

## Ministry for Women Advice Cover Sheet

Tuesday, 1 May 2018

### The gender pay gap and labour market outcomes for Māori women

Briefing No:	MW 17-18 0365
Doc Ref No:	
Min Office No:	D-218535
Priority:	High

### Purpose

This briefing provides information on the gender pay gap and labour market outcomes for Māori women, as background for your meeting with Minister Mahuta, to be held on Thursday, 3 May, 2018.


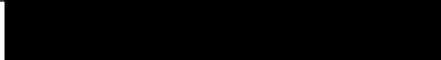
### Action sought

From	Action sought	Suggested Deadline
Minister for Women Hon Julie Anne Genter	Note the contents of this briefing Agree to propose to collaborate with Minister Mahuta	Wednesday, 2 May, 2018

### 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			
Other resources used to provide this advice			

### Contact for telephone discussion

Name	Position	Section 9 (2) (a) Telephone	1 <sup>st</sup> Contact
Margaret Retter	Director, Policy		✓
Deb Potter	Principal Policy Analyst		

## Meeting with Minister Mahuta

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1. This briefing provides information about the gender pay gap and other key labour market outcomes for Māori women.
2. Hon Nania Mahuta is the Minister of Māori Development, Local Government, and Associate Minister for the Environment. Assisting her in her portfolios are Hon Willie Jackson, Associate Minister of Māori Development, and Hon Meka Whaitiri, Associate Minister of Local Government.
3. Your meeting with Minister Mahuta is an opportunity to propose that you collaborate on existing work programmes to increase their effectiveness for Māori women.

## The gender pay gap

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4. The gender pay gap is a high level indicator of inequalities in employment between men and women. New Zealand's national gender pay gap is 9.4 percent. However, the gender pay gaps for diverse women, compared with all men, are much higher, and the **gender pay gap for Māori women is 18 percent** (Appendix One).
5. The high gender pay gaps for Māori and other diverse women indicate that they are concentrated in lower paid occupations and industries, in the lower levels of organisations, and may be more affected by motherhood costs that include childcare, family transport and part-time work.
6. The 18 percent gender pay gap for Māori women recognises the intersection of:
  - gender
  - ethnicity
  - fertility, and
  - education and skills.

## Labour market outcomes for Māori women

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7. Māori women also experience a high employment gap. **The unemployment rate for Māori women is 11.1 percent compared with the overall unemployment rate of 4.5 percent** (Appendix One).
8. Māori women are more likely to become mothers than European women, and are more likely to become parents earlier.
9. New Ministry research to be released this month, *Parenthood and Labour Market Outcomes*, shows that motherhood is a critical factor in understanding and responding to women's employment and economic needs. The research reports that low income and low skilled mothers are likely to have longer periods out of the workforce before returning to work. They may also have less bargaining power to negotiate, or may be less able to afford, part-time work.

10. Young Māori women (aged 15-24) have the highest rates of being not in education, training or employment (NEET) due to a greater proportion being mothers. **The NEET rate for Māori women is 23.7 percent compared with an overall NEET rate of 11.8 percent** (Appendix One).
11. Three-quarters of long-term NEET mothers received benefits in 2015, indicating that assistance is needed to move these young families into economic independence.
12. The Ministry's recent Integrated Data Infrastructure research on motherhood and income identified that for a cohort of Māori women who had their first child before they were 19 years old, 55 percent earned less than \$50,000 over 10 years. For those who had their child before they were 25 years, 33 percent earned less than \$50,000 over 10 years.
13. *Parenthood and Labour Market Outcomes* confirms that women with lower incomes before childbirth are less likely to return to work at all and that approximately half are not employed in paid work ten years after the birth of their first child.
14. Childcare costs are a major demand on the budget that can be a barrier to parents taking up employment or can lead to material hardship for those in employment.<sup>1</sup>

## Ministry for Women initiatives

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15. Overcoming persistent low income is a matter that the Ministry considers requires stronger and more accountable policy coordination, partnering across agencies, and strong directives from Government about improving pathways for vulnerable mothers, including paid and unpaid work.
16. As examples of programmes that we could strengthen and expand, the Ministry has been providing advice and support to the Māori and Pacific Trades Training (MPTT) initiative, He Poutama Rangatahi – Youth Employment Strategy – and, more recently the action plan to deliver the Construction Skills Strategy.
17. Measurement by ethnicity and sex is crucial to monitoring progress in each of these programmes.
18. In MPTT, progress to improve the representation of Māori women in the trades has been slow and would be improved by support from Ministers. There is potential for this programme to deliver good outcomes and models for other mainstream training providers (Appendix Two).
19. Similarly, the Construction Skills Strategy could be strengthened with clear targets set for Māori women at all levels of the construction sector.
20. HPR is a developing community-led programme targeting NEETs in key regions and co-ordinated by MBIE. The Ministry provides advice. Although at a high level it is acknowledged that responding to the needs of young mothers and women would have positive regional effects, to date there is little evidence that that HPR will make a significant impact for Māori women.

<sup>1</sup> Bryan Perry, *The material well being of NZ households*, 2017 <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/monitoring/household-income-report/2017/incomes-report-overview.pdf>

21. HPR is a Provincial Growth Fund project; there may be further projects developed under the fund in which our involvement can strengthen outcomes for Māori women in the regions.
22. *Parenthood and labour market outcomes* will be launched at the end of May and may prompt discussion on childcare affordability, flexible work and bargaining for mothers.
23. The Ministry will convene a working group to support further research into the contributors to Māori and Pacific women's gender pay gaps, and to develop targeted strategies to address these gaps. As part of this work we will engage with the Council of Trade Unions on their work regarding Māori and Pacific women.

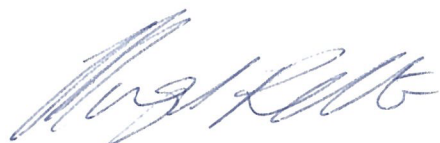
## Recommendations

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The Ministry recommends that you:

1. **Note** the contents of this briefing for your meeting with Minister Mahuta.
2. **Agree** to propose a programme of collaboration with Minister Mahuta.

Agree / ~~disagree~~



**Margaret Retter**  
Director



**Hon Julie Anne Genter**  
Minister for Women

Date 3 May 2018

## **Appendix Two: The Māori and Pacific Trades Training (MPTT) initiative**

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The Māori and Pacific Trades Training (MPTT) initiative is designed to increase access for Māori and Pacific learners to vocational and pre-employment training. The aim is to improve outcomes for these learners by developing new pathways to training and sustainable employment.

MPTT is delivered via consortia comprising tertiary education organisations, local employers, and communities including Māori and Pacific groups.

MPTT funding provides fees-free tertiary places for Māori and Pacific learners aged 16- 40 for pre-trades training, progress to sustainable trades or trades-related employment (including New Zealand Apprenticeships), other industry training programmes at Level 3 and above on the New Zealand Qualification Framework, and managed apprenticeships.

In late 2015 the Minister for Women led the requirement for the funding agreements of each training consortium to include aspirational targets for women learners. These targets are intended to prompt an increase in women in high-priority trades training, rather than in low priority fields such as hairdressing and beauty therapy (in which there are also MPTT trainees).

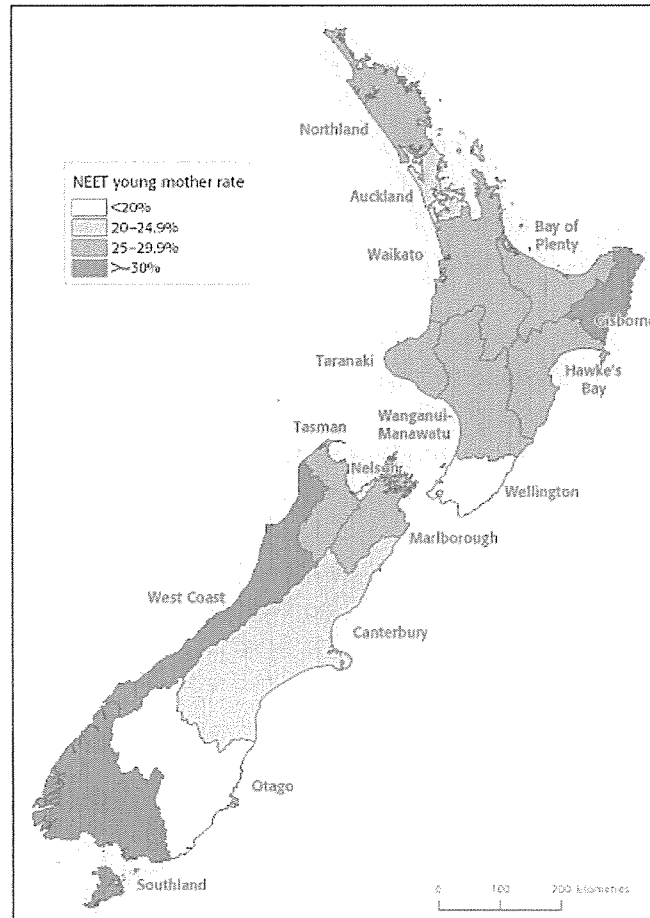
MPTT began in 2014. Since then learner numbers have increased from 1,189 to 2,572 in 2016, and dropped back to 2,381 in 2017. The intention is that the number of learners will increase to 5,000 per year by 2019.

### **Women in MPTT**

- In 2017 there were 2,381 Māori and Pacific learners, of which 795, or 33 percent, were women.
- Between 2014 and 2017, the total number of MPTT learners has doubled from 1,191 to 2,381. For women, it has grown from 251 women (21 percent of all MPTT learners) to 795 (33 percent).
- Between 2014 and 2017, actual numbers of women involved in building training increased from 54 to 81, but as a proportion of all women enrolments this was an 11 percent decrease.
- The proportion of women in industries where there are projected long-term good pay and prospects (including construction-related sectors, forestry and environmental studies) has decreased from 47 percent in 2014 to 43 percent in 2017.

## Appendix three: NEET mothers by region

Proportion of NEET youth who are mothers, by regional council, New Zealand, 2015



Source: Stats NZ with IDI data

**Table 3. NEET rates for diverse youth**

<b>Youth Labour Force and Education Status by Ethnic Group by Sex (Annual-Dec 2017)</b>			
	<b>Men</b>	<b>Women</b>	<b>Total Both Sexes</b>
Pacific NEET rate	16.2	21.6	19
<b>Māori NEET rate</b>	<b>13.8</b>	<b>23.7</b>	<b>18.6</b>
European NEET rate	9.3	10	9.6
Asian NEET rate	8.4	11	9.6
<b>Total all</b>	<b>10.4</b>	<b>13.2</b>	<b>11.8</b>

## Appendix One: Gender pay gap, unemployment and NEET rates

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**Table 1. Gender pay gaps for diverse women, June 2017**

<b>Group</b>	<b>Gender pay gap</b>
Pacific Island women	21.12%
Asian women	18.2%
<b>Māori women</b>	<b>18.0%</b>
European women	4.1%
<b>National gender pay gap</b>	<b>9.4%</b>

**Table 2. Unemployment rates for diverse men and women, December quarter 2017**

<b>Group</b>	<b>Unemployment rate (December quarter 2017)</b>
<b>Māori women</b>	<b>11.1</b>
Māori men	7.1
Pacific women	10.4
Pacific men	5.3
Asian women	5.0
Asian men	4.1
European women	3.6
European men	3.4
<b>Total women</b>	<b>5.0</b>
Total men	4.0
<b>Total unemployment rate</b>	<b>4.5</b>