Māori, disabled people and members of Rainbow communities.

2.1 Data definitions

Agencies/entities should ensure they are using the clear definitions of employee, leader and pay for calculating all pay data for all groups, and keep a record of definitions used. This will help ensure information is consistently collected, analysed, reported, and monitored over time.

Appendix A includes recommended definitions for employee, part-time employee, leader, and pay.

2.2 Collecting gender data

Agencies and entities should refer to the [Standards of Workforce Data](#) published by the Commission, for detailed advice on collecting gender data.

Key points are:

- Employees should be able to:
    - Identify as male, female and/or another gender (and state the other gender they identify with, if agencies/entities can process text responses)
    - Report multiple genders
    - Select an option of "*prefer not to answer*"
    - Change the information employers hold about them, to reflect that a person's gender identity may change over time.
- Agency/entity data systems should be able to store a minimum of three genders – male, female and another gender.

2.3 Collecting ethnicity data

Agencies and entities should refer to the [Standards of Workforce Data](#) for detailed advice on collecting ethnicity information.

Key points are:

- Employees should be able to:
    - Report multiple ethnicities
    - State their specific ethnic group(s) without having to identify themselves in a more general category
    - Change the information employers hold about them, to reflect that a person's ethnic identity may change over time.
- Agencies/entities should:
    - Have data systems able to store a minimum of three ethnicity responses

- Include employees who report more than one ethnic group in each group they report. NB as a result, staff numbers by ethnicity may add up to more than the total number of staff.
- Contact the Equal Pay Taskforce in the first instance with any queries on collecting gender and ethnicity data.

2.4 Collecting information on Rainbow identities – interim approach

Rainbow is an umbrella term that covers a diversity of sexual orientations as well as gender identities and expressions, and sex characteristics: it is a relatively new area of diversity measurement for the Commission and for Stats NZ.

The Standards of Workforce Data does not have detailed guidance on Rainbow data. However, it provides the following advice: [1]
- Sexual identity, transgender and intersex data can be very personal, so it is better collected anonymously as was done in Te Taunaki
- Te Taunaki questions should be used in any such data collection, as they have been reviewed by Stats NZ.

Further considerations include:
- Members of Rainbow communities commonly experience discrimination and exclusion and may not wish to disclose their identity/ies in the workplace
- Agencies/entities should work to ensure that employees understand the purpose of any data collection, who will have access to their information and how their privacy will be maintained, whether collecting information in an identifiable way or anonymously
- Employees should be able to change the information employers hold about them, to reflect that a person's Rainbow identity may change over time.

In 2021, Te Taunaki the Public Service Census, collected Rainbow data from Public Service departments and departmental agencies. This added to information gathered through the We Count 2019 survey. According to Te Taunaki, Rainbow communities make up 9.4 percent of the Public Service. Te Taunaki also found that the experience of working in the Public Service can vary by sexual identity, and by gender - particularly for those who are of another gender or multiple genders, transgender, or intersex - see Workforce Data – Rainbow. The Commission will continue to update this information from deeper analyses of Te Taunaki and other data sources.

Rainbow representation at an agency level is available in this data visualisation.

Contact the Strategic Information team at the Commission at census@publicservice.govt.nz for more Rainbow data on your agency.

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[1] The Standards of Workforce Data summarises the key points for employers from the Stats NZ Standard for Gender, Sex, and Variations of Sex Characteristics. The full standard is available here on data.govt.nz

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2.5 Collecting information on tāngata whaikaha Māori and disabled employees – interim approach

As an interim approach, agencies/entities can refer to [Collecting disability information on the State services workforce](#) published by the Commission.

Key points are:
- Tāngata whaikaha Māori and disabled people commonly experience discrimination and exclusion and may not wish to disclose their disability status in the workplace
- The purpose of collecting information about your employees' disability status will determine whether you request this information anonymously or in an identifiable way.
  - If you are collecting information on impairments, adjustments or accommodations needed, identifiable information is necessary
  - If you want to understand the representation and workplace experiences of tāngata whaikaha Māori and disabled employees, and any intersectional impacts e.g. experienced by tāngata whaikaha Māori, disabled Pacific or ethnic employees, we recommend collecting disability information anonymously using the **C1 set of questions** referred to in the guidance [Collecting disability information on the State services workforce](#). These questions were used to collect information about disabled public servants in [Te Taunaki](#).

Further considerations include:
- Agencies/entities should work to ensure that employees understand the purpose of any collection, who will have access to their information and how their privacy will be maintained, whether collecting information in an identifiable way or anonymously
- Employees should be able to change the information agencies/entities hold about them as disability status can change over time.

Te Taunaki provided insights on the experiences of tāngata whaikaha Māori and disabled public servants, including that they experience lower overall job satisfaction, see [Workforce Data – Disability](#).

The Commission will continue to update this information from deeper analyses of Te Taunaki and other data sources.

Representation of tāngata whaikaha Māori and disabled people at an agency level is available in this [data visualisation](#).

Contact the Strategic Information team at the Commission at census@publicservice.govt.nz for more data on tāngata whaikaha Māori and disabled employees in your agency.

2.6 Ethnicity disclosure rates

Agencies/entities should aim to have the highest possible percentage of employees who have disclosed their ethnicity/ies.

We recommend that agencies/entities aim to have ethnicity information for at least 92.5 percent of their staff, which is the average disclosure rate across the Public Service. The majority of agencies

achieve over 95 percent disclosure. If you have data for fewer than 75 percent of staff, the data quality is poor. Even if data quality is poor, you should use the data you have, noting that any measures will be indicative only, while you work to improve data quality.

We recognise that it may take time for some entities to develop the systems and processes needed to improve the quality of their workforce data.

Agencies/entities can work to increase disclosure rates by:

- Engaging with employees and unions about why they are collecting the information
- Emphasising that this data is essential to their commitment to having workforces that reflect the populations of Aotearoa New Zealand, and to creating fair and equitable workplaces
- Listening to and acting on any concerns employees may have, such as concerns about discrimination, privacy and confidentiality.

Record disclosure rates in your records and in all reporting to help readers interpret your data. Refer to section 4 for more information on reporting data.

3. Measuring pay gaps and comparing pay

This section provides advice on measuring pay gaps and comparing pay for different groups to understand equity issues facing your agency/entity, and to provide a base for monitoring change and planning your next steps.

Note that agencies/entities won't necessarily be able to *report* all their pay measures in their Kia Toipoto Action Plans, for statistical and privacy reasons. Issues specifically related to what should or should not be reported are covered in section 4 below.

3.1 Methodology advice

Minimum group size for robust pay gap statistics
Pay gap calculations are only statistically robust if there are 20 or more people in each group being compared, e.g. 20 Māori employees and 20 non-Māori employees are needed to calculate a Māori pay gap.

Agencies/entities with fewer than 20 people in groups being analysed, can still review this data as it provides useful indicative information, especially for smaller agencies/entities that have limited data. In this case:

- Your reporting can include a brief narrative about what this data suggests, rather than the data itself

or

- You can aggregate data for groups of fewer than 20 into larger groups and report this higher-level data, e.g. European/Non-European pay gaps.

For more information on dealing with small numbers, see [Guide Implementing Kia Toipoto in small organisations](#).

Agencies/entities can also be confident that if they only report pay gaps or average pay for groups of more than 20 employees, the privacy of individuals will be protected.

Treatment of chief executives when measuring pay
We recommend agencies/entities *exclude* the chief executive (CE) from all their pay calculations because:

- CEs are not appointed or remunerated by agencies
- Including the CE can skew your mean pay gap, and in smaller organisations, can make your pay gaps volatile.

State whether or not you have included your CE in your definition of 'employee' in your own calculation records and in your reporting.

Seconded employees
There are two approaches to including seconded employees in your pay gaps and representation reporting:

- If they are seconded into a higher-level role their base pay probably still reflects their substantive role, not the role they have been seconded into. We recommend that for the purposes of calculating pay gaps, agencies include seconded employees in their substantive role and in their home-agency.

or

- If they are receiving a special or higher duties allowance, another approach is to factor in the allowance and include seconded employees in their seconded role when doing the comparisons.

State how you have treated seconded employees in your own calculation records and in your reporting.

Using means (averages) and medians

This section outlines the pros and cons of calculating pay gaps using mean (average) and median pay. The Commission uses mean salaries to calculate Public Service gender and ethnic pay gaps, while Stats NZ uses median pay to calculate the national gender pay gap.

Using mean pay has the following advantages:

- Mean pay gaps better reflect the differences between employees with very low or very high pay, and the fact that the lowest paid employees are more likely to be women, Māori, Pacific and ethnic employees
- The Commission uses mean salaries to calculate pay gaps, and therefore your mean calculation will be comparable to the Public Service pay gap data
- The Commission also uses mean pay as its primary pay gap measures for the Public Service because it is generally more stable from year to year, making it easier to identify upward or downward trends over time.[2] This is especially the case with smaller groups of employees, such as those in an individual organisation as opposed to the labour market as a whole.

Using median pay has the following advantages:

- Stats NZ uses the median to calculate the national gender pay gap, so your median gender pay gap will be comparable with the national gender pay gap
- Stats NZ prefers to use median pay as it is interested in showing the difference in pay between a typical male and female employee across the national workforce
- Stats NZ's gender pay gap uses data from a sample survey. Sample surveys can miss employees with very high pay, which can make mean pay more volatile than median pay.

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[2] Means are generally more stable for Public Service agencies because they commonly have highly structured pay, which can lead to sharp fluctuations in the median-based pay gaps. For example, if your organisation has large gaps between pay bands and many employees are receiving the same pay, the median gender pay gaps may change a lot when a female median is at the top of one pay band and a male median is at the bottom of the next pay band (or vice- versa). Some agencies may find the reverse, and median-based gender pay gaps may be more stable measures for their agency over time.

Note that Organisational gender pay gaps gives equal weight to median, mean and quartile measures to provide an overview of an organisation's gender pay gap. We recommend that agencies/entities use both the mean and median measures and can choose whether to measure pay gaps by quartile as a supplementary measure.

3.2 Calculating gender pay gaps

Agencies and entities should refer to Organisational gender pay gaps for the recommended method of calculating gender pay gaps, and for advice on analysing gender pay gaps.

The advice in Organisational gender pay gaps on analysing gender pay gaps can generally be applied to analysing other pay gaps. We recommend that larger agencies/entities calculate pay gaps in more detail, e.g. by level, occupational group, and/or by like-for-like roles as greater detail enables you to more accurately identify potential problem areas.

Agencies/entities can find further advice on analysing pay gaps and representation in:

- o Guidance: Crown Entities' Pay Gaps Action Plans
- o Guidance: Public Service Agency Pay Gaps Action Plans 2022

3.3 Calculating Māori, Pacific and ethnic pay gaps

Māori, Pacific and ethnic pay gaps are calculated using a similar formula to gender pay gaps as in Organisational gender pay gaps.

There is, however, one important difference in calculating ethnic pay gaps: employees can identify as having multiple ethnicities. As such, they should be included in the pay gaps calculation in each group that they identify with. For instance, an employee identifying as Māori and as Pacific, should be included in both your calculations of Māori and of Pacific pay gaps.

The pay gap for Māori is calculated as follows:

$$\frac{\textit{Average pay for non-Māori} - \textit{Average pay for Māori}}{\textit{Average pay for non-Māori}} \times 100$$

Figure 1 Example: Māori pay gap formula

This approach has been developed by the Commission to report Māori, Pacific and ethnic pay gaps in the Public Service.

Appendix C provides a detailed example of how to group employees by ethnicity and calculate an ethnic pay gap.

3.4 Measuring pay by ethnicity and gender combined

Public Service-wide data shows that ethnic and gender pay differences compound, leading to Māori, Pacific, and Asian women having lower average salaries than European women, and lower average pay than men in the same ethnic group.

Recommended approach - Compare annual average (mean) pay

When reviewing the pay of employees by gender and ethnicity combined, it is easier and clearer to compare average salaries, than to calculate multiple pay gaps. This is because audiences can get confused about which groups are being compared in pay gap calculations.

The Commission reports average salaries for different gender/ethnic groups in the Public Service in the following graph, see Pay by gender and ethnicity

2022 Public Service average salaries by gender and ethnicity, and annual percentage increase on the previous year

European men — up 3.0% ($2,900) to $100,400
European women — up 4.3% ($3,800) to $91,600
Māori men — up 5.4% ($4,500) to $88,500
Māori women — up 5.6% ($4,500) to $84,400
Asian men — up 3.0% ($2,400) to $82,800
Asian women — up 3.0% ($2,300) to $79,200
Pacific men — up 3.7% ($2,800) to $77,900
Pacific women — up 4.2% ($3,000) to $74,900

Average $90,800

Source: Te Kawa Mataaho Public Service Commission - Workforce data

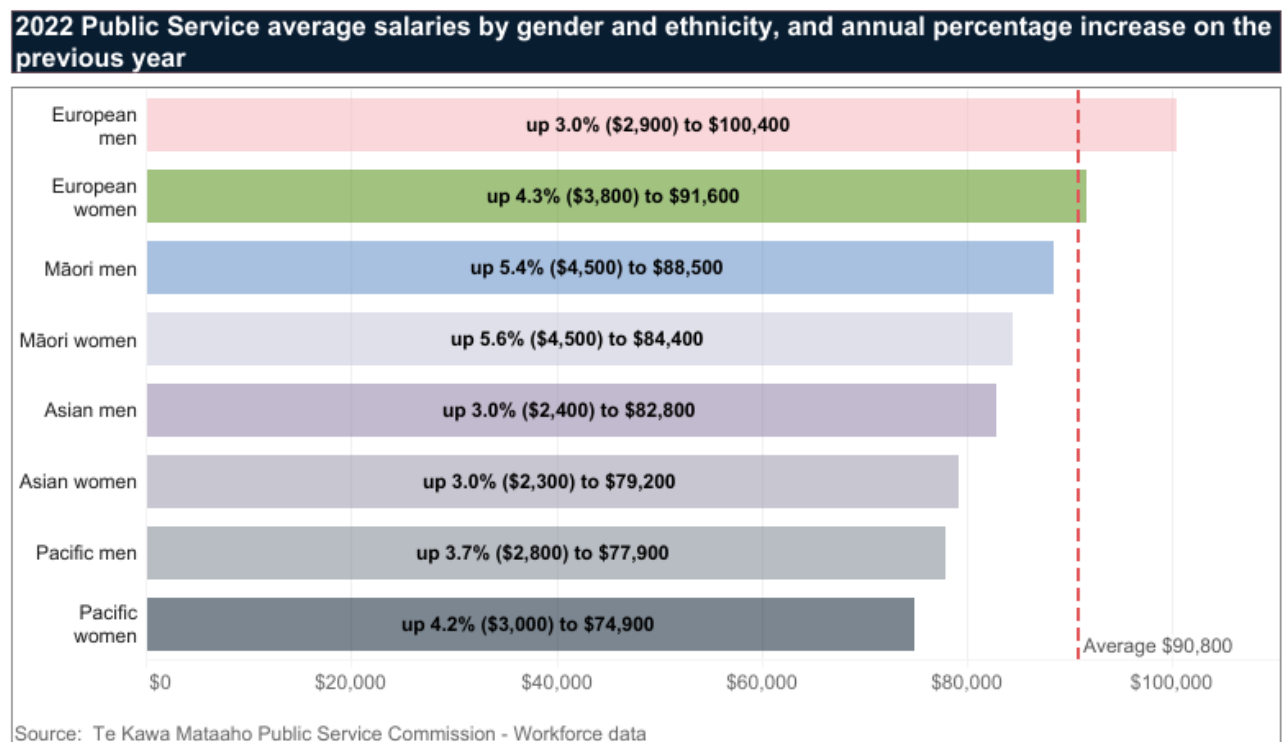*Figure 2 2022 Public Service average salaries by gender and ethnicity*

Additional optional approach – measuring gender pay gaps by ethnicity

Agencies/entities that also want to calculate gender pay gaps for women of different ethnicities, can use the following formula:

$$\frac{\textit{Average pay for \underline{all} men} - \textit{Average pay for women of ethnic group}}{\textit{Average pay for \underline{all} men}} \times 100$$

Figure 3 gender pay gaps by ethnicity formula

The comparator should be all men i.e. men from all ethnic groups and those who have not disclosed an ethnicity. Average pay for all men is the same measure as agencies/entities use to calculate their overall gender pay gap. This ensures that gender pay gaps by ethnicity are calculated on the same basis as the overall gender pay gap and are therefore comparable.

When presenting gender pay gaps by ethnicity, agencies/entities should:

- Note that analysing gender pay gaps by ethnicity usually involves comparing groups of very unequal sizes, which may cause volatile results over time
- Be clear about which groups are being compared
- Note that these gaps will be indicative only.[3]

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[3] The impact of the intersection of multiple variables (e.g. gender, ethnicity, disability), on pay can only be fully understood using regression analysis, an advanced statistical method which depends on good data and strong data analysis capability. Agencies should only use regression analysis if they have the capability to apply the method and understand its results.

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4. Reporting data

This section provides high level advice on some of the issues agencies/entities should consider when reporting pay and representation data to an audience, for instance, in your annual Kia Toipoto Action Plans.

Refer to the following guidance when developing your action plans:

- o [Guidance: Crown Entities' Pay Gaps Action Plans](#)
- o [Guidance: Public Service Agency Pay Gaps Action Plans 2022](#)

4.1 Reporting pay gaps and pay

As noted in section 3.1 above, we recommend agencies/entities use and report the mean and median measures in combination to provide a balanced overview of their pay gaps. Agencies/entities can decide for themselves whether to measure and report pay gaps by quartile: large agencies/entities may find quartiles useful.

When agencies/entities are reporting only one pay gap measure (e.g. in a social media post or high-level document) we recommend using the mean pay gap.

We do not recommend reporting pay gaps or average pay for groups of fewer than 20 in each group being compared (the 20 plus 20 threshold for statistical robustness was established by Stats NZ in [Organisational gender pay gaps](#)).

- By only reporting pay for at least 20 or more people in each comparative group, agencies/entities can be confident of protecting privacy and confidentiality. Confidentiality concerns can be greater when reporting on pay gaps other than gender pay gaps, because there are generally fewer employees in each group.
- Agencies'/entities' own privacy and confidentiality policies may allow data for groups of fewer than 20 employees to be shared. Agencies can discuss this with their privacy officers.
- Agencies/entities may need to share data for groups of fewer than 20 employees to ensure transparency when developing their Kia Toipoto pay gaps action plans with employees and unions
- Agencies/entities with fewer than 20 employees in each comparative group should include a comment along the following lines when reporting their data:

  We are a small organisation, and we don't have enough employees in different gender/ethnic (as applicable) groups to calculate statistically robust pay gaps for this/these group(s). Guidance issued by Te Kawa Mataaho Public Service Commission advises only publishing/reporting statistically robust pay gaps.

In all pay gaps and representation reporting, include:

- Disclosure rates. This is important context and recognises that agencies/entities are still working to maximise the disclosure and currency of their employee data
- The date on which the data was collected
- The number of employees (headcount) in your organisation.

4.2 Reporting representation

Under-representation in leadership and in higher-paid occupations is a driver of pay gaps and can be an indicator of workplace inequity. Therefore, it is important to measure and report workforce and leadership representation by gender, by ethnicity and for any groups for which you have sufficient data.

Agencies with sufficient numbers and quality of data, should report representation for their organisation as a whole and for their leadership, by:

- Gender: male/female and another gender if possible
- Ethnicity
- Gender and ethnicity combined, e.g. wāhine Māori leaders etc
- Other diversity dimensions such as disability status, if possible. As noted above, agencies may have representation information from Te Taunaki 2021.

Note that representation is calculated as the percentage of employees in a particular group within the larger group that has disclosed an identity. E.g. Your Pacific workforce representation is the percentage of Pacific employees out of all employees who have disclosed an ethnic identity.

Include disclosure rates (e.g., the percentage of employees who have not disclosed an ethnicity as a proportion of total employees) with any published data to help readers interpret your data.

We recommend agencies/entities report overall workforce ethnic representation compared with the Aotearoa New Zealand populations, reflecting the Public Service commitment to having a workforce that is representative of our population. Agencies/entities may find it useful to include comparison with the most recent Public Service representation data, see Ethnic diversity in senior leadership.

Employees who disclose more than one ethnicity are included in more than one ethnic group. As a result, employee numbers by ethnicity may add up to more than the total number of employees and percentages may add up to over 100. You can note in your reporting that this reflects standard statistical practice.

Entities should include their CE when reporting on representation for the organisation as a whole, and for its leadership, as the board of the entity is generally responsible for appointing the CE.

As **agencies** are not responsible for appointment of their CEs, they can choose whether to include CEs in representation for the organisation as a whole: in this case, one person does not skew the data except in very small agencies. Agencies can also choose whether to include CEs in their leadership representation data: many agencies have been reporting on leadership defined as Tiers 2 - 3 for some time and may wish to continue this approach.

Agencies and entities need to be mindful of privacy when reporting employee information, especially at leadership levels where number are likely to be small. In these cases, agencies/entities can note that they are not reporting this data because of their small size and privacy concerns, but they are committed to diversity, equity and inclusion throughout their workforce.

Appendix A: Data definitions

Definitions are necessary to ensure information is consistently and robustly analysed, reported and monitored over time.

Employee

We recommend that agencies and entities use the following definition of employee: all permanent and fixed term staff at the data collection date, including secondees out, but not secondees in. This is the same definition as is used in the annual Public Service Workforce Data survey of departments and departmental agencies.

Part-time employee

For part-time employees, Te Kawa Mataaho uses the Stats NZ definition of part-time work, which is: part-time employees usually work fewer than 30 hours per week.

Leader

In general, we define a leader as belonging to tiers 1 - 3, where agencies/entities are large enough to have leaders at all these tiers.

Note, as per sections 3.1 and 4.2 above:

- Agencies/entities should *exclude* their CEs when calculating and reporting pay
- Agencies can choose whether to include CEs in leadership representation data, as they are not responsible for appointments of CEs
- Entities should *include* their CE when reporting on representation in leadership, as the board of the entity is generally responsible for appointing the CE.

Pay

See Steps 3 and 4 in Organisational gender pay gaps: measurement and analysis guidelines for advice on defining pay, including hourly pay versus annual pay, and calculating FTE pay.

When reporting pay gaps, state whether gaps are for base pay and/or total remuneration, and your definitions of these. We recommend agencies/entities include gaps for base pay and total remuneration if total remuneration is a factor in pay.

Appendix B: Example: Mapping Māori, Pacific or ethnic representation

The table below illustrates how the number of Māori, Pacific and/or ethnic employees can add up to more than the total number of employees in an agency/entity.

Each employee is assigned a 1 for every ethnicity they identify with and a 0 for every ethnicity they do not identify with. Employees who do not identify as any ethnicity are assigned a NULL.

For example, in the following table:

- Employee 1 has identified as European and as Māori
- Employee 2 has identified as Māori only
- Employee 11 has provided no ethnic identity information

Example of employees grouped by ethnicity						
	European	**Māori**	**Pacific Peoples**	**Asian**	**Middle Eastern/ Latin American/ African**	**Other**
Employee 1	1	1	0	0	0	0
Employee 2	0	1	0	0	0	0
Employee 3	1	0	0	0	0	0
Employee 4	0	0	1	1	0	0
Employee 5	0	0	1	0	0	0
Employee 6	0	1	1	0	0	0
Employee 7	0	0	0	0	1	0
Employee 8	0	0	0	0	0	1
Employee 9	1	0	0	1	0	0
Employee 10	1	0	0	0	0	0
Employee 11	Null	Null	Null	Null	Null	Null
Totals	**4**	**3**	**3**	**2**	**1**	**1**

Figure 4 Example table of employees grouped by ethnicity

The ethnic representation in this group is:
- Four European employees or 40 percent of the ten employees who disclosed an ethnicity
- Three Māori employees or 30 percent
- Three Pacific employees or 30 percent

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- Two Asian employees or 20 percent
- One MELAA employee or 10 percent
- One employee with an Other ethnicity or 10 percent.

Note that the total number of employees by ethnicity is 14, more than the number of individual employees, as some employees have chosen more than one identity.

The disclosure rate of this group is 10/11 employees or 91 percent.

Appendix C: Example: Calculating a Māori, Pacific or ethnic pay gap

This appendix steps agencies/entities through a practical example.

Step 1: When calculating Māori and ethnic pay gaps, give all employees one of the following mutually exclusive values for each of the level 1 ethnic groups:

- '1' – this employee identifies with this ethnic group

- '0' – this employee does not identify with this ethnic group

- NULL – this employee did not disclose their ethnic identity

Every employee who discloses an ethnicity is included in every ethnic pay gap calculation (either as a '1' or a '0').

Employees who disclose more than one ethnicity are included as '1's' in more than one ethnic pay gap calculation.

All employees who did not disclose their ethnicity are *excluded* from calculating Māori, Pacific and ethnic pay gaps.

The table below is an example of how employees are grouped to calculate Māori, Pacific and ethnic pay gaps.

In this example, the Māori pay gap calculation is based **only** on the 1s and 0s in the highlighted column C in Figure 5 below.

An employee who identifies as European and Māori, for instance, is **only** included in the Māori group of employees to calculate the Māori pay gap. They are **not** also included in the non-Māori group to calculate the Māori pay gap.

Example of employee group for calculating Māori pay gap							
	European	**Māori**	**Pacific Peoples**	**Asian**	**Middle Eastern/ Latin American/ African**	**Other**	**Salary**
Employee 1	1	1	0	0	0	0	85,000
Employee 2	0	1	0	0	0	0	90,000
Employee 3	1	0	0	0	0	0	100,000
Employee 4	0	0	1	1	0	0	70,000
Employee 5	0	0	1	0	0	0	85,000
Employee 6	0	1	1	0	0	0	65,000
Employee 7	0	0	0	0	1	0	80,000

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Example of employee group for calculating Māori pay gap						
Employee 8	0	0	0	0	0	1	110,000
Employee 9	1	0	0	1	0	0	75,000
Employee 10	1	0	0	0	0	0	100,000
Employee 11	Null	Null	Null	Null	Null	Null	120,000

Figure 5: Example of employee group for calculating Māori pay gap

Step 2: Sort employees in the highlighted column (Māori) *only* into 1s and 0s.
Step 3: Average pay for non-Māori comprises the average (mean) pay of 0s in column C: employees 3, 4, 5, 7, 8, 9, and 10.
Step 4: Average pay for Māori comprises the average (mean) pay of 1s in column C: employees 1, 2, and 6.
Step 5: Make the following calculation:

$$\frac{\text{Average pay for non-Māori (employees with 0 in column C \$88,571)} - \text{Average pay for Māori (employees with 1 in column C \$80,000)}}{\text{Average pay for non-Māori (employees with 0 in column C \$88,571)}} \times 100$$

Figure 6: Example of calculating Māori pay gap with pay

The Māori pay gap in this example will therefore be 9.7 percent. (Note that as the calculation involves fewer than 20 Māori and 20 non-Māori employees this result would not be statistically robust).
The employee with NULL is excluded from any ethnic pay gap calculation as they did not disclose their ethnicity.

Please note:
Employees are counted **once** in **each** ethnic pay gap calculation, even though they may be included in more than one ethnic group, and therefore, in more than one pay gap calculation.
E.g., an employee who identifies as Māori and as Pacific is included as a 1 in the Māori pay gap calculation AND is included as a 1 in the Pacific pay gap calculation.
The Commission currently only publishes Māori and ethnic pay gaps calculated using mean (average) pay. It plans to expand this reporting to include ethnic pay gaps calculated using median pay.

APPENDIX D: Useful Resources

Organisational gender pay gaps: measurement and analysis guidelines

Public Service Guidance: Information standards and guidance

Standards of Workforce Data

Kia Toipoto — Public Service Pay Gaps Action Plan 2021–24

Kia Toipoto - guidance and resources

Papa Pounamu – Public Service diversity and inclusion work programme

Te Taunaki, the Public Service Census 2021

Collecting disability information on the State services workforce

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