

«« GENDER PAY GAP »»

TOOLKIT

Guide

Using the gender pay gap toolkit

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Summary

The gender pay gap is the difference in earnings between men and women in the workforce. It can be measured by organisation-wide, organisation level-by-level or like-for-like jobs.

Manatū Wāhine Ministry for Women has worked alongside organisations and businesses to develop a gender pay gap toolkit to support Aotearoa New Zealand organisations to measure, understand, and take action to close their gender pay gap.

Many New Zealand organisations are already committed to closing their gender pay gaps and are taking action to measure and report on them, but the way pay gaps are measured varies.

The causes of the gender pay gap are complex, with 80% driven by ‘unexplained’ factors. These are harder to measure factors like conscious and unconscious bias in hiring and pay decisions and differences in men’s and women’s choices and behaviours.

While some of these factors can be addressed at a national level, many factors are best addressed at an organisational and sector level.

Organisations themselves hold the necessary levers and mechanisms to close gaps and make informed decisions tailored to their own specific landscape.

The toolkit has been designed to empower solution-focused conversations that will make a difference over time. It encourages organisations to look beyond the numbers, understand the drivers and implement meaningful change.

The gender pay gap toolkit

The toolkit includes:

- [an online calculator](#)
- [a downloadable workbook](#)
- [a self-assessment questionnaire](#)
- [guidance and templates](#)

The core element of the toolkit is [a standardised methodology](#) that enables all organisations, regardless of their size or sector, to meaningfully compare pay gap data.

Methodology components

Organisation size

All organisations should calculate their median organisation-wide gender pay gap. Organisations should only report their median gender pay gap if they have 10 or more employees in each gender cohort (see page 12).

Employees included

All employees who have an employment agreement are included in the calculation. This includes the Chief Executive, fixed-term, and part-time employees, employees on parental leave, and those who are or have been on extended unpaid leave.

If you have equity partners conduct two calculations, one which includes them and one which excludes them. Do not include contractors.

Types of pay included

Total pay (remuneration) includes all actual cash paid over a 12-month period:

- Base pay (include any salary sacrifice amounts).
- Fixed pay.
- Variable pay.
- Over time pay.
- Extra pay (for example working night shifts).
- Higher duties allowance.
- On-call pay.
- Bonus or performance based-pay – include the bonus pay paid in the previous year (the amount that was paid, not the amount they were eligible for).
- Tenure or retention pay.
- Commission-based pay.
- Profit sharing or equity payments.
- KiwiSaver contributions.
- Any form of cash allowance (wellbeing, clothing, car, or accommodation).
- Any other cash paid.

Exclude non-monetary benefits such as carparks.

Type of calculation

For the purposes of a universal pay gap number, organisations should calculate their organisation-wide median gender pay gap. The median is found by listing all employees' hourly rate of pay or annual salary and finding the midpoint.

Organisations with a partnership model should report two median numbers – one that includes equity partners, and one that excludes equity partners.

Frequency of calculating and reporting

Employers should calculate and report their gender pay gap annually on a consistent snapshot date chosen by their organisation. Only report if there are more than 10 employees in each gender cohort.

New Zealand's gender pay gap

[The gender pay gap in New Zealand](#) has reduced steadily from 16.3% in 1998, but progress has slowed. It is currently 8.2%.

Women (in particular, wāhine Māori and Pacific, ethnic, and disabled women) continue to experience persistently poorer labour market outcomes. This is reflected by higher rates of unemployment, underutilisation, and underemployment, as well as persistent pay gaps when compared to men.

Median hourly earnings for all women are currently \$32.08 compared to \$34.95 for all men (as at June 2024). European women had median hourly earnings of \$33.70, but by comparison, Asian women earned \$30.00, wāhine Māori earned \$29.71, and Pacific women earned \$29.00.

A toolkit for organisations

Why you should measure your gender pay gap

All organisations, regardless of size and sector, benefit from measuring their gender pay gap.

Measuring and reporting gender pay gaps enables you to assess your pay practices, identify gaps, and address inequalities. This can create an inclusive and fair workplace, increase productivity and morale, improve employee satisfaction and retention, and foster a positive public image as a leader in diversity and gender equality.

Transparency around pay signals that your organisation values diversity and fairness, making you more attractive to employees and customers.

All employers benefit from having a workplace that provides equal opportunities and outcomes for men and for women.

Development of a New Zealand toolkit for calculating and reporting a gender pay gap

The Ministry for Women has worked with organisations and businesses to develop a toolkit that will support you to measure and report your gender pay gap and develop an action plan.

The toolkit includes:

- [an online calculator](#) for calculating the gender pay gap
- [a downloadable workbook](#) to assist organisations to prepare their data and calculate their gender pay gap
- [a self-assessment questionnaire](#) that can identify actions an organisation can take to reduce their gender pay gap
- [guidance and templates](#) to support organisations to understand, calculate, and report their gender pay gaps.

The core element of the toolkit is [a standardised methodology](#) that enables all organisations, regardless of their size or sector, to meaningfully compare pay gap data.

Calculate your organisation-wide median gender pay gap

For the purposes of a universal gender pay gap number, you should calculate your organisation wide median gender pay gap. The median is the middle value, or the point at which half of the values are higher and the other half are lower.

To get a more fulsome picture of your gender pay gap you may also wish to conduct like-for-like or level-for-level calculations.

A **like-for-like gender pay gap** is the difference in earnings between men and women and gender diverse who are performing the same or substantially the same job.

A **level-by-level gender pay gap** is the difference in earnings by gender when comparing employees within each job level, grade, rank or salary band, but not within the same position

If you are using the workbook, it will calculate the organisation wide median and a level-by-level analysis for you.

Using the online calculator

If you already know the median total pay for each gender cohort, you can [use the online calculator](#) to calculate your gender pay gap.

Enter in the number of men, women, and gender diverse people employed in your workforce, and the corresponding median total pay amount into the relevant fields in the calculator.

Once entered in, hit the 'Calculate my gender pay gap' and a percentage should appear. This is your organisation's median gender pay gap.

Using the workbook or calculating manually

If you do not already know the median total pay for each gender cohort, you can use the [gender pay gap toolkit workbook](#) to prepare your data and calculate your gender pay gap. The following tables will help you work out what data to input into the workbook.

For each employee, collect the following data for the previous 12-month period:

Data type	Information to collect and prepare the data
Number of employees	<p>You need to determine the number of employees you have using a snapshot date. This will provide you with 'point in time' data. Use the number of people employed, not the number of full-time equivalents.</p> <p>Include all employees who have an employment agreement, including the Chief Executive, fixed-term and part-time employees, and casual employees, and non-equity partners.</p> <p>If you have equity partners, prepare two employee counts, one that includes them and one that excludes them.</p> <p>Do not include contractors or anyone paid by the organisation that does not have an employment agreement.</p> <p>For any employees who have not been with your organisation for 12 months, treat them as a part-time employee and convert their hours and pay to full-time equivalent.</p> <p>For employees who have been on parental leave or extended unpaid leave, include them using their contracted rate of pay.</p> <p>Do not scale commission or merit-based pay.</p>

<p>Gender</p>	<p>Gender should be collected in the following categories: women, men, gender diverse, and did not disclose. Employees who do not disclose their gender will not be included in the calculation.</p> <p>It is important that gender data is self-identified. Do not assume anyone's gender.</p> <p>More information on collecting gender data can be found on the Stats NZ website.</p>
<p>Part-time or full-time</p>	<p>If you have differing definitions of full-time within your organisation (i.e. 37.5 or 40), use the highest number as your full-time hours.</p>
<p>Number of contracted hours</p>	<p>This is the number of contracted hours stated in their employment agreement.</p>
<p>Number of overtime hours</p>	<p>This is the number of paid hours an employee has worked that is paid over and above their contracted hours. Do not include overtime hours if they are unpaid.</p> <p>If you are using the workbook, you don't need to separate out hours. Instead add any overtime pay to the variable pay amount.</p>
<p>Total pay</p>	<p>You will need to work out the total pay by combining base pay, fixed pay, and variable pay. Examples of variable pay are listed below. If you are using the workbook, it will combine these numbers for you automatically.</p> <p>If you do not have any variable pay components, you can choose to use hourly rate or annual salary.</p> <p>If you have variable pay components that are paid annually, use an annual salary and if necessary and convert hourly rates of pay to annual pay. The workbook will do this conversion for you.</p> <p>If you are using annual salary, you will need to convert part-time salaries into full-time equivalents. This will automatically be calculated when using the workbook.</p> <p>Base pay includes:</p> <ul style="list-style-type: none"> • Fixed rate of ordinary pay, excluding any additional payments such as KiwiSaver. Include any salary

	<p>sacrificed amount, including any purchased leave as a salary sacrifice.</p> <p>Fixed pay includes:</p> <ul style="list-style-type: none"> • All cash components that are paid regularly and are not 'at risk': <ul style="list-style-type: none"> ○ KiwiSaver or superannuation. ○ Fixed allowances such as wellbeing, clothing, car and accommodation if paid as cash. Only include allowances that are guaranteed. ○ Any other cash that is regularly paid. <p>Variable pay includes:</p> <ul style="list-style-type: none"> • All cash components that are not guaranteed: <ul style="list-style-type: none"> ○ Overtime. ○ Extra pay (for example, working night shifts). ○ Higher duties allowance. ○ On-call pay. ○ Bonus or performance-based pay – include the amount paid in the previous year, not the amount they were eligible for. ○ Tenure or retention bonus. ○ Commission-based pay. ○ Profit sharing or equity payments. ○ Any other cash an employee has been paid over the previous 12 months. <p>Do not include any non-monetary items such as carparks or phones.</p> <p>If you are using the workbook, you can either enter the total pay amount or you can enter base, fixed, and variable pay separately. Make sure you are still including all components of pay listed above.</p>
<p>Level within organisation (optional)</p>	<p>If you want to conduct a level-by-level analysis as well as your organisation-wide median gender pay gap, then identify and categorise what level each employee works at. For example, this could be executive level, senior management, middle management, entry level.</p>

Equity partner (if relevant)	Identify any equity partners in your organisation.
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Once you have prepared your data, if you are not using the workbook, complete the following steps:

Action	How to calculate
Find your median	<p>Once you have the total pay for everyone you will then need to calculate the median pay for each gender cohort (women, men, and gender-diverse).</p> <p>The median is the mid-point value, with half the people earning more than that amount and half earning less.</p> <p>List each person’s total pay figure from lowest to highest in three separate sets – for women, men, and gender-diverse people – and find the midpoint value for each set.</p>
Calculate your organisation-wide gender pay gap	<p>To calculate your women to men gender pay gap, use the following formula:</p> $\frac{\text{Median value for men} - \text{Median value for women}}{\text{Median value for men}} \times 100$ <p>To calculate your gender diverse pay gap, replace the median value for women with the median value for gender diverse people. The comparator remains the median value for men.</p> $\frac{\text{Median value for men} - \text{Median value for gender diverse}}{\text{Median value for men}} \times 100$ <p>If your organisation has equity partners conduct two calculations, one that includes equity partners and one that excludes them.</p> <p>This will calculate your gender pay gap as a percentage. A positive percentage (i.e. 4.1%) means you have a gender pay gap in favour of men. A negative gender pay gap (i.e. -4.1%) means you have a gender pay gap in favour of women/gender diverse.</p> <p>To calculate an organisation level-by-level analysis, replace the median values with the median value at a set level. That is,</p>

	you will only include employees of the same level in your calculation. You will need to conduct a calculation for each level.
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»»» Understand your gender pay gap

Understanding the reasons behind the gender pay gap is complex. The differences in education, the occupations that men and women work in, or the fact that women are more likely to work part-time only explain around 20% of the current gender pay gap.

The majority (80%) of the gender pay gap is driven by harder to measure factors like conscious and unconscious bias and differences in choices and behaviours.

If you change the way you calculate your gender pay gap (i.e. use an alternative calculation method), you will likely see a change in your gender pay gap. For instance, if you have previously used the Stats NZ calculation you may notice an increase in your gender pay gap using the gender pay gap toolkit calculation.

This is because the toolkit calculation includes more components of pay and offers less flexibility in the calculation. This results in a measure that better reflects the 'true' gender pay gap of an organisation.

Drivers of the gender pay gap

Drivers of your gender pay gap can be internal or external. The drivers can impact an organisation-wide, organisation level-by-level and like for like gender pay gap.

Some internal drivers of the gender pay gap are:

- **Make up of senior managers:** Having more senior managers that are men will increase the gender pay gap.
- **Starting salary and pay increase settings:** Salary offers may vary due to negotiation differences, manager discretion, or biased hiring practices.
- **Performance and promotion:** Performance evaluation and promotion practices that are not objective and allow for a high degree of discretion, leading to gender bias.
- **Part-time and flexible work arrangements:** Higher paying or more senior roles usually offer less part-time or flexible work arrangements. This is more likely to impact people with caring responsibilities, which tend to be women.

- **Project assignments:** Gender bias when assigning projects, opportunities for growth, or challenging tasks, can affect eligibility for bonuses, merit-based raises, or promotions.
- **Bonus and incentive structure:** Different bonus or incentive structures that only higher paying or more senior roles are eligible for, which can negatively impact women who are often in lower paying roles.
- **Workplace culture:** A workplace culture with conscious and unconscious gender bias, impacting decision making in areas such as hiring, performance reviews, and promotions.
- **Leave policies:** Having unclear, inflexible, or no parental and dependent leave policies, which fosters an environment that doesn't support employees to reach their full earning potential.

Some external drivers of the gender pay gap are:

- **Undervaluing women's work:** Jobs and roles typically held by women, such as caregiving, education, and administrative support are often undervalued and paid less than male-dominated roles that require similar levels of skill, education, or responsibility.
- **Occupational segregation:** Men and women tend to cluster in separate industries and occupations, and women-dominated occupations are often lower paid than those dominated by men. This segregation is shaped by historic social expectations and bias that steer men and women into different career paths.
- **Unpaid work:** Women tend to take on more unpaid work, such as caring responsibilities including at home or in their community, which is often not recognised as valuable experience.
- **Career gaps:** Women tend to take longer breaks in their employment due to unpaid work and responsibilities, such as raising children or caring for elderly or ill relatives. This may lead to slower career and pay progression compared to their colleagues or industry.
- **Conscious and unconscious bias:** Pay, hiring, and progression practices and policies can be inherently bias if there is manager discretion. This can lead to biased hiring practices, limited access to high-paying roles and promotions, and unequal bonuses and benefits.
- **"Motherhood penalty":** Mothers often earn less after having children compared to people who do not have children. Mothers are less likely to be promoted due to their parental status and perceived priorities.

- **Negotiating salaries:** Women are less likely to negotiate for a higher salary upon entry into a job due to fear of backlash, lower salary expectations, lack of information and confidence, and concerns about relational dynamics.
- **Part-time and flexible work:** Women are more likely to work part-time and require flexible work options, often to balance unpaid work and responsibilities.
- **Behaviours and social norms:** Deeply held societal attitudes and beliefs about the types of work that are appropriate for men and women, the relative importance of occupations where men or women dominate, and the allocation of unpaid work, like caring responsibilities, voluntary and community work, sport representation.

Reporting on your gender pay gap

You should report your gender pay gap in the same place each year and leave the previous years' figures up for comparison. Many organisations choose to report their gender pay gap alongside a context statement and an action plan (see page 13).

However, if your organisation has less than 10 employees in each gender cohort, your results should only be used for HR purposes and not published internally or externally.

If you have 10 women and men in your workforce, but not 10 gender diverse employees, you can still publish your women/men gender pay gap, but not your gender diverse/men gender pay gap.

Having a minimum of 10 or more employees of each gender cohort ensures that data published is not presented in a way that could identify employees.

If your organisation has equity partners, you should report two gender pay gap figures – one including equity partners and one excluding equity partners. This will give you a better understanding of the organisation wide gender pay gap.

Developing a context statement

[Reporting your gender pay gap](#) on its own does not tell the whole story. You should accompany your gender pay gap figure with a context statement. This statement should aim to provide clear background information, data interpretation, and any relevant insights or drivers of the gender pay gap.

A comprehensive context statement should include:

- your gender pay gap figure, defining whether it is organisation-wide, organisation level-by-level, or like-for-like, and whether it is the median or mean
- the time period that the gender pay gap data is taken from
- the calculation method of the gender pay gap
- an acknowledgement of the relevant drivers of your gender pay gap.

Example: Context statement

Our median organisation-wide gender pay gap is 36.5% in the 2023 financial year. We have calculated our gender pay gap using the Ministry for Women gender pay gap toolkit. This uses total pay which is made up of base pay and all additional cash benefits paid over the reporting period. Our gender pay gap is much higher than other industries or sectors. We think this is largely due to the historic make-up of our industry and the concentration of women in clerical roles.

Develop an action plan

Reporting your gender pay gap figure and context statement is an important step towards addressing gender inequality in your organisation and making your pay practices fairer and more transparent.

Developing and implementing an action plan demonstrates your commitment to closing the gender pay gap by providing a clear pathway of actions that you and your leadership team are committed to. It's a crucial step towards creating a fairer workplace.

Your action plan needs to align with the factors you have identified as driving the gender pay gap in your organisation (see page 10). You can use the [self-assessment questionnaire](#) to help you get started on developing an action plan.

Your action plan will be more successful if everyone in your organisation, including the Chief Executive, is fully engaged and committed to the plan and its goals. As you develop and implement your plan, it's a good idea to consult and work with your staff and their representatives, such as unions and networks, throughout this process.

An action plan should include the following aspects:

- a context and/or commitment statement
- your data
- a set of goals
- specific and timebound actions
- set timelines and milestones
- monitoring progress and evaluating impact.

Write your commitment statement

A commitment statement is a short concise statement that reflects your organisation's desire to reduce the gender pay gap and improve gender equality. It is helpful to reflect some of the key work you have previously undertaken that you think has made a substantial difference to your gender pay gap.

This statement is important as it can give your stakeholders (employees, Board members, shareholders, unions, and/or customers) an understanding of your approach to tackling the gender pay gap.

You could connect your commitment statement to your context statement and include them together in your action plan. See page 12 for more information on developing a context statement.

Include your data

Include all of the relevant data and analysis you've done to calculate and understand your organisation's gender pay gap, including the overall gender pay gap percentages, staff numbers, and median total pay broken down by gender – men, women, and gender diverse.

You must ensure that any data you include (or eventually publish) is private. You must not include any personal employee information (such as their name) or present the data in a way that could identify employees. Only organisations with 10 or more employees in each gender cohort should report on their gender pay gap publicly.

[More information on data privacy can be found at data.govt.nz.](https://data.govt.nz)

Set your goals

Your goals should be the overall outcomes you want to achieve. They should be broad, measurable, consistent with your organisation's wider priorities, and focus on the key drivers of your organisation's gender pay gap.

Example: Goals

- *Increase the number of women in leadership roles by 30%.*
- *All employees have equal access to merit-based bonuses.*

You need to keep your goals achievable. If this is your first time developing an action plan it may make sense to stick to one or two goals.

If you are further along on your gender pay gap journey you could think about how you can expand your goals further.

Develop your actions

An action is a specific step or measure that you will take to achieve the goals that you set. Actions are more granular and operational. They detail the “how” and “when” of the plan. They are practical and can be measured or tracked.

Identify areas that you want to drive change in to meet your goals.

These areas will vary, but could include:

- recruitment
- career progression and promotion
- breaks and leave
- pay or remuneration setting
- leadership or management.

We recommend choosing one or two actions under each area. The actions need to be simple to understand, targeted, and time bound with a clear output that can be measured.

Example: Action

Goal: Increase the number of women in senior leadership roles by 30%.

Focus areas: recruitment and career progression.

Actions:

- Create and implement flexible work policies that are available to all employees in the next 18 months.
- Review all current promotion and progression criteria and develop clear, standardised criteria for promotion to leadership roles to eliminate ambiguity and discretion in the next six months.

If you are unsure of where to start with developing your actions, take the [self-assessment questionnaire](#) to see where you sit on your gender pay gap journey and get some recommended actions your organisation could take.

As you develop the actions, check back in with your key stakeholders to get feedback and advice.

Set timelines and milestones

Setting clear timelines and milestones will help you make progress towards your goals and work through your actions. More ambitious actions may need to be broken down into milestones to make them achievable.

Spread out the milestones over the course of the action plan, as it can take more than 2-3 years to see tangible and sustained results. For example, if one of your goals is to achieve 50% representation of women in senior leadership and the current proportion is only 20%, a first milestone towards your goal could be achieving 30% representation.

Specify who will be responsible for measuring progress against the milestones, how progress will be measured, and how the results will be recorded and shared both internally and publicly.

Monitor your progress and evaluate the impact

Your action plan should include processes for monitoring your gender pay gap and for measuring and evaluating the impact of actions you have taken against your plan's goals.

Make sure the person responsible for monitoring and evaluating each action has enough time set aside within their work hours to complete this.

As well as tracking actions you should regularly monitor wider gender equity measures. These could include representation of women at different levels within your organisation, proportion of women and men receiving bonuses, and other measures or goals that you identified as being important to your organisation.

You should also decide the point in the future when you might review and develop an updated action plan, such as every year or two years, to share your progress and make new goals and actions to continue the work.

Finalise and publish your action plan

Once you have these steps, your action plan should be ready to be endorsed and approved by your organisation's leadership team, as well as all of your key stakeholders.

Now you're ready to publish! Make your action plan easily available to staff either by email or on your intranet and publish it on your website to make it public.

Now you're ready to start implementing these actions to work to close your organisation's gender pay gap!

[Read more about publishing your action plan.](#)

Support

[A list of frequently asked questions is available on the Ministry for Women's website.](#)

If you require further support, email us at GenderPayGap.toolkit@women.govt.nz.

Organisations taking action

There are some great examples of organisations across the country already taking action to understand and improve their gender pay gap.

[A set of case studies can be found on the Ministry for Women's website.](#)

We encourage you to share your progress so that organisations can learn from each other and showcase the progress being made. This can be done by sharing your gender pay gap report with us or through a case study.

If you'd like to share your story, email us at GenderPayGap.toolkit@women.govt.nz.