

# Pay Gap action plan

## October 2021



We want to make a difference for New Zealanders. We care about closing pay gaps, particularly gender and ethnic pay gaps. It's the right thing to do and it aligns with our values. That's why we're committed to meeting the Public Service Gender Pay Gap Action Plan.

### Public service context

#### GENDER PAY PRINCIPLES

Working environments in the state sector are free from gender based inequalities. All employees are able to achieve their full potential regardless of their gender, and gender pay gaps are eliminated.

1. Freedom from bias and discrimination
2. Transparency and accessibility
3. Relationship between paid and unpaid work
4. Sustainability
5. Participation and engagement

#### PUBLIC SERVICE GENDER PAY GAP ACTION PLAN 2018-2020 MILESTONES <sup>(1)</sup>

1. Equal pay
2. Flexible by default
3. There is no bias or discrimination in remuneration systems and human resource practices
4. Gender balanced leadership

See details of each milestone on page two.

### About us

#### Who are we?

We are a small government agency with a big reach across the social system. We take a broad view, looking at issues that New Zealanders face which do not fit neatly into the work of a single agency. This allows us to get actionable insights to decision-makers, and ensure that real people – whānau and communities – are involved in and benefit from the work we do. Ultimately, we want to achieve sustainable improvements for the wellbeing of New Zealanders.

#### Who are our people?

As at 31 August 2021 we had 33 permanent and fixed term people. Our workforce profile tells us:

- Our people are **63% women**
- We have **80% women leaders** in Tier 2 and 3
- Our people are **19.4% Māori** and **6.5% Asian**.
- We have **flexible working arrangements with 33%** of our people, made up of 60% women and 40% men.

### We achieved the public service gender pay gap action plan milestones

During the last year we achieved all the milestones in the public service gender pay gap action plan. We have:

- Closed pay gaps for our people in same or similar roles.
- Developed and implemented our working flexibly policy and are building our maturity to operate as flexible-by-default.
- Reviewed our remuneration and HR policies and practices to remove bias and discrimination.
- Delivered unconscious bias training and developed a mitigating bias toolkit. As at 30 June 2021, 100% of our people leaders and 95% of our people have completed the training.
- Over 50% women in tier two and three leadership roles.

See how we achieved the milestones, and how we will embed our new policies and practices and build on them, on page two.

### Understanding our pay gaps

Our size means we do not meet the threshold to produce meaningful gender or ethnic pay gap statistics. Changes in our staffing (even small changes) can impact significantly on our pay gap statistics and make our figures volatile. Since we cannot report our pay gap data, we use other information, such as trends, our workforce profile, people data and recruitment statistics, to help indicate our progress. Looking at our information we can see:

- We have more women than men in our workforce, with more women holding leadership roles. We have a good spread of genders across all our pay bands. This is a positive improvement since February 2020, when we had more women in lower pay bands.
- Since the introduction of our progression policy in March 2020, four people have progressed to more senior roles, including three women.
- We have recruited an equal number of women and men since 30 June 2020. Of the people recruited during that period 19% were Māori and 10% were Asian.
- A review as at 30 June 2021 of starting salaries for the last 12 months showed no difference by ethnicity but did show women had been appointed slightly lower in the band than men. We expect this will improve as the impact of our new recruitment and remuneration policies flow through. At the same time we reviewed salaries for people in same or similar roles for pay gaps and made two corrections.
- We looked at the pay rates of contractors engaged during the 2020/21 year. As we engaged a small number of contractors we do not have enough data for robust reporting. However, the data indicates that men generally have a higher hourly rate than women. This appears to be as a result of the type of roles they were engaged in with more women engaged in administrative or coordinator roles and men engaged in more senior roles.

Overall our information tells us that we are making good progress towards reducing inequity and pay gaps. Our focus for 2021/22 is on embedding our practices and monitoring our impact. We will also focus on understanding pay gaps for all working arrangements, including self-employed, contractors and third party organisations.

### Our values

**Our values underpin our plan.** Our values are aligned with closing the pay gaps and we use our values and the gender pay principles to guide our approach.



**Tāngata**  
We're about people

People will do better, sooner and for longer, when the social system works in partnership, acting on better evidence to develop and deliver services.



**Manawa Māui**  
We are a catalyst for change

We challenge the status quo constructively and seek better ways of doing things. We help create change to improve lives through different approaches.



**Taunakitanga**  
We influence through evidence

We use evidence to influence positive change for New Zealanders.



**Puaretanga**  
We're transparent by nature

We will share what we're doing, how we're doing it, and what we learn

### Our approach to develop our gender pay gap action plan

We invited people across the agency to work with us to review our 2020 gender pay gap action plan and to develop our plan for 2021/22. A small group were involved in the review and development with everyone having the opportunity to input on the new plan when we consulted across the agency. We will continue to work with our people as we implement our plan.

Our plan focuses on gender and ethnic pay gaps, but we know our actions will positively impact more broadly. For example, on pay gaps for disabled people and members of the Rainbow community.

We are realistic and know we cannot achieve everything at once. We prioritise areas where we think we need to do the most work. We will build on current good practices and implement new practices.

Our leadership team are committed to reducing pay gaps and delivering this plan. The Director Organisational Performance is the sponsor of the plan and has specific responsibility for ensuring it's implementation.

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### Achieving the public service gender pay gap action plan milestones

Public Service milestone	How we achieved the milestones	How we'll embed and build on the milestones	How we will measure success
<b>Milestone 1   Equal Pay</b> <ul style="list-style-type: none"> <li>By the end of 2019 two thirds of agencies will have closed any gender pay gaps within the same roles</li> <li>By the end of 2020 all agencies will have closed any gender pay gaps within the same roles</li> <li>Pay Equity Principles are used to address Pay Equity claims in the Public Service (and State sector)</li> </ul>	<ul style="list-style-type: none"> <li>We first reviewed salaries within same bands during the 2019 remuneration review for any gender pay gaps and made corrections where necessary.</li> <li>In July 2021 we again reviewed salaries within same bands to identify any pay gaps and made two corrections. We also reviewed starting salaries for the past 12 months for pay gaps. We found no difference by ethnicity but did find women were appointed slightly lower in the band.</li> <li>We reviewed our remuneration policy to reduce pay gaps and added a process for starting salaries to be reviewed by People &amp; Culture (before offers are made) to ensure proposed salaries do not create pay gap. We updated our remuneration policy to ensure regular monitoring.</li> </ul>	<ul style="list-style-type: none"> <li>We will continue to monitor starting salaries and salaries within the same bands for any unjustified pay gaps.</li> <li>We will focus on understanding pay gaps for other working arrangements, (self-employed, contractors and third party organisations) including: <ul style="list-style-type: none"> <li>Starting to monitor pay rates of contractors we engage.</li> <li>Reviewing our procurement policy.</li> <li>Working with our shared service provider to see how we can apply this to third party organisations.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>In the 2022 review of starting salaries and salaries within same bands we will find no unjustified pay gaps.</li> <li>We will better understand of any pay gaps for other working arrangements.</li> <li>Our procurement policy will apply the gender pay gap principles to other working arrangements.</li> </ul>
<b>Milestone 2   Flexible Work by Default</b> <ul style="list-style-type: none"> <li>By the end of 2019 at least 15 agencies will be piloting flexible-by-default approaches (i.e. treating all roles as flexible unless there is a good business reason for any role not to be). By 2020 all agencies will be flexible-by-default</li> <li>Flexible options are equally available to men and women and do not undermine career progression or pay</li> </ul>	<ul style="list-style-type: none"> <li>We have implemented a working flexibly policy aligned to the flexible-by-default guidance.</li> <li>We have 33% of our people have a regular flexible working arrangement, with 60% women and 40% men. We have more people who work flexibly on an ad hoc basis.</li> </ul>	<ul style="list-style-type: none"> <li>We will continue to embed our policy and practices. We will support people and their managers with flexible working to build a positive culture and continue to help change perspectives around flexible working.</li> <li>We will run a survey in 2021/22 to see how effective our working flexibly policy is and if we can improve it.</li> </ul>	<ul style="list-style-type: none"> <li>When we run a survey it will demonstrate an improvement from our baseline survey. Feedback from the survey is used to identify any improvements to the policy.</li> </ul>
<b>Milestone 3   No Bias or Discrimination in Remuneration Systems or Human Resources Practices</b> <ul style="list-style-type: none"> <li>By the end of 2018 there will be no gender pay gaps in starting salaries for the same roles</li> <li>By mid-2020 all agencies will have remuneration systems and human resource practices designed to remove bias and ensure transparency</li> <li>By mid-2020 all managers will understand the impacts of bias and be equipped to address them</li> </ul>	<ul style="list-style-type: none"> <li>We reviewed a number of our HR policies and practices using the guidance to remove bias and discrimination, including our remuneration, recruitment, parental leave, leave, progression and study policies.</li> <li>In 2020 we ran unconscious bias training for all our people. As at 30 June 2021, 100% of people leaders and 95% of our people have completed the training. New people complete the training as part of their induction. We developed a bias mitigation toolkit for use during decision making.</li> <li>Te Aho Kura, our Māori capability strategy, is growing our cultural competency. As at 30 June 2021, 62% of our people had completed the Treaty Wall Walk to build knowledge of the history of bicultural relations in Aotearoa. We also use waiata, karakia and other tikanga practices to encourage and support the use of te reo Māori in the workplace.</li> </ul>	<ul style="list-style-type: none"> <li>We will continue to review our other HR policies with a focus to remove bias and discrimination and encourage diversity. We will engage with our people as we review or develop HR policies.</li> <li>We will continue embed bias mitigation strategies into our practices. People will be provided with our mitigating bias toolkit during recruitment, remuneration and other decision making processes. We will create resources for leaders to use with their teams on a quarterly basis to encourage reflection and action. We will provide unconscious bias training to new people during induction.</li> <li>We will continue to implement Te Aho Kura to build our cultural competency. We will deliver inclusive leadership training to our people leaders.</li> <li>We will encourage people to provide us with demographic data (for example, gender identity, ethnicity, disability) by explaining how it is important it is so we can monitor the effectiveness of our policies.</li> </ul>	<ul style="list-style-type: none"> <li>HR policies and practices include proactive steps to remove bias in people related decision making. Processes for people related decisions are transparent.</li> <li>Our people, particularly our people leaders, understand what bias is and how to mitigate it. Bias mitigation strategies are used in all people related decisions.</li> </ul>
<b>Milestone 4   Gender Balanced Leadership</b> <ul style="list-style-type: none"> <li>By the end of 2019 women will hold at least 50 percent of the roles in the Public Service's top three tiers of leadership</li> <li>By the end of 2019 all agencies will set a target date and plan for achieving gender balance in their own top leadership positions</li> </ul>	<ul style="list-style-type: none"> <li>We have 80% of women in our tier two and three leadership roles.</li> <li>Our progression policy has allowed people to progress into more senior roles, with three of the four people being women.</li> </ul>	<ul style="list-style-type: none"> <li>We will monitor our gender balance in leadership roles.</li> <li>We will seek to increase diversity in our leadership roles, particularly ethnicity. We will advertise our vacancies to attract diverse people in line with our recruitment policy.</li> <li>We will develop a pipeline of diverse leaders. We will proactively promote leadership development opportunities, such as aspiring leader programmes, to all our people but specifically to women, other genders and ethnic groups.</li> </ul>	<ul style="list-style-type: none"> <li>We maintain gender balance in tier two and three leadership roles.</li> <li>We aim to retain 50 percent women in leadership roles but recognise a ratio of 40:40:20 is realistic given our size and the natural flow of people into and out of our organisation. This ratio refers to 40% men, 40% women and 20% of either and/or other genders.</li> </ul>