



1 April 2020

Dear

Official Information Request Our Ref: SSCOIA 2020-0025

I refer to your official information request received on 4 March 2020 for:

"A gender breakdown of the 10 highest-remunerated staff employed at your organisation as at December 21, 2019, and the percentage different in average pay between genders of this subset."

Public Service gender pay gap background information

The State Services Commission (SSC) publishes <u>Workforce Data</u> for the Public Service including gender pay and leadership representation. Gender pay gaps for the sector and for individual agencies are included in this information release.

The <u>Gender Pay Gap and Pay Equity Taskforce</u>, based in SSC, helps Public Service agencies to implement the <u>Gender Pay Gap Action Plan</u>. This Plan aims to make substantial progress toward eliminating the gender pay gap in the Public Service by the end of 2020. In 2018-19 the gender pay gap in the Public Service had its sharpest drop since 2002 and is now at 10.5 percent, the lowest since measurement began. See <u>Public Service Gender Pay Gap</u>.

The Plan targets four major drivers of organisational gender pay gaps with concrete actions and milestones. Agencies have met all the milestones in the plan so far, including:

- two thirds of agencies have conducted equal pay analyses (to identify gender pay gaps in the same roles) and made pay corrections.
- half of Public Service agencies are piloting flexible work by default.
- women's representation in the top three tiers of leadership was 49.6% at 30 June 2019.

A significant achievement in the Public Service is that half (50%) of our <u>chief executives</u> are women, and they are now leading larger organisations than before. Of the 36 Public Service chief executives (CEs) as at 24 February 2020, 18 were women. Representation of women in CE roles is up from 44% in 2018 and 30% five years ago in 2014.

Unlike in the past where female CEs tended to occupy smaller roles, more of them are now appointed to larger jobs. Their average job size has increased by 16% between 2016 and 2019, with the job size gap with their male colleagues narrowing to 1% from a 27% gap in 2016.

As part of this Plan agencies are now working on their own annual gender pay gaps plans, and this year they will begin making their plans public, during June. The plans include agencies' own analysis of their gender data and what they are doing to reduce gender pay gaps.

The SSC's own gender pay gap action plan is on our website, including SSC's overall gender pay gap as at August 2019 which was 10.2%. It has more than halved since 2015. Our small workforce size means that our gender pay gap can be volatile, with turnover at the senior levels having the biggest effect on the annual gender pay gap.

For more on measuring and analysing gender pay gaps, here is our <u>advice to agencies on measuring gender pay gaps</u>, based on <u>StatsNZ</u> guidance.

Information being released

In response to your request, as at 21 December 2019, of the 10 highest-remunerated staff employed by the SSC, 3 are male and 7 are female. The percentage difference in average pay between the men and women (the gender pay gap) in this group is 5%.

This gender pay gap represents a snapshot as at 21 December 2019. It is important to note that this result could change every time a new appointment is made within this group or if the role that make up this group change.

From 1 July 2020, one of the roles included in the figures above is being transferred permanently to another department. With exclusion of this role the 10 highest-remunerated staff employed by SSC in its permanent structure, 3 are male and 7 are female. The percentage difference in average pay between the men and women in this group is -9% (negative result indicates women are paid more on average).

In these calculations, we have used all roles based on FTE equivalent salary, and excluded the State Services Commissioner role. Salary related information on Public Service chief executives is reported separately (see Workforce Data) as they are not employees of their agency and have their remuneration set either by the Remuneration Authority or the State Services Commission.

Stats NZ recommend that to calculate and measure all the gender pay measures (organisation-wide, by-level, and like-for-like jobs, and gender representation), organisation should have at least 100 employees, including a minimum of 20 women and 20 men. When receiving data from organisations with fewer than 100 employees, you will need to keep in mind that the measures might not be statistically robust and should therefore be treated as indicators.

Public Service agencies vary widely in size, from about 50 to over 9,000 employees. In a smaller agency, the 10 highest paid staff are like to include a wide range of roles. For example, in very small agencies it could include the Managers and Principal Advisors or Analysts. As a result, the gender pay gaps you receive from some agencies will not be comparing people in the same or similar roles. This doesn't discount the relevance of this data, but it is another factor you should keep in mind when interpreting the information released to you.

If you wish to discuss this decision with us, please feel free to contact Ministerial.Services@ssc.govt.nz.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Please note that we intend to publish this letter (with your personal details removed) on the SSC website.

Yours sincerely

Nicky Dirks

Managing Principal – Ministerial Services State Services Commission