

Ministry for Women Advice Cover Sheet

Friday, 3 November 2017

Gender pay gaps: differences by industry and occupation

Briefing No:	MW 17-18 0087
Doc Ref No:	D-215882
Min Office No:	
Priority:	High

Purpose

Information on the gender pay gap by selected industries and background on the comparative gaps between men and women's pay in New Zealand.

Action sought

From	Action sought	Suggested Deadline
Minister for Women Hon Julie Anne Genter	Note	3 November 2017

Resources used to prepare this advice

Work Programme	Output Plan or Ministerial Priority <input type="checkbox"/>	Responding to ad hoc requests <input checked="" type="checkbox"/>	Other agency work (budget/governance) <input type="checkbox"/>
Name of Project	N/A		
Other resources used to provide this advice			

Contact for telephone discussion

Name	Position	Section 9 (2) (a)	Telephone	1 st Contact
Margaret Retter	Director Policy			√
Deb Potter	Principal Analyst			

Gender pay gaps: differences by industry and occupation

Purpose

1. This paper provides you with information on gender pay differences within industries and other relevant factors.

Differences in gender pay

2. Research published by the Ministry for Women in 2017 showed that the gender pay gap was highest in areas that were higher paid and less regulated. This briefing note summarises information to hand. Industries where pay gaps are likely to be low include care giving and retail trade.

Gender pay gaps in professions

There are currently no official statistics on pay gaps by industry or occupation however some employer organisations have collected their own data:

3. 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 females, the widest pay gap since 2010. The information came from one third of their New Zealand members.
4. The Institute of Professional Engineers 2014 Remuneration Survey found young graduates received approximately the same salary but a gender pay gap emerged over time with 45-49 year olds showing a \$32,000 pay difference.
5. Some firms are making good efforts to understand and close their gender pay gaps. These include: EY, ANZ, and Simpson Grierson.

Graduate earnings indicate gender pay gaps emerge early

Differences in graduate earnings

6. The Ministry of Education (2014) found that young male graduates earned more than equivalent females after study. The difference in earnings varied by level of qualification completed and by field of study. Male medical studies bachelors graduates earned 8 percent more than women after 5 years, and male law graduates earned 7 percent more. Women earned more than men after five years if they completed bachelors in veterinary studies or rehabilitation studies.

7. The study used the Integrated Data Infrastructure and the researchers note that it cannot be inferred that graduates entered the industry or occupations commensurate with their study.

Factors that influence women's pay

8. Factors that influence women's pay include:
- Unconscious bias
 - Occupational segregation (women and men working in different and differently rewarded occupations)
 - Working part-time (which may lead to underutilisation and undervaluation and may compromise opportunities such as training)
 - Staying longer with employers instead of moving to higher salaries in order to maintain flexible working arrangements
 - Taking an unequal share of domestic responsibilities
 - Breaks from work due to caregiving
 - Size of firm and location (pay can be lower in regions, non-corporate and in government)
9. The Ministry for Women has recently published a booklet and online resource Closing the Gender Pay Gap: Actions for Employers to help employers address some of these factors.

Factors inhibiting our knowledge

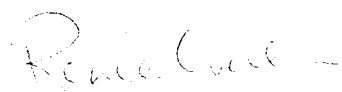
10. New Zealand does not collect administrative information on hours worked or occupation which makes it difficult to understand the impact of part-time hours and the impact of different roles within industries.

Recommendations

The Ministry recommends that you:

1. **Note** the contents of this briefing

Agree / disagree



Renee Graham
Chief Executive

Hon Julie Anne Genter
Minister for Women

Date.....