



**ELIMINATING THE PUBLIC SERVICE GENDER PAY GAP  
2018-20 ACTION PLAN  
PROGRESS REPORT**

**JULY 2020**

STATE SERVICES COMMISSION  
TE KAWA MATAAHO



ministry for **Women**  
minitanga mō ngā  
Wāhine 



**State Services Commission July 2020**

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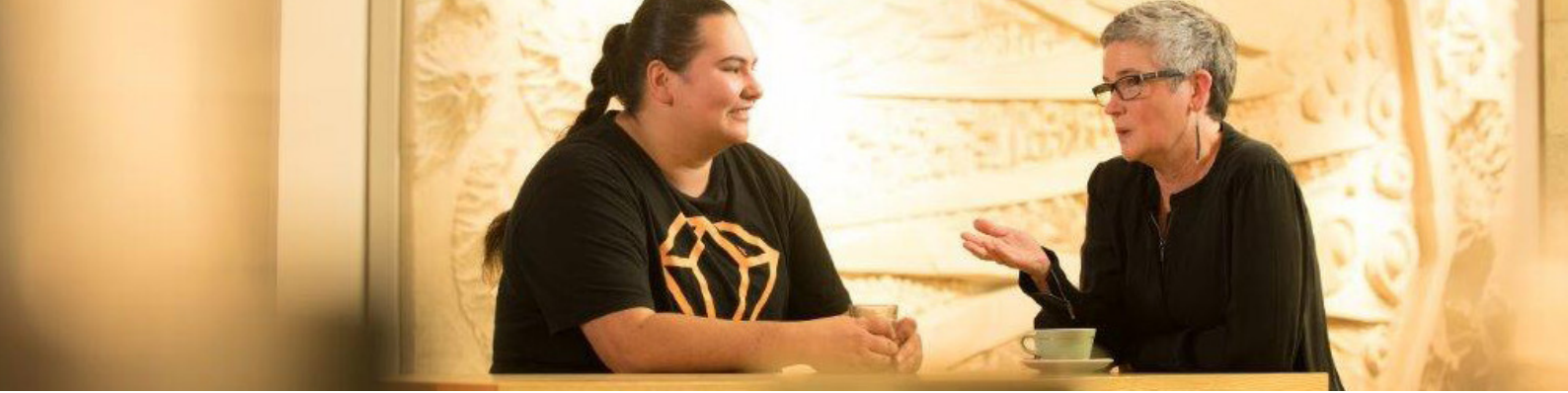
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## Ministers' Foreword

All women, in all workplaces, should be paid fairly for the work they do. The gender pay gap is a long-term problem that we are making progress on - pay equity for women is a government priority, and is how we build a more inclusive economy.

As we rebuild and respond after COVID-19, our commitment to gender equity in the Public Service remains firm. Women, particularly non-European women, are more impacted by the labour market effects of pandemics and economic downturns. This is partly because more women are in occupations, sectors and work arrangements vulnerable to such shocks. It's also because of the effects of bias in employment decision-making. Gender equity matters now more than ever.

The Gender Pay Gap Action Plan provides a framework for delivering on this commitment.

The Action Plan has achieved a great deal in a short time - namely the sharpest annual drop in the Public Service gender pay gap since 2002.

Two thirds of agencies have closed pay gaps in the same or similar roles, and as a result, individual employees, women and men, are now receiving their corrected salaries.

The proportion of women in leadership in the Public Service is at an all-time high, and half of our agencies are led by women.

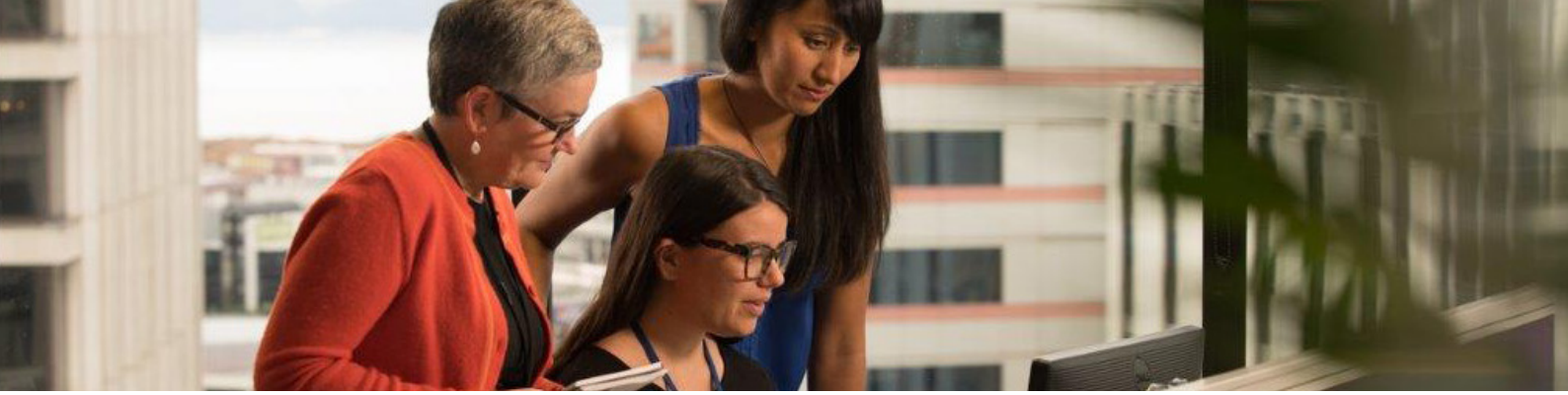
Gender is only one of the factors contributing to people being paid fairly (or unfairly) for the work they do. This Action Plan has focused broadly on gender - the work to eliminate gender bias flows on and helps eliminate ethnic and other biases too. It is clear there is much more to do to close pay gaps and reduce bias for Māori, Pasifika, Asian, and other non-European women and men.

The Action Plan shows what can be done when gender equity is a priority, and when leaders, managers, employees, and unions collaborate on common goals. We would like to thank everyone who has worked incredibly hard to achieve this progress.

New Zealand is leading the world for pay equity and we need to continue to strive to do better. The Public Service can get our own house in order and by doing this, create an example for other employers in New Zealand, and around the world. With the public and private sectors working together and sharing ideas and initiatives, we will continue to make more gains for women.

Hon Chris Hipkins  
**Minister of State Services**

Hon Julie Anne Genter  
**Minister for Women**



## Executive Summary

The [Public Service Gender Pay Gap Action Plan](#) | Te Mahere Mahi Rerekētanga Ira Tangata (the Action Plan) has put evidence-based actions to close the gender pay gap into practice in thirty-four Public Service agencies with over 52,000 employees. There is no one size fits all solution: these agencies range in size from over 9,000 to fewer than 50 employees, with gender pay gaps in 2019 between 32 and -2%. Therefore, each agency has implemented the Action Plan in a way tailored to meet their own needs. Reviewing our success so far provides evidence and insights which can help all employers act on their gender pay gaps and guard against the gendered impacts of this pandemic.

The Action Plan is ambitious, with milestones in four focus areas – equal pay, flexible work, addressing bias, and leadership – over the course of two and a half years. It has also been effective. This report summarises what we’ve achieved and learnt, recognising the remaining challenges as well as the achievements.

There are a number of factors in the success of the Action Plan so far: leadership commitment; collaboration with key stakeholders; an evidence-based approach; measurable goals; transparency and accountability; and focusing on progress, rather than perfection. Addressing the impacts of bias is challenging, and there is a lack of strong evidence about how to do this effectively. Nonetheless, tackling bias is central to embedding change, and to ensuring that gains are made for all women.

Implementing the Action Plan has relied on a sustained effort and collaboration by agencies, employees and unions. Maintaining this effort is a challenge we identified before COVID-19, now it is doubly so. Safeguarding the gains made so far and continuing to progress will depend on agencies continuing to prioritise this work.

The Action Plan aims for the Public Service to model behaviours that can be normalised by employers in the State and private sectors. We hope that shining a light on our progress so far, and the challenges we’ve faced, contributes to the public and private sector dialogue and helps others to tailor and focus their own gender equality work, and to create fairer workplaces for women.

***“We do this work because it’s the right thing to do and will lead to more fairness and equality in our workplace. It is completely aligned to our values.”***

- NZ Customs Service 2020 Gender Pay Gap Action Plan

# An overview of progress to date

Action Plan goals and milestones	Achievements
<ul style="list-style-type: none"> <li>The Action Plan is committed to eliminating the gender pay gap in the Public Service with substantial progress within this Parliamentary term.</li> </ul>	<ul style="list-style-type: none"> <li>The Public Service gender pay gap has had its largest annual decrease since 2002: it is now 10.5%</li> <li>23/33 agencies reduced their gender pay gaps in 2018–19.</li> </ul>
<ul style="list-style-type: none"> <li>Transparency of measurement through the development of annual agency action plans.</li> </ul>	<ul style="list-style-type: none"> <li>All agencies have developed gender pay gap action plans for 2019 and 2020, and their plans will be published on their agency websites for the first time this year.</li> </ul>
<ul style="list-style-type: none"> <li>Action through collaboration.</li> </ul>	<ul style="list-style-type: none"> <li>Guidance and workshops have been developed by the Taskforce, agencies and the PSA</li> <li>Many agency action plans have been developed in collaboration with unions and employees.</li> </ul>
<h3>Equal pay</h3> <ul style="list-style-type: none"> <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>	<h3>Equal pay</h3> <ul style="list-style-type: none"> <li>22/33 agencies have closed gender pay gaps within the same or similar roles and the remainder are working to achieve this in 2020</li> <li>Pay equity claims in the Public Service and State Sector are following the Pay Equity Principles.</li> </ul>
<h3>Flexible work by default</h3> <ul style="list-style-type: none"> <li>By the end of 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>	<h3>Flexible work by default</h3> <ul style="list-style-type: none"> <li>23 agencies are piloting flexible by default working.</li> <li>Remaining agencies are progressing to implement flexible by default working.</li> </ul>
<h3>Removing bias and discrimination</h3> <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 it.</li> </ul>	<h3>Removing bias and discrimination</h3> <ul style="list-style-type: none"> <li>11 agencies had either closed or confirmed they had no gender pay gaps in starting salaries by the end of 2018</li> <li>Remaining agencies are closing starting salaries as part of their work on equal pay</li> <li>Agencies are reviewing their human resources policies and practices to eliminate gender bias.</li> </ul>
<h3>Gender balanced leadership</h3> <ul style="list-style-type: none"> <li>By the end of 2019, women will hold at least 50% 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>	<h3>Gender balanced leadership</h3> <ul style="list-style-type: none"> <li>Women hold 50% of the roles in the top three leadership tiers in the Public Service</li> <li>Agencies without gender balance in their leadership teams are including a plan and target date to achieve this in their 2020 agency action plans.</li> </ul>

## Success factors

- A Government priority with a Ministerial mandate
- A joined-up approach by Government, chief executives and unions
- Concrete milestones
- A dedicated Gender Pay Taskforce to lead and co-ordinate action
- Targeting multiple drivers of organisational gender pay gaps
- Scope for individual agencies to tailor their actions for the gender pay gap drivers in their own agency.
- Acting now based on the best evidence currently available, rather than waiting for perfect solutions
- Monitoring progress and learning as we go
- The parallel development of the Gender Pay Principles for the State sector by a bipartite group of unions and state sector agencies
- The broader environment of pay equity settlements and lifting low pay in the State sector, has helped raise the profile of gender pay issues and contributed to the drop in the gender pay gap from 2018 to 2019.

## Challenges ahead

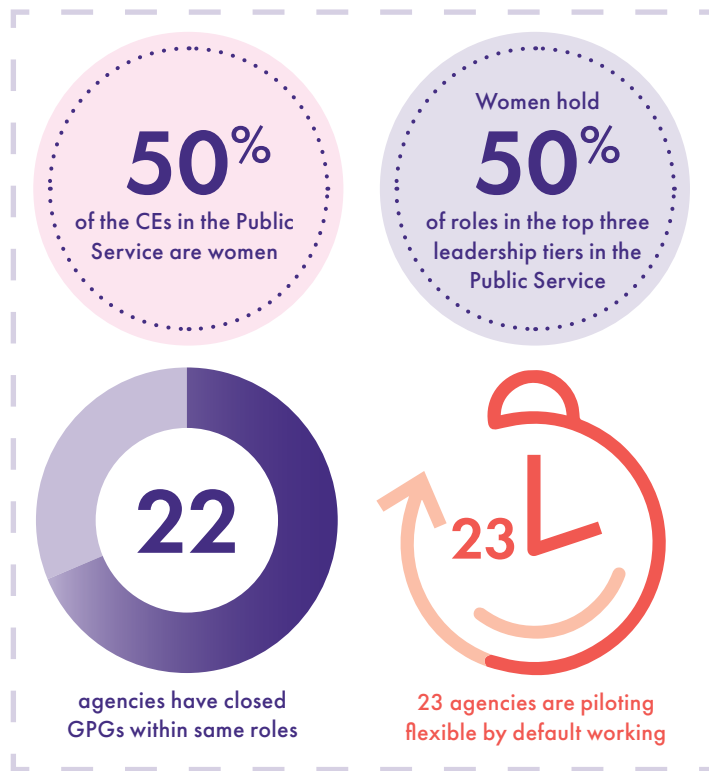
- Ensuring gender equity remains a priority, especially when resources and attention may be focused on the response to COVID-19
- Addressing bias in decision-making – this is essential to reducing gender pay gaps but likely to be the most challenging aspect of this work
- Gaining traction at all management levels and ensuring managers' practice is consistent
- Addressing the compounding effects of gender, ethnic and other biases
- Ensuring that progress is consistent across all agencies
- Embedding and sustaining change – closing the gender pay gap will take time and sustained effort
- Generating action in the wider State and private sectors.



***“Change will provide fairer outcomes for women and contribute to a more inclusive Public Service that better reflects the communities we serve. Our work has positive impacts for individual public servants, agencies, and the Public Service overall.”***

- Renee Graham, Chief Executive, Ministry for Women

# An overview of progress to date



## The Public Service gender pay gap fell substantially in 2018–19

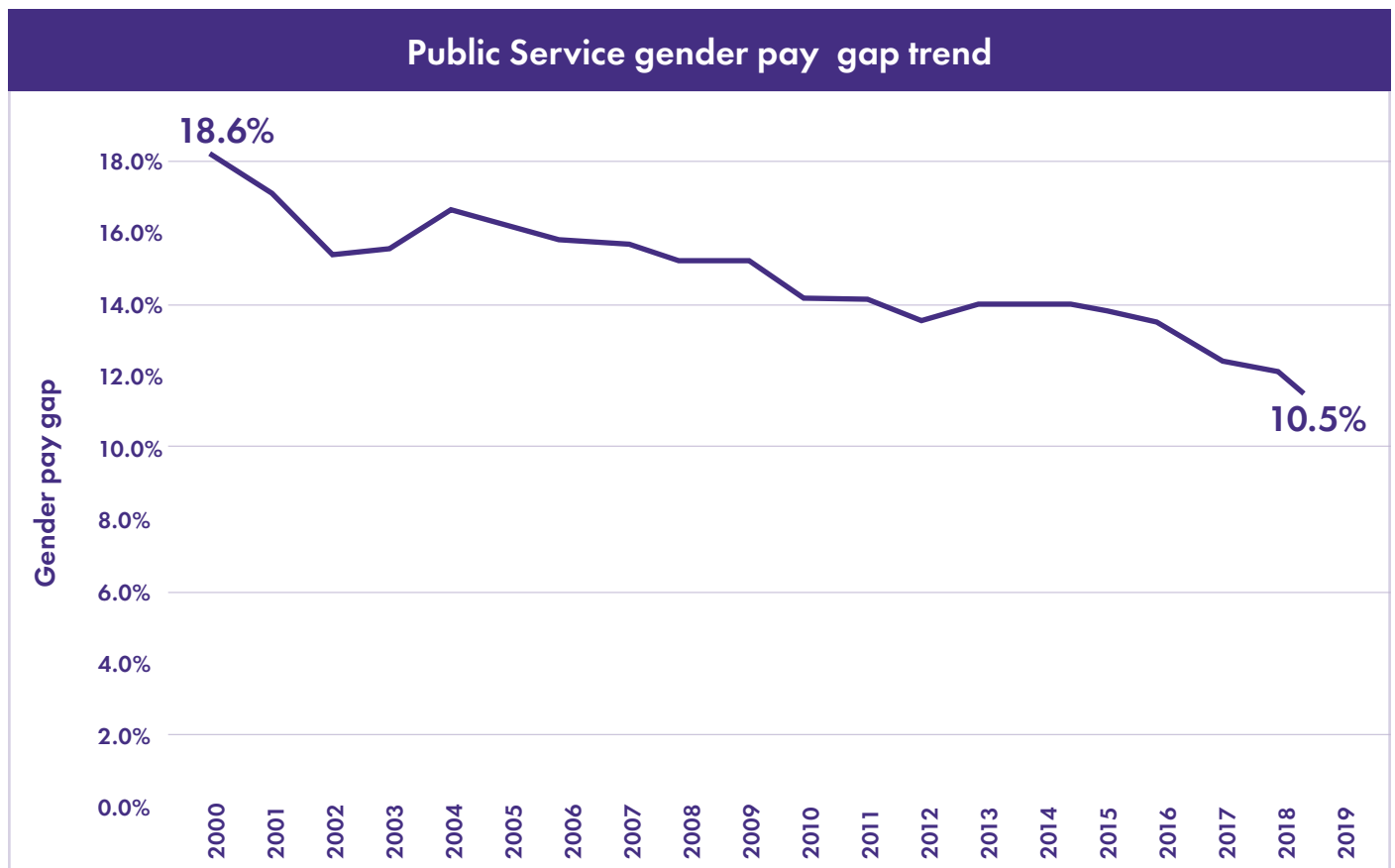
Between 2018 and 2019 the gender pay gap in the Public Service fell 1.7 percentage points to 10.5%. This is the largest annual decrease since 2002 and takes this gap to its lowest level since 2000 when measurement began.<sup>1</sup>

The following Action Plan initiatives contributed to this drop:

- increasing the number of women in senior leadership roles
- closing gender pay gaps in the same or similar roles: more women received salary corrections as a result than men did.

Other factors which contributed to the reduction:

- pay equity settlements in two female-dominated Public Service workforces
- initiatives to increase the pay of the lowest-paid employees, proportionally more of whom are women, e.g. the Living Wage was introduced across the Public Service.



**Figure 1:** The Public Service gender pay gap had been trending downwards since 2000 but progress was slow. The average drop per annum between 2001 and 2018 was only 0.24%. Between 2018 and 2019 the gender pay had its largest annual fall since 2002.

<sup>1</sup> See Public Service Gender Pay Gap <https://ssc.govt.nz/our-work/workforce-data/public-service-gender-pay-gap/>





## Agencies have achieved the milestones in the Action Plan

Agencies have achieved a great deal in a short time. They are meeting the milestones in the Action Plan while tailoring their actions to reflect their workforces and the balance of gender pay gap drivers they face.

So far:

- two thirds of the agencies have closed any pay gaps within the same or similar roles (like-for-like), and the remainder are working to achieve this
- half of the agencies are piloting flexible-by-default working
- the gender pay gaps in 23 out of 33 agencies fell between 2018 and 2019<sup>2</sup>
- half of the positions in the top three tiers of leadership are held by women, and half of the Public Service's chief executives are women, including the heads of 4 of the 6 largest agencies
- all agencies created action plans for 2019 and 2020, and will publish them on their agency websites this year.

## The Taskforce has supported agencies to achieve success through guidance, workshops, and tailored support

The Taskforce has collaborated with the [Gender Pay Principles Working Group](#), the Public Service Association (PSA) and agencies to develop guidance to help agencies meet the milestones in the Action Plan. The guidance is based on current evidence about effective actions to reduce organisational gender pay gaps, and the collective expertise of Taskforce members, the Public Service Association (PSA), the Gender Pay Principles Working Group and agencies' human resource and diversity practitioners.

<sup>2</sup> See *Public Service Workforce Data, Drill down data cubes* <https://ssc.govt.nz/our-work/workforce-data/drill-down-data-cubes/>. On this page, you can select agency, gender pay gap, and year.

<sup>3</sup> This guidance was developed by StatsNZ, the Ministry for Women and the State Services Commission

## Guidance

Guidance published so far:

- [Organisational Gender Pay Gaps: Measurement and analysis guidelines](#)<sup>3</sup>
- [Gender Pay Gap Measurement and Analysis for Public Service Agencies](#)
- [Ensuring gender is not a factor in setting starting salaries](#)
- [Ensuring gender is not a factor in salaries for the same or similar roles](#)
- [Recruitment Guidance: Implementing the Gender Pay Principles and removing gender bias in recruitment processes.](#)
- [Flexible-Work-by-Default Guidance and Resources](#)

Guidance in development:

- Removing gender bias from remuneration systems, policies and practices
- Removing gender bias from career progression, career breaks and leave policies and practices.

Our guidance is iterative. We'll amend and strengthen it as evidence develops about what works to reduce the impact of gender and other biases.

## Workshops

We hold workshops to support the guidance we release. These are co-designed and co-presented with the PSA reflecting our partnership approach. A mix of agency human resources and diversity practitioners and PSA organisers and delegates attend, ensuring that employer and employee representatives receive the same information at the same time. The workshops include agency case studies to show how our guidance plays

out in practice. Interactive sessions are always included so that participants can ask detailed questions and share their experiences with each other. We've held 14 workshops so far, including:

- Measuring and analysing gender pay gaps for Public Service agencies
- Developing your gender pay gap action plan
- Ensuring gender is not a factor in salaries for the same or similar roles

Flexible work by default deep-dive sessions, for example on remote working and on engaging people in flexible work.

We provide particular support to a flexible work pilot group. This group is a community of practice of public sector agencies sharing knowledge as they work to embed a flexible work by default approach.

The workshops and the flexible work pilot group are regular opportunities for agencies and unions to learn together and build networks to share good practice.

## Monitoring and promotion

We monitor progress and identify potential difficulties and learning needs primarily through agencies' annual gender pay gap action plans. We also use our workshops, questionnaires and conversations with agencies and unions to inform our work. We monitor gender data in the annual [Public Service Workforce Data Collection](#) to assess progress across the system.

***"It was great to learn my pay had been corrected, as a reflection of the value Corrections had for me as an employee, as well as to make sure my pay lined up with others who had been in similar roles for similar amounts of time."***

- Leisa Adsett, Principal Advisor, Corrections



## THE GENDER PAY GAP ACTION PLAN

The [Public Service Gender Pay Gap Action Plan 2018–2020](#) | Te Mahere Mahi Rerekētanga Ira Tangata (the Action Plan) was launched in July 2018, following agreement by Government, Public Service chief executives and the Public Service Association. The Action Plan covers 34 agencies with over 52,000 employees.

The focus is on addressing the major drivers of organisational gender pay gaps, based on evidence

about what employers can do in their own organisations. The four focus areas of the Action Plan are:

- Equal pay
- Flexible work by default
- Reducing gender bias and discrimination
- Gender-balanced leadership

Each focus area has specific milestones and timelines.

The Action Plan is part of a suite of actions to address the drivers of the gender pay gap, including pay equity and the Gender Pay Principles.

# Factors in the Success of the Action Plan so far

## A Ministerial mandate set expectations at the highest level

Reducing the gender pay gap in the Public Service is a government priority. Having a Ministerial mandate has ensured that the Action Plan is a priority for agencies. The Taskforce reports on progress against the Action Plan to the Minister of State Services and the Minister for Women.

## Joint agreement by Government, Public Service chief executives and unions supports lasting outcomes

The Government, Public Service chief executives and the PSA signed up to the Action Plan as a joint initiative. Joint ownership provides a solid base of collective commitment to achieving the Plan's aim and increases the likelihood of achieving sustainable outcomes. Heads of human resources and other practitioners implementing the Action Plan in their agencies can be confident they have their leaders' and their unions' support.

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**Collective commitment increases the likelihood of achieving sustainable outcomes**

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## Collaboration between agencies, unions and the Taskforce

The PSA is a partner in the Action Plan and has worked with the Taskforce from the earliest stages of implementation, bringing its gender knowledge and a long history of commitment to gender equity. It collaborates with the Taskforce on creating guidance, delivering workshops, and monitoring progress. It has also maintained the spotlight on the Gender Pay Principles as a foundation of the Action Plan.

Agencies are expected to involve employees and unions from

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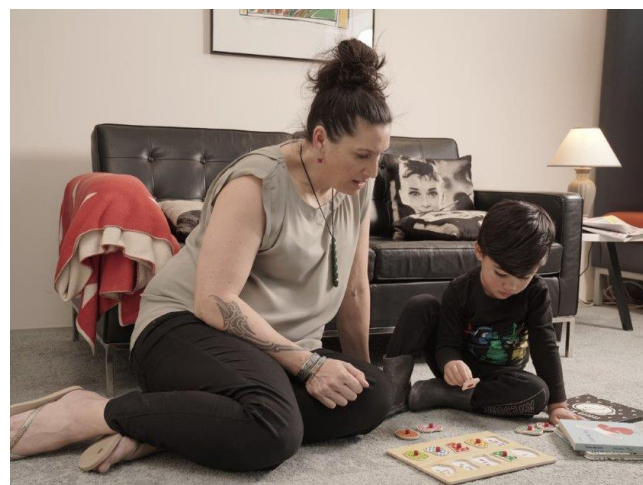
<sup>4</sup>The Workplace Gender Equality Agency releases annual reports on progress in reducing the gender pay gap in Australia's private sector. In 2018, it reported that gender pay gap actions work better in combination than in isolation, and that measurement, action and accountability combined lead to the strongest outcomes. *Gender Equity Insights 2018, Inside Australia's Gender Pay Gap* [https://www.wgea.gov.au/sites/default/files/documents/97249\\_Gender-Equity-Insights-2018.pdf](https://www.wgea.gov.au/sites/default/files/documents/97249_Gender-Equity-Insights-2018.pdf)

the earliest stages of developing their action plans, in accordance with the Gender Pay Principle of participation and engagement. Wide participation is building understanding and support for changes, enabling agencies to move quickly on delivering actions.

## Specific milestones and timelines focus attention and enable accountability

Evidence shows that setting measurable targets is key to progress in reducing gender pay gaps.<sup>4</sup> The targets in the Action Plan are ambitious, and this has concentrated efforts. Successes achieved since the Action Plan was launched have given agencies confidence in their work and stimulated momentum, while accountability has maintained the focus.

Transparency through multiple forums supports accountability. Agency action plans are developed in consultation with employees and unions and will be published in mid-2020. Public Service workforce data by gender and by agency is published annually. Progress is reported to Ministers and monitored by joint Public Service and PSA forums, and Papa Pounamu, the Public Service chief executives' diversity and inclusion leadership group.



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**Evidence shows that measurable targets are key to progress**

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## A dedicated Taskforce leads and coordinates action

The Gender Pay Taskforce | Te Rōpū Mahi Rerekētanga Utu Ira Tangata me te Whakaōrite Utu was established in August 2018 to support agencies to implement the Action Plan, and to ensure that the Reconvened/Joint Pay Equity Principles are used to address pay equity claims in the State sector. The Taskforce provides system leadership, builds capability across the sector, supports individual agencies, and monitors progress.

The Ministry for Women and the State Services Commission, supported by the Ministry of Business Innovation and Employment, have contributed staffing resources to the Taskforce reflecting the cross-agency commitment to gender equity. Four full-time equivalent Taskforce members are dedicated to achieving the Action Plan. The Taskforce is in the State Services Commission, which provides leadership and oversight of the State services, including overseeing workforce matters.

## The Gender Pay Principles for the State sector

The Gender Pay Principles give a wider context to the Action Plan. The Principles support a shared understanding amongst State sector unions and employers of what leads to gender pay gaps and how to eliminate these gaps. The focus areas of the Action Plan correspond with many of the Principles, such as reducing the impact of gender bias and normalising flexible and part-time working arrangements. By developing guidance with the Gender Pay Principles Working Group we have been able to support embedding the Gender Pay Principles and achieving the Action Plan milestones.

## Unions working on the ground to progress gender equity

Union members and delegates, supported by union organisers, have worked hard to ensure that the Action Plan milestones and an agency's own gender pay gap drivers are captured in agency action plans. Agencies which have engaged well with unions and employees have seen the benefits: diverse perspectives have strengthened their initiatives by ensuring they are relevant and practical.

## THE GENDER PAY PRINCIPLES

Launched in June 2018, the [Gender Pay Principles](#) were developed collaboratively by the Gender Pay Principles Working Group, comprising unions, State sector agencies and the State Services Commission. The Principles' overarching aim is to eliminate gender inequality and gender pay gaps in the State sector and they are a foundation of the Action Plan.

There are five main Principles

- **Freedom from bias and discrimination:** Employment and pay practices are free from the effects of conscious and unconscious bias and assumptions based on gender.
- **Transparency and accessibility:** Employment and pay practices, pay rates, and systems are transparent. Information is readily accessible and understandable.
- **Relationship between paid and unpaid work:** Employment and pay practices recognise and account for different patterns of labour force participation by workers who are undertaking unpaid and/or caring work.
- **Sustainability:** Interventions and solutions are collectively developed and agreed, sustainable and enduring.
- **Participation and engagement:** Employees, their unions and agencies work collaboratively to achieve mutually agreed outcomes.

The working group that developed the Principles is collaborating with the Taskforce to develop guidance on eliminating gender bias from the employment life cycle, specifically from recruitment, remuneration, careers breaks and leave, and career progression.

## Attacking the gender pay gap on multiple fronts through the four focus areas

An important aspect of the Action Plan is that agencies work on the four focus areas in combination reflecting the way that the drivers of gender pay gaps interconnect. Research has shown that actions on organisational gender pay gaps are most effective when they are comprehensive and co-ordinated.<sup>5</sup> As agencies implement actions for one milestone, the positive effects flow into other areas. For example, using robust equitable processes in setting starting salaries reduces the likelihood of gender pay gaps appearing among employees in the same or similar roles.

## Building engagement with Māori and Pacific women to ensure the Action Plan achieves positive outcomes for all women

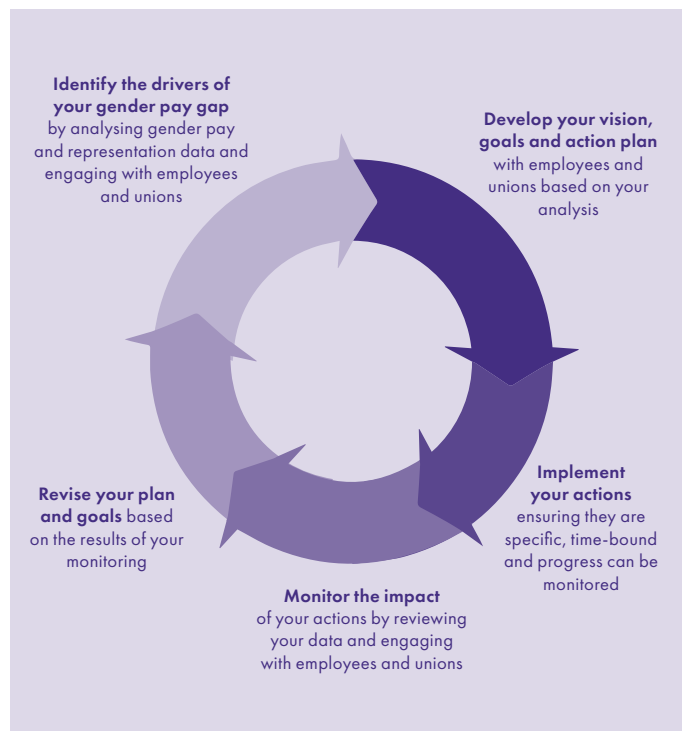
Engaging with Māori and Pacific women enables the Taskforce to develop guidance that helps to address gender and ethnic biases, although there is much more to do in this area. We have held parallel sessions with wāhine Māori and Pacific women to receive their input into the guidance and we plan to strengthen and expand this engagement. This will help us to better understand and target the drivers of gender pay gaps for all women.

## Agencies work to their own action plans

Under the Action Plan, agencies create their own gender pay gap action plans each year with the flexibility to tailor their responses to their own gender pay gap drivers. They start by understanding their own pay and representation data and employees' experiences. This evidence-based approach to tackling organisational gender pay gaps is reinforced in the Gender Pay Principles.

## Aiming for progress rather than perfection

It has taken courage to adopt an ongoing learning approach – acknowledging that there are no perfect solutions, but we need to start, draw on the best evidence we have, learn as we go, and be prepared to change tack if things are not working.



**Figure 2:** An ongoing learning approach

Ongoing learning is central to the annual review and development of agency action plans. The Taskforce has also been able to draw on knowledge within agencies, some of which have been working to reduce their gender pay gaps for several years. The Taskforce has shared knowledge through agency case studies in workshops and in our guidance. Our medium-term aim is for agencies to increasingly learn from each other about effective practices and solving problems.



<sup>5</sup> Ibid., *Gender Equity Insights 2018, Inside Australia's Gender Pay Gap*

[https://www.wgea.gov.au/sites/default/files/documents/97249\\_Gender-Equity-Insights-2018.pdf](https://www.wgea.gov.au/sites/default/files/documents/97249_Gender-Equity-Insights-2018.pdf)

## The Action Plan aims to contribute to fairness more broadly

Gender is central to the Action Plan, but we have also looked for opportunities to increase equity for all employees. For instance, our guidance to agencies on meeting the Action Plan's equal pay milestone deliberately reinforces the need for the salaries of all employees to be reviewed and corrected irrespective of gender. As a result, pay inequities that are not based on gender have been uncovered by agencies, such as different starting salaries for internal and external candidates. We also know from agencies that have completed equal pay processes that both women and men have received pay corrections as a result.

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***Gender is central ... but we have looked for opportunities to increase equity for all employees***

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### Employment relations in the State sector

In 2018–19 agencies ensured that all Public Service employees were receiving the 2018 Living Wage. Agencies have also worked to reduce the gap between their highest and lowest earners, and some agencies have responded by lifting the salaries of their lowest-paid employees. Women are overrepresented in lower-paid occupational groups, so increasing the pay of the lowest paid has affected more women than men. It has made a substantial difference for Māori and Pacific women in particular, who are more likely to be amongst the lowest-paid employees.



***“The Action Plan has given those of us who work in the departments the power to speak more openly about flexible working and equal pay, and it’s leading to real change.”***

- Joanne Hacking, Chief Investigator, Immigration New Zealand and Government Women’s Network | Te Aka Wāhine o Aotearoa



## Remaining challenges

### Ensuring gender remains a priority amongst challenges arising from COVID-19

Progress for women in employment depends on actively working to improve gender equity. This focus may waver under the pressures and resource constraints arising from COVID-19. However, because pandemics and economic shocks deepen existing inequalities, even more comprehensive action is now needed.

While closing the gender pay gap remains a priority, we also need to apply a gender lens to all workplace and employment decisions. Progress won't be achieved through the delivery of a discrete work programme. The Taskforce will need to be responsive and agile to help agencies identify and consider all workplace decisions which impact women. Deliberate actions are required to support those who may be most negatively affected by COVID-19, including non-European women. Extra efforts are needed now to ensure that we maintain the gains achieved so far, and continue to progress towards gender equity so that women are less affected by economic shocks in the future.

### Addressing bias

Gender pay gaps are a product of deeply embedded attitudes and beliefs about gender and work that affect the choices and decisions people make. The resulting biases affect the ways individuals think and behave at work and become embedded in policies and processes in workplaces.

Bias is difficult to detect, by those who benefit and by those who are disadvantaged. Adult behaviour is also hard to change, even when individuals are motivated to make a change. There is mixed evidence about the impact of unconscious bias training on the attitudes and ongoing behaviour of participants.<sup>6</sup> Addressing bias needs an approach that both influences individuals and facilitates structural change in organisations.

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### *Addressing bias needs an approach that influences individuals and facilitates structural change in organisations*

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The Public Service's 2020 Diversity and Inclusion programme, led by Papa Pounamu, strengthens and extends the Action's Plan's focus on gender bias. The programme expects all Public Service employees to complete bias awareness and cultural competency training and that all agencies will have bias training plans. Inclusive leadership guidance will be provided for all managers. Combining this training with the guidance developed by the Taskforce provides the tools to recognise and mitigate bias. For instance, policies which put checks and balances around manager discretion are central to decreasing the influence of bias.

Tackling the influence of bias requires ongoing efforts by individual managers and agencies. If agencies continue to review and monitor their progress in line with our guidance, they should be able to identify if, and when, they need to do more to address bias.

***“Customs and the PSA worked really closely together to develop a programme of work around the gender pay gap Action Plan, so what's come across in the measures has been collaboratively designed.”***

- Sue Street, PSA Delegate, NZ Customs Service

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<sup>6</sup> Equality and Human Rights Commission, *Unconscious bias training: An assessment of the evidence for Effectiveness*, at <https://www.equalityhumanrights.com/en/publication-download/unconscious-bias-training-assessment-evidence-effectiveness>

## Gaining traction at all management levels

Keeping all levels of agencies engaged is a challenge. We use a range of channels to reach leaders and the people implementing the Action Plan. Ultimately though, line managers have a lot of influence over the success achieved by agencies. Managers' practice can be variable, for example with their level of comfort over flexible forms of working, even when the agency has a stated commitment to flexibility. A test of longer-term change is whether agencies can support bring all their managers up to apply a consistent level of practice in all four focus areas of the Action Plan.

## Addressing the compounding impacts of gender and ethnicity

Gender and ethnic biases compound to create larger pay gaps for Māori, Pacific, Asian, and other non-European women. We can see this intersection in the graph below which shows that European public servants are paid the most on average and Pacific public servants are paid the least. Within every ethnic group, men are paid more than women. This pattern is consistent in the individual agencies that have analysed their pay for men and women by ethnicity.

Pay gaps for Māori and Pacific women are reducing: these women had the largest percent increases in average pay in the Public Service 2018–19, though there is still a long way to go.<sup>8</sup> Pay equity settlements for social workers at Oranga Tamariki and support workers at the Ministry of Education, contributed to these gains.

To reduce ethnic pay gaps, we need to address the combined barriers of gender and ethnic bias that these groups experience. Progress needs to be made for women from all ethnic groups in order for meaningful progress to be made on the gender pay gap overall.

To help tackle ethnic pay gaps, the State Services Commission is improving the quality of its ethnicity data and developing guidance on measuring ethnic pay, as part of its wider work to promote fairness, inclusiveness and diversity in the Public Service. We will ensure that the Action Plan and broader diversity and inclusion efforts are interconnected so that the compounding impacts of gender and ethnic bias experienced by Māori, Pacific and Asian women and other non-European groups is at the heart of both work programmes.



Figure 3: Public Service average salaries by gender and ethnicity 2019<sup>7</sup>

<sup>7</sup> See *Public Service Workforce Data, Pay by gender and ethnicity* <https://ssc.govt.nz/our-work/workforce-data/pay-by-gender-and-ethnicity/>

<sup>8</sup> Average pay for Pacific women increased by 6.3%, and for Maori women by 5.5%, in 2018–19, <https://ssc.govt.nz/our-work/workforce-data/pay-by-gender-and-ethnicity/>



## Embedding and sustaining change

Gender pay gaps are persistent: two years is a short time in which to make real shifts. We are grateful for the high level of engagement and commitment from agencies, and particularly for the support of agencies that have been working on their gender pay gaps for some years. However, we know that more work will be needed in future to further reduce gender pay gaps.

Agencies and unions are working towards a common goal under the Action Plan, but agencies were at different levels of readiness and therefore continue to be at different points on their journey. Ensuring that progress is consistent across all agencies requires a considerable effort from all involved. We hope that our emphasis on basing action on data analysis, collaborating with employees and unions, monitoring progress, and ongoing learning will help agencies embed and sustain the gains made to date.

## Generating action in the wider State and private sectors

Employers' willingness to address gender representation and pay issues has been growing in the last few years. This creates an opportunity for the experience and resources developed for the Public Service to be applied in the wider labour market.

A number of agencies outside of the core Public Service have opted to work towards the milestones in the Plan. These agencies could champion action in the wider State sector, and we have deliberately made our guidance public as the first step towards encouraging and supporting wider action. However, the size and diversity of organisations in the State sector present challenges to the depth of engagement we can achieve.

Many private sector organisations have been working to reduce their gender pay gaps for some time. Increasing transparency of their organisations' gender pay gaps and related actions may encourage wider learning and action. To this end, members of the Champions for Change are piloting a standardised gender pay gap reporting template.

There are opportunities for the Public Service and private sector to build on each other's learning. The Ministry for Women is supporting the National Advisory Council on the Employment of Women to facilitate sharing resources and knowledge across sectors through an e-seminar series on women in employment in mid-2020. The Ministry is also developing an online tool to build an understanding of gender pay gaps, and the Taskforce is launching an equal pay website later this year.

## PAY EQUITY

The purpose of pay equity is recognising the true value of work done by women in female-dominated occupations so that men and women receive equal pay for work of equal value.

In September 2018 the Government introduced the Equal Pay Amendment Bill (the Bill), to address systemic sex-based pay discrimination across female-dominated occupations. The Bill seeks to embed the Reconvened/Joint Working Group Pay Equity Principles (the Principles) to guide employees and employers through raising and resolving pay equity claims within New Zealand's existing bargaining framework.

In 2017, the NZCTU and the State Services Commission agreed to apply the Principles to pay equity claims in the State sector in advance of the legislation being passed. In 2018 there were two pay equity settlements for female-dominated workforces in the State sector: social workers at Oranga Tamariki and Ministry of Education support workers. Another pay equity claim is close to settlement and a number of other claims are currently progressing using the Principles.

The Taskforce has developed a range of tools and resources, in consultation with agencies and unions, to assist parties to progress claims using the Principles. The Taskforce also advises a Central Agency Governance Group which provides assurance to Ministers and agencies on whether claim processes in the State sector are properly applying the Principles.

***“When the pay equity settlement was reached, the impact on me and on the profession was huge. It righted the wrong, ensuring social workers at Oranga Tamariki were paid what they should have been paid.”***

- Bronwyn Pegler, Senior Practitioner  
Oranga Tamariki



## APPENDICES

*“Complex social problems don’t lend themselves to simple solutions, but I think we can sometimes get lost in the complexity and lose precious time. So, rather than wait for perfect solutions, we are committed to doing what we can now.”*

- Peter Hughes, State Services Commissioner

## DRIVERS OF THE GENDER PAY GAP

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The gender pay gap arises from a complex interplay of societal norms around gender, family and work that is then reflected in workplaces.

Drivers of the gender pay gap include the uneven distribution of unpaid caring and domestic work, a concentration of women in lower-paid occupations and in part-time work, a lack of women in leadership, limited options for flexible work in higher-paid roles, and the undervaluation of work which is largely performed by women.

Gender bias and discrimination also play a significant role. Recent New Zealand [research](#) on the nation-wide gender pay gap shows that the gap is mostly driven by hard to see and measure factors, like bias and differences in men's and women's choices and behaviours.

Many women experience multiple workplace barriers associated with the combined effects of gender, ethnicity and disability. Māori and Pacific women are more concentrated in lower paid occupations than other women so reducing occupational segregation and appropriately valuing female dominated work will be particularly important for these women.

Shifting wider societal attitudes around gender, work and family will take time. However, employers have an important role to play. They can and should take action in the short-term to address gender pay gaps in their workplaces to help progress gender equity.

***“The clearly defined goals in the Action Plan have focused agencies on achieving change. GWN strongly supports these tangible outcomes and we’re pleased to see progress. We encourage women’s networks to monitor the progress of their agency’s gender pay action plan to help reach these crucial outcomes.”***

- Ruth Shinoda, Chair, Government Women’s Network | Te Aka Wāhine o Aotearoa

*“I’m very proud that the Public Service is leading the way in Aotearoa | New Zealand and internationally on women’s representation in leadership.”*

- Peter Hughes, State Services Commissioner

Increasing women’s representation in leadership helps to reduce gender pay gaps, and the proportion of women in Public Service leadership has increased strongly in the last decade.

Women now make up 50% of the top three tiers of the Public Service, and half of its chief executives. As well, in 19 agencies women held 50% or more of leadership positions, compared with 15 agencies in 2018. In contrast, in the private sector levels of women in leadership are low, 23.5% for NZX listed companies.

The State Services Commissioner also recognises that we need a pipeline of more diverse women leaders, and to see Māori, Pacific and Asian women better represented at all levels.

Agencies that have not yet reached gender balance in their own leadership teams are developing a plan and target date to achieve this.

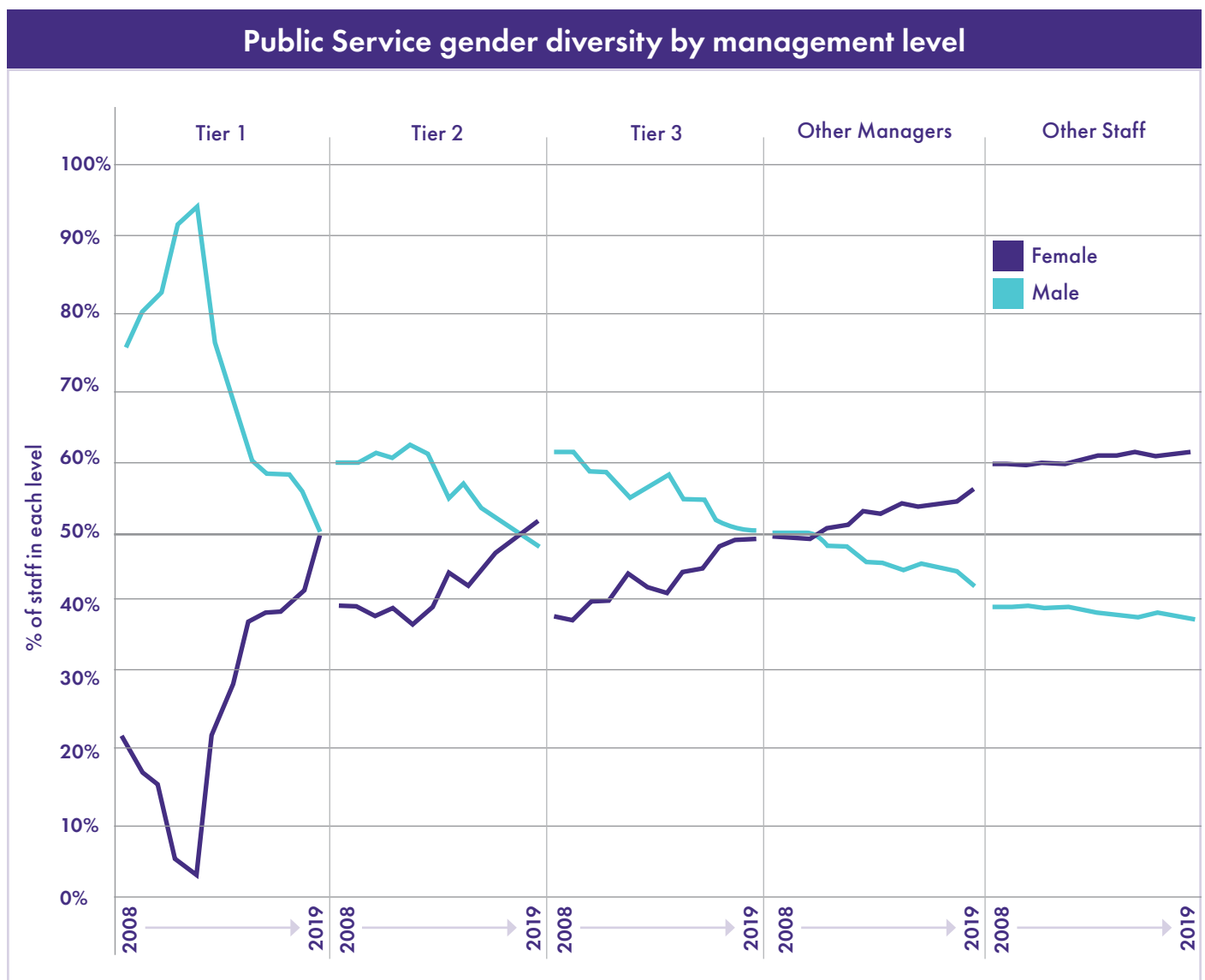


Figure 4: Public Service gender diversity by management level 2008–2019

*“Without the ability to work flexibly I wouldn't have been able to progress my career in something I absolutely love ... and to raise my children the way I want to.”*

-Peggy Koutsos, Principal Advisor, Ministry for Primary Industries

Flexible working has been a key component of the Ministry for Primary Industries' (MPI) diversity and inclusion strategy since 2017. Many people at MPI were already working flexibly, both formally and informally, but their experiences, and attitudes towards flexible work, weren't consistent across the business.

MPI developed a plan to build the agency's flexible working capability, engaging with unions throughout the development of the strategy and its implementation. The PSA was a great advocate and support for the work MPI was promoting.

The initiatives and tools used to build flexible working capability include:

- **Engagement** through a series of 22 workshops and focus groups throughout the country and an organisation-wide survey to understand more about how flexible work operates within the Ministry, how supportive the agency is, what barriers exist, and attitudes to and experiences of flexible working.
- **Peer-to-peer learning** sessions to provide staff and managers with a forum to share experiences, best practice and learn from others.
- **Normalising flexible working** through case study videos of diverse employees and leaders who make flexible working 'work for them'.
- **An online information hub** on the Ministry's intranet to increase awareness of flexible working and why it's important. It includes information on the different flexible working options available, rights and obligations, and points people to more information and resources including manager and employee toolkits.
- **An eLearning page** to provide practical behaviour change ideas for MPI managers and teams, equipping them with the knowledge and approaches to work more flexibly. Resources include flexible working team charter templates, technology suggestions, team culture resources, references for mental health, and messages for managers on ways of managing remote teams.

## GENDER PAY GAP TRANSPARENCY AND MEASUREMENT IN THE PUBLIC SERVICE

The Public Service has highly transparent [workforce data](#), updated and published annually. This transparency aligns with the Gender Pay Principle of Transparency and Accessibility.

Gender pay gaps for the Public Service and individual agencies were first published in 2016, with information available going back to 2000. Other Public Service workforce information, such as the proportion of women in leadership and average pay by ethnic group, is also publicly available and updated through a comprehensive annual survey. These data series are useful monitoring and analytical tools for the Taskforce and for agencies. The State Services Commission also publishes an annual commentary on changes and trends in the Public Service Workforce, including an analysis of its gender pay gap.

The State Services Commission reports the Public Service gender pay gap using mean pay. In contrast, StatsNZ uses median hourly pay when reporting the gender pay gap for the entire workforce.

In 2019, the Public Service gender pay gap using median pay was 6.2%, a large fall from 10.7% in 2018. For comparison, NZ's gender pay using median pay was [9.3% in 2019](#).

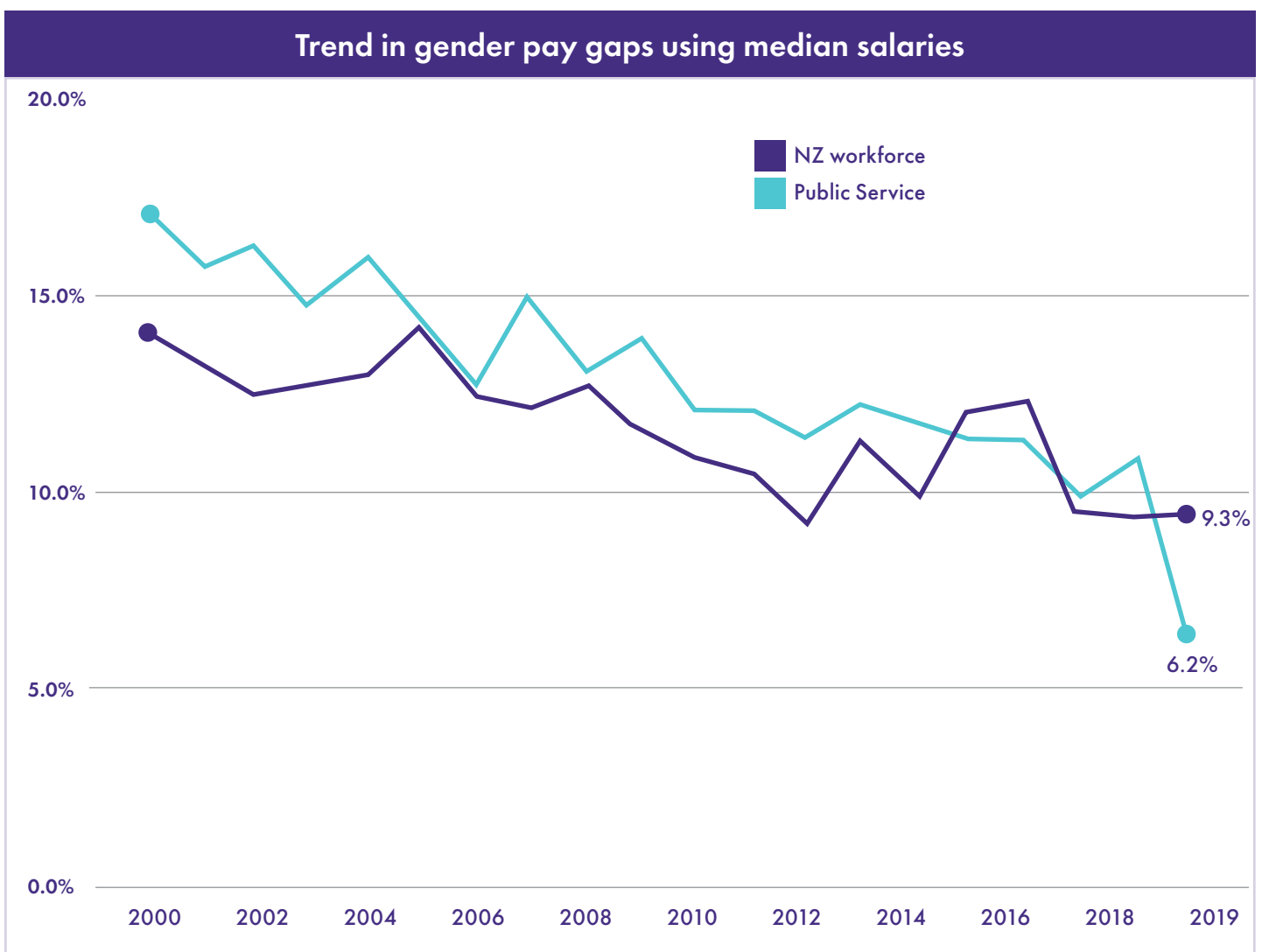


Figure 5: Trend in NZ workforce and Public Service gender pay gaps using median salaries 2000-2019

***“When we looked at the data we found that women were starting on lower salaries than men and they weren’t catching up ... and this wasn’t OK for us.”***

- Richard Waggott, Deputy Chief Executive, Corrections

More than 80% of the Department of Corrections workforce is employed on collective agreements with transparent pay scales and set criteria for progression. Starting salaries for most of these roles are the same and staff progress according to a structure competency system and/or qualification. This has been the main contributor to a zero gender pay gap within this segment of the workforce. However, the Department identified a gender pay gap in the remaining 20% of the workforce which is employed on individual employment agreements.

Corrections has developed resources and systems to ensure gender is not a factor in setting salaries for appointments on salary bands, including:

- a guide on starting salaries for hiring managers with criteria for each percentile of the salary ranges
- an online tool for hiring managers and panels showing the average and range of current salaries for the role, accounting for the length of service of existing employees
- appointment panels recommending a starting salary for new appointments
- the human resources department testing proposed starting salaries for adverse effects on the gender pay gap
- monitoring starting salaries at regular intervals.

The guidance [Ensuring gender is not a factor in setting starting salaries](#) drew on Corrections’ experience and approach.

## APPLYING THE RECRUITMENT GUIDANCE TO REDUCE BIAS THE TREASURY

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The Treasury is actively working to increase the representation of women at all levels of its organisation. It is using our recruitment guidance to review its policies and practices, to identify and reduce bias at the start of the employment life cycle.

For example:

- All job ads are checked for gender-neutral language
- Recruitment documentation prompts managers to consider the impact of selection decisions on gender balance in their teams and across the Treasury.
- Hiring managers use a tool to understand how a proposed new starter salary will impact on various organisational gender pay gaps

The Treasury is also planning to:

- Have panel members for all interviews complete unconscious bias training
- Focus on mixed interview panels and mixed shortlists (internally)
- Make shortlisting decisions in groups, rather than by hiring managers
- Analyse and report data at each step of the recruitment process to identify where women drop out
- Use te Reo Māori in advertised job titles and job descriptions
- Introduce a talent acquisition focus on Māori capability
- Increase transparency of salary and remuneration ranges during recruitment
- Retrospectively analyse the progression of graduates with a gender focus.

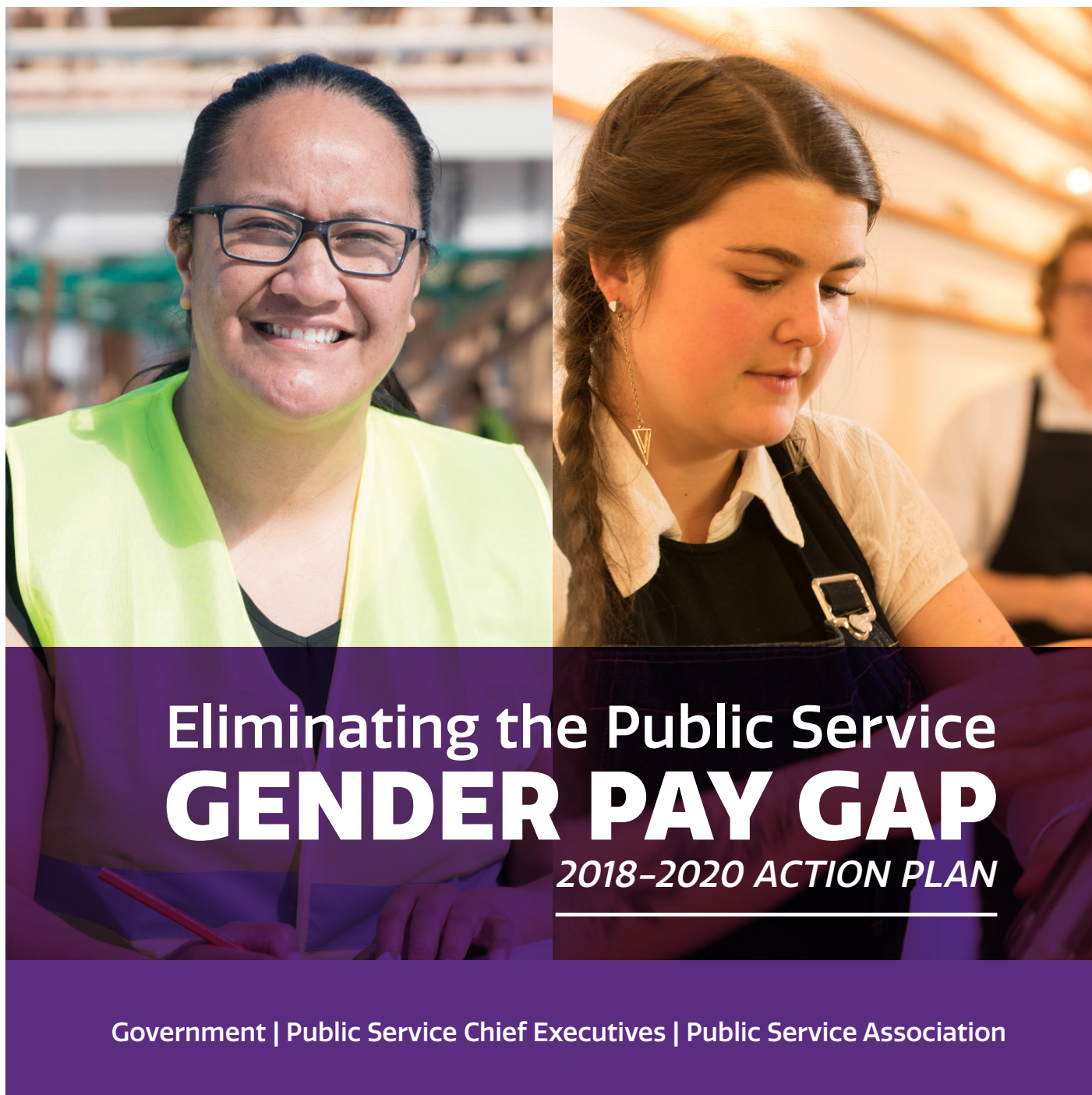
Managers will receive training, guidance, and updated tools on what is expected at each step of the recruitment process in order to reduce gender bias.

Treasury drew on the Recruitment Guidance: [Implementing the Gender Pay Principles and removing gender bias in recruitment processes.](#)

***“We’ve eliminated bias from our recruitment and promotion systems so that everyone has an equal opportunity to succeed .... and I just feel incredibly grateful to work in an organisation where we’ve been able to make such a massive difference for the people who work here.”***

- Jacinda Funnell, Deputy Chief Executive, NZ Customs Service





# Eliminating the Public Service **GENDER PAY GAP** 2018-2020 ACTION PLAN

Government | Public Service Chief Executives | Public Service Association

*The gender pay gap is an indicator of ongoing workplace gender inequalities, driven by deeply embedded views, values and behaviours.*

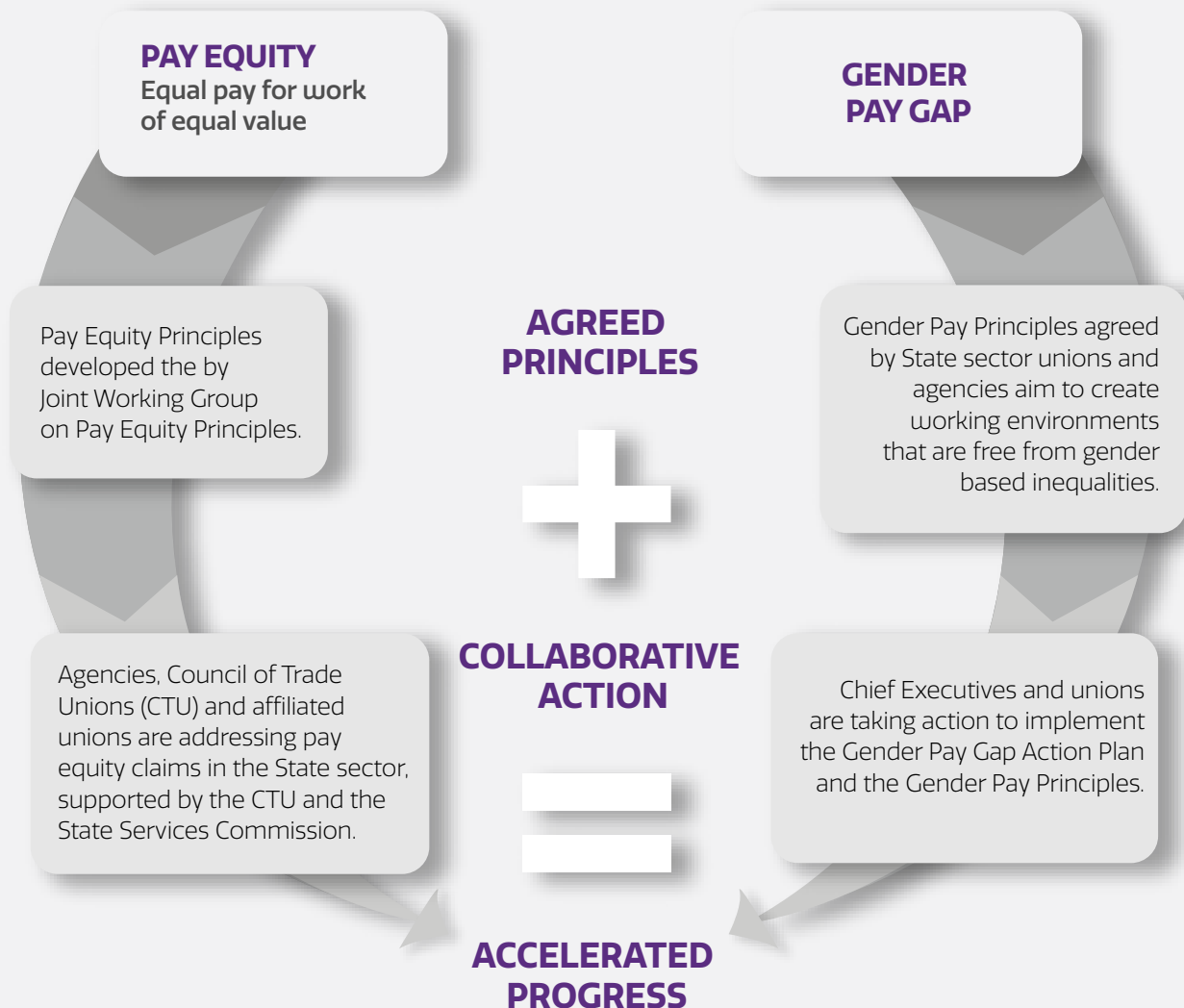
*Women are still under represented in leadership and undertake the majority of unpaid work. New Zealand research shows that women doing the same work as men add the same value to their employers but are paid less. Female dominated occupations continue to be lower paid than male dominated occupations.*

*The Public Service is committed to leading the way in addressing the workplace drivers of the gender pay gap.*

# THE GENDER PAY PICTURE

Government has committed to eliminating the gender pay gap within the Public Service, with substantial progress within this Parliamentary term.

Chief Executives are committed to closing gender pay gaps in their agencies.



Established bi-partite groups in agencies and at the system level will continue supporting this work. These forums include:

- Chief Executives working with the Public Service Association (PSA) through the Strategic Forum
- The Gender Pay Principles Working Group.

## The Gender Pay Gap Action Plan will involve collaborative action within and across Public Service agencies to accelerate progress with a focus on the following actions and milestones:



### **EQUAL PAY**

- By the end of 2019 two thirds of agencies will have closed any gender pay gaps within the same roles
- By the end of 2020 all agencies will have closed any gender pay gaps within the same roles
- Pay Equity Principles are used to address Pay Equity claims in the Public Service (and State sector).



### **FLEXIBLE WORK BY DEFAULT**

- By the end of 2019 at least 15 agencies will be piloting flexible-by-default approaches (ie 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
- Flexible options are equally available to men and women and do not undermine career progression or pay.



### **THERE IS NO BIAS OR DISCRIMINATION IN REMUNERATION SYSTEMS AND HUMAN RESOURCE PRACTICES**

- By the end of 2018 there will be no gender pay gaps in starting salaries for the same roles
- By mid-2020 all agencies will have remuneration systems and human resource practices designed to remove bias and ensure transparency
- By mid-2020 all managers will understand the impacts of bias and be equipped to address it.



### **GENDER BALANCED LEADERSHIP**

- By the end of 2019 women will hold at least 50% of the roles in the Public Service's top three tiers of leadership
- By the end of 2019 all agencies will set a target date and plan for achieving gender balance in their own top leadership positions.

## HOW WILL WE DO THIS?

We will work in collaboration to:

### *Develop system level guidance and oversight*

- Co-develop guidance to support Public Service agency action
- Ensure progress is monitored and maintained
- Take system level action that may be needed to close the whole of Public Service gender pay gap.

### *Take agency level action*

- Agencies progress work to meet action plan milestones
- Unions and employees engage in annual agency Gender Pay Action Plans
- The Gender Pay Principles contain agreed mechanisms for implementation, including collective bargaining.

### *Ensure accountability for progress*

- Public Service Chief Executives' collective commitment to closing the gender pay gap
- Transparency and measurement, including through:
  - the development of agency plans for addressing gender pay gaps with the involvement of unions
  - the publication of the plans so they are readily available to all employees and their unions
- Oversight by the Chief Executive and PSA Strategic Forum.

STATE SERVICES COMMISSION  
Te Komihana O Nga Tari Kāwanatanga



ministry for  
**Women**  
minitanga mō ngā  
Wāhine 





## Further information

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[The Public Service Gender Pay Gap Action Plan 2018-2020](#)

The Gender Pay Taskforce webpage

[www.ssc.govt.nz/our-work/the-gender-pay-gap-and-pay-equity](http://www.ssc.govt.nz/our-work/the-gender-pay-gap-and-pay-equity)

The Ministry for Women has information and links to resources about the gender pay gap.

[www.women.govt.nz/work-skills/income/gender-pay-gap](http://www.women.govt.nz/work-skills/income/gender-pay-gap)

Guidelines for employers on measuring and analysing gender pay gaps, developed by StatsNZ, the Ministry for Women and the State Services Commission

[Organisational Gender Pay Gaps: Measurement and analysis guidelines](#)

[Gender Pay Gap Measurement and Analysis for Public Service Agencies](#)

[Guidance: Ensuring gender is not a factor in setting starting salaries](#)

[Guidance: Ensuring gender is not a factor in salaries for the same or similar roles](#)

[Recruitment Guidance: Implementing the Gender Pay Principles and removing gender bias in recruitment processes](#)

[Flexible-Work-by-Default Guidance and Resources](#)

Public Service workforce data from 2000, collected and published by the State Services Commission

<https://ssc.govt.nz/our-work/workforce-data/>

[Gender Pay Principles](#)

[Pay Equity Principles](#)