

Gender Pay Gap Toolkit

Connecting gender, ethnicity and disability

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Introduction

This guide is designed for businesses of all sizes. Whether you are a small organisation or a large employer, understanding and addressing gender pay gaps is essential for creating fair and inclusive workplaces.

New Zealand's national gender pay gap has narrowed in recent years, dropping from 8.2% in 2024 to 5.3% in 2026.

While this progress is encouraging, we need to look further. Wāhine Māori, Pacific women, women from ethnic communities, and disabled women continue to experience significantly higher pay gaps.

Ethnicity pay gaps intersect closely with gender pay gaps. Pacific women face the largest gap at 16%, followed by wāhine Māori at 11.3%, and Asian women at 11.7%. European men remain the highest-paid group on average. For disabled women, the gap compared to all men is 14.8%, and even when compared to disabled men, it remains high at 9.6%—well above the national average.

Closing pay gaps is not just about fairness. It is about addressing systemic barriers that hold people back and limit opportunities.

This guide will help businesses understand their pay gaps, calculate them accurately, and take meaningful action to close them.

What's included in the toolkit?

This toolkit is designed to help organisations understand, calculate and take action to address their gender pay gaps.

In this updated toolkit, we have widened the lens to include ethnicity and disability to enable workplaces to take a deeper look at where pay gaps are in their organisation.

The Gender Pay Gap toolkit: connecting gender, ethnicity and disability provides clear guidance on how to measure and interpret pay gaps, with practical advice on collecting data, analysing results, and reporting actions. It highlights the links between different types of pay gaps, helping organisations to identify overlapping barriers and focus their effort where it will have the greatest impact.

Whether you are just beginning to explore your organisation's pay data or are looking to expand your understanding of your organisation's pay gaps, this toolkit will support you to make evidence-based decisions, promote transparency and drive long-term change.

The toolkit consists of:

- this guidance document to support you to calculate your pay gaps
- an [online calculator](#) for calculating pay gaps
- a [downloadable workbook](#) to assist you to prepare your data and calculate your pay gaps
- a [self-assessment questionnaire](#) that can identify actions to reduce your pay gaps.

All components of the toolkit use a common methodology that has been developed in partnership with businesses.

How to collect your data

Accurate and reliable data is essential for calculating and understanding your organisation's gender pay gaps.

There is a range of information that is needed to calculate your gender pay gaps. Some of this relates to your employee pay information. Other data you will need relates to demographic information.

It is worth spending time on getting this data clean and in a consistent format so that calculating is easier. There is a full list of what data is required in the [Gender Pay Gap toolkit data checklist](#).

Many organisations have talked about the importance of building trust with their employees when asking them to provide information about themselves such as their gender, ethnicity and whether or not they have a disability. The following sections are designed to provide guidance and help in collecting demographic information.

There are some important principles that need to be applied to collecting your workforce data. You need to make sure that all information is:

- Self-identified. Employees must provide their own information. You must not assume any of your employees' information.
 - It is important that **gender data is self-identified**. Further information on collecting gender data is here: <https://www.stats.govt.nz/methods/data-standard-for-gender-sex-and-variations-of-sex-characteristics/>
 - It is important that **ethnicity data is self-identified**. Further information on collecting ethnicity data can be found here: [Ariā - Standards](#)
 - It is important that **disability data is self-identified**. Do not assume anyone is disabled or non-disabled.
- Able to be regularly updated. Information should be reviewed and refreshed periodically to ensure accuracy. This includes giving employees the ability to update their own information should they want to.
- Monitored for response rate. Track participation and consider any data gaps when calculating and reporting pay gaps.
- Collected using standard questions:
 - Ethnicity: Use [Stats NZ Level 1 categories](#) – *European, Māori, Pacific, Asian, Middle Eastern/Latin American/African (MELAA), Other and Prefer not to disclose*
 - Multiple ethnicities: people should be able to choose up to three ethnicities
 - Disability: ask “Do you identify as a disabled person?” with the response options *Yes / No / Prefer not to disclose*.
- Validated regularly: encourage employees to check and confirm their details at least annually. You might do this at the same time as you are updating emergency contact details.

If your organisation collects health related information (for example, as part of onboarding or workplace wellbeing programmes), these responses must not be used to determine disability status. You do not need to define “disability” for respondents.

How much information do I need before I start calculating my gender, ethnic or disability pay gaps?

To calculate pay gaps accurately, aim for a minimum disclosure rate of 60% across each gender, ethnicity and disability. Lower rates can limit the reliability and usefulness of your analysis. You can calculate your gender pay gap if you have 60% of the information. You don't need to wait till you have 60% of all information before you start calculating.

Increasing disclosure rates

Building trust with your employees is essential to improving their willingness to disclose information to you. To encourage higher participation, businesses can:

- Explain clearly why you are collecting data – for example, *we are collecting this data to identify and close pay gaps and promote fairness*.
- Be transparent about data use – outline how the information will be used, stored and protected.
- Provide clear privacy assurances – reference your data protection policies and explain that individual responses will not be shared or used to make employment decisions.
- Share results and actions – show how the data has informed decisions or initiatives, reinforcing the value of participation.
- Use senior leadership messaging – visible endorsement from senior managers can build trust and encourage staff to participate.
- Provide safe channels for updates – make it easy and confidential for employees to review and change their information.
- Engage employee networks or champions – involve staff groups or employee-led networks in designing messages and approaches.
- Enabling employees to select multiple ethnicities will increase the disclosure rate. If your system does not enable this, look for other ways of collecting this data.
- Collect information routinely at the time of onboarding new employees.

What are the recommended pay gaps to calculate?

Once you have the data that is needed you can use it to calculate your median organisation wide pay gaps for:

Gender pay gaps:

- Gender pay gap: all women compared to all men.
- Gender ethnicity: ethnic women compared to all men (there will be a calculation for each ethnic group).
- Gender disability: disabled women compared to all men.

We encourage you to do each of these calculations where you have enough available data.

The minimum calculation you should do is your median organisation-wide gender pay gap.

You may also choose to calculate your median organisation wide pay gaps for:

Ethnicity pay gaps:

- Ethnicity pay gap: different ethnicity groups compared to European.
 - Each category of ethnic women compared to European men.
 - Each category of ethnic men compared to European men.
- Gender pay gap within each ethnicity: women of each ethnicity compared to men of each ethnicity.

Disability pay gaps:

- Disability pay gap: disabled people compared to non-disabled people.
 - Disabled women compared to disabled men.

To get a more fulsome picture of your pay gaps you may also wish to look at pay gaps between people performing the same or similar jobs and pay gaps at each level of your organisation (senior managers, managers etc).

If you are using the workbook, it will do these calculations for you once you have entered the data. You will be able to copy the results into your action plan (you can also use the [action plan template](#)).

Alongside calculating your median pay gaps, you may choose to also calculate your mean pay gaps.

How to calculate your pay gaps

Using the online calculator

If you already know the median total pay for each group, you can use the [online calculator](#) to calculate your gender, gender-ethnicity and gender-disability pay gaps. The fields in the online calculator will tell you what data to enter.

For example, 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 pay gap' and a percentage should appear. This is your organisation's median gender pay gap.

Using the worksheet or calculating manually

If you do not already know the median total pay for each group, you can use the [worksheet](#) to prepare your data and calculate your pay gaps. The following table will help you work out what data to input into the worksheet.

Step one: Determine how many people you are including in your calculation

For each employee, collect the data for the previous 12-month period. For any employees who have not been with your organisation for 12 months, convert their hours and pay to an annual salary. For employees who have been on parental leave or extended unpaid leave, include them using their contracted rate of pay. Do not scale commission or performance-based pay.

Who do you include?	You need to determine the number of employees you have using a snapshot date. Use the number of people employed on that particular date, not the number of full-time equivalents. 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. If you have equity partners, you will need to note them in the worksheet. You will be able to do two calculations, one that includes equity partners and one that doesn't – regardless of whether they have an employment agreement. Do not include contractors.
Gender	Gender should be collected in the following categories: women, men, gender diverse and prefer not to disclose. Employees who provide no response will not be included in the calculation. It is important that gender data is self identified.
Ethnicity	Ethnicity should be collected in the following categories: European, Māori, Pacific, Asian, MELAA (Middle Eastern, Latin American, African), other and prefer not to disclose. Employees who do not provide a response will not be included in the calculation. It is important that ethnicity data is self identified. People should be able to select up to three ethnicities. If your system does not allow multiple selections, include it as an action in your action plan.

Disability	Disability status should be collected using the question ‘do you identify as a disabled person?’ Employees need to be able to answer yes, no or prefer not to disclose. Employees who do not provide a response will not be included in the calculation. It is important that disability data is self identified.
Part-time or full-time	If you have differing definitions of full-time within your organisation (i.e. 37.5 or 40 hours per week) use the highest number as your full-time hours. Convert all salaries to be calculated on this basis.
Number of contracted hours	This is the number of contracted hours stated in their employment agreement.
Number of overtime hours	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. If you are using the workbook, you can add any overtime pay to the variable pay amount.
Total pay	You will need to work out the total pay by combining base pay with variable pay. Examples of variable pay are listed below. If you are using the worksheet, it will combine these numbers for you automatically. When you are working out the total pay components across your organisation: • If you are using annual salary you will need to convert part-time salaries into full-time equivalent salaries. This will automatically be calculated when using the worksheet. • 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.

If you do not have variable pay components

- you can choose to use hourly rate or annual salary.
- you can choose to use either hourly rate or annual salary to work out the median.

If you do have variable pay components

- that are paid annually use an annual salary and if necessary, convert hourly rates of pay to annual pay. The worksheet will do this conversion for you.

Base pay includes:

Fixed rate of ordinary pay, excluding any additional payments such as KiwiSaver. Include any salary sacrificed amount, including any purchased leave as a salary sacrifice.

Fixed pay includes:

- All cash components that are paid regularly and are not 'at risk'. This includes:
 - 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

Variable pay includes:

- All cash components that are not guaranteed. This includes:
 - 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.

	Do not include any non-monetary items such as carparks or phones. If you are using the workbook, you can enter your base and fixed pay separately to your variable pay. Make sure you are still including all components of pay listed above. If you have disabled people employed on a minimum wage exemption include the hourly rate they are paid and any additional components of pay they receive.
Level within organisation (optional)	If you want to conduct a level-by-level analysis as well as your organisation-wide median pay gaps, then identify and categorise what level each employee works at. For example, this could be executive level, senior management, middle management, entry level.
Equity partner (if relevant)	Identify any equity partners in your organisation.
Step two: Find the median pay	
Find your median	Once you have the total pay for everyone you will then need to calculate the median total pay. The median is the mid-point value, with half the people earning more than that amount and half earning less. List each person's total pay figure from lowest to highest in separate sets for each group – and find the midpoint value for each group. For a gender pay gap calculation you will need to calculate the median total pay for: • women • men • gender-diverse people • those who chose not to disclose their gender

For a gender-ethnicity pay gap calculation you will need to calculate the median total pay for:

- European women and gender diverse
- Wāhine Māori and gender diverse
- Pacific women and gender diverse
- Middle Eastern, Latin American and African (MELAA) women and gender diverse
- Women and gender diverse people who selected 'other' ethnicity
- Women and gender diverse people who Prefer not to disclose their ethnicity

If you also want to calculate your ethnic pay gap you will need to collect the median pay for all people in each ethnic group.

For a gender-disability pay gap calculation you will need to calculate the median total pay for:

- Disabled women and gender diverse
- Women who prefer not to disclose their disability status

If you also want to calculate your disability pay gap you will need to calculate the median total pay for all disabled people and non-disabled people. Where employees identify with more than one ethnicity, include them in each ethnicity group. This means your total number of people included in your calculations will be higher than your total number of employees.

Step three: Calculate your pay gaps

Gender pay gap

To calculate your **gender- ethnicity pay gap**, use the following formula:

$$\frac{(\text{Median value for men} - \text{Median value for (each ethnicity group of women or gender diverse)})}{\text{Median value for men}} \times 100$$

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.

If your organisation has **equity partners** conduct **two calculations**, one that includes equity partners and one that excludes them.

You may also choose to look at the gender pay gap within each ethnicity. For this replace the 'women' value with 'women from each ethnicity group' and the 'men' value with 'men from the same ethnicity group'.

Gender-ethnicity pay gaps

To calculate your **gender- ethnicity pay gap**, use the following formula:

$$\frac{(\text{Median value for men} - \text{Median value for (each ethnicity group of women or gender diverse)})}{\text{Median value for men}} \times 100$$

The comparator for all calculations is the median value for all men.

Your results will include a calculation for each ethnicity; there is not one single gender-ethnicity pay gap.

If your organisation has **equity partners** conduct **two calculations for each ethnic group**, one that includes equity partners and one that excludes them.

You may also choose to compare the pay of women of different ethnicities to European men. For this, replace the 'men' value with your median European men value.

**Calculate
your
gender-
disability
pay gap**

To calculate your **gender-disability pay gap**, use the following formula:

$$\frac{(\text{Median value for men} - \text{Median value for disabled women})}{\text{Median value for all men}} (\times 100)$$

You may also want to calculate your gender-disability pay gap using disabled men as the comparator. To do this, replace the median value for men with the median value for disabled men.

**Calculate
your
ethnicity pay
gap**

To calculate your **Māori ethnicity pay gap**, use the following formula:

$$\frac{(\text{Median value for European} - \text{Median value for Māori})}{\text{Median value for European}} (\times 100)$$

Replace the median value for Māori, with the median value for each ethnic group. The comparator remains European.

If your organisation has **equity partners conduct two calculations**, one that includes equity partners and one that excludes them.

**Calculate
your
disability
pay gap**

To calculate your **disability pay gap**, use the following formula:

$$\frac{(\text{Median value for non-disabled people} - \text{Median value for disabled people})}{\text{Median value for non-disabled people}} (\times 100)$$

If your organisation has **equity partners conduct two calculations**, one that includes equity partners and one that excludes them.

Understanding your pay gaps

The calculations in this guide will calculate your 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 or gender diverse depending on what calculation you are doing.

If you change the way you calculate your pay gaps (i.e. use an alternative calculation method), you will likely see a change in your pay gap. For instance, if you have previously used the Stats NZ gender pay gap calculation you may notice an increase in your gender pay gap using the toolkit calculation. This is because the toolkit calculation includes more components of pay and offers less variability in the calculation. This results in a measure that better reflects the 'true' gender pay gap of an organisation.

Reporting on your pay gaps

You should report your pay gaps in the same place each year and leave the previous years' figures up for comparison. Many organisations choose to report their pay gaps alongside a [context statement and an action plan](#).

In order to protect the privacy of your people, you should have at least 10 people in any group you are reporting on. 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. The same applies to ethnicity and disability.

If your organisation has less than 10 employees in each group, your results should only be used for internal management purposes and not published internally or externally.

If your organisation has equity partners, you should report two pay gap figures – one including equity partners and one excluding equity partners.

The [action plan template](#) has a reporting template includes an example of how you might want to share the information publicly.

Developing a context statement

Reporting your pay gaps on their own does not tell the whole story. You should accompany your pay gap figures with a context statement. This statement should aim to provide clear background information, data interpretation, and any relevant insights or drivers of the gender, ethnicity and disability pay gap.

Example context statement for a gender pay gap:

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.

Some of the more typical reasons might include:

- *Our sector has traditionally been a male dominated workforce*
- *We have an under representation of women in leadership roles, we are working to address this.*
- *We have gender equity in like-for-like roles, however we have more men than women in more senior roles.*
- *We are working to bring more women into our workforce, however this will take time. We have started with women in intern roles and this will take time for them to work into more senior roles.*

Develop 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.

Your action plan needs to align with the factors you think are driving pay gaps in your organisation. You can use the [self-assessment tool](#) to help you get started on developing an action plan, or you can input [directly into the template](#). An action plan should include the following aspects:

1. type of pay gap being reported
2. commitment statement
3. your data and context statement
4. a set of goals
5. specific and timebound actions
6. set timelines and milestones
7. finalise and publish your action plan
8. monitoring progress and evaluating impact

Type of pay gap being reported

Make it clear what pay gaps you are reporting on (eg gender, ethnicity and disability), what time period they cover and what methodology you are using (e.g. The Ministry for Women gender pay gap methodology).

Write your commitment statement

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

Include your data

Include all of the relevant data and analysis you've done to calculate and understand your organisation's pay gaps, including the gender pay gap, gender-ethnicity and gender-disability pay gaps.

You must ensure that any data you include (or eventually publish) maintains your employees' privacy. Only organisations with 10 or more employees in each group should report on their pay gaps publicly. If you have some groups with 10 or more, and some with less than 10 only report the groups with 10 more employees.

More information on the Privacy Act 2020 and how to keep your published data private and secure can be found on the Office of the Privacy Commissioner's website.

<https://www.privacy.org.nz/privacy-principles/>

Include your context statement alongside your data.

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 pay gaps.

Example goals:

- Increase the number of women in leadership roles by 30%.
- Increase the number of Māori employees by 15%.
- 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 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 the areas of focus where you want to take action to meet your goals.

These areas will vary depending on your organisation and your goals, but they could include:

- recruitment and pay band transparency
- leadership
- career progression and promotion
- breaks and leave
- pay or remuneration setting, and
- 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:

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 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 pay gaps 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 Māori, Pacific, Asian and MELAA employees receiving bonuses, number of disabled employees 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 pay gaps!

Support

A list of [frequently asked questions](#) is available on the website.

If you require further support, please 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 at [link].

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 pay gap report with us or through a case study. If this is something you are interested in, please email us at GenderPayGap.toolkit@women.govt.nz