



Joint Report: Gender Pay Gap Action Plan Progress Report release options

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| Date: | 11 June 2020 | Report No: | SSC2020/0105 |
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| | Action Sought | Deadline |
|----------------------------|-----------------------------------|----------|
| Minister of State Services | Indicate preferred release option | None |
| Hon Chris Hipkins | Review Ministers' foreword | |
| Minister for Women | Indicate preferred release option | None |
| Hon Julie Anne Genter | Review Ministers' foreword | |

Enclosure: YES: Draft Progress report, communications plan and Q&As

Executive Summary

This paper outlines three options for you to release a report on progress so far on the Public Service Gender Pay Gap (GPG) Action Plan (the Action Plan). The progress report was commissioned by Hon Julie Anne Genter, Minister for Women, to give you an overview of the successes and challenges in implementing the Action Plan, and to support stakeholder engagement.

Minister's Office Comments

| | |
|------------------------------|--|
| Comments: | |
| | |
| Date returned to SSC: | |

Recommended Action

We recommend that you:

- a **agree** to one (or a combination) of the following options to release the Public Service GPG Action Plan progress report:

Option one: Release at a Government Women's Network event (to be arranged)

Agree/disagree

Option two: Release only via media release from 18 June

Agree/disagree.

Option three: Release the report at an existing event you are attending

Agree/disagree

- b **agree** to the wording of the Ministers' foreword

Agree/disagree

- c **agree** that SSC release this briefing once it has been considered by you, with matters under active consideration withheld under section 9(2)(f)(iv) of the Official Information Act (OIA), including the attached Appendices

Agree/disagree

Hon Chris Hipkins

Minister of State Services

Hon Julie Anne Genter

Minister for Women

PROACTIVELY RELEASED BY TE KAWA MATAPIHI PUBLIC SERVICE COMMISSION

Joint Report: Gender Pay Gap Action Plan Progress Report release options

Purpose of Report

- 1 This paper outlines three options for you to release a report on progress on the Public Service GPG Action Plan. The progress report has been commissioned by the Minister for Women and is described below.

Gender Pay Gap Action Plan Progress Report

- 2 The GPG Action Plan Progress Report provides you with an overview of actions and insights to date. The progress report also supports communications with stakeholders, including private sector employers, by you, your offices, the Ministry for Women, and the Taskforce. We will publish the progress report on the State Services Commission (SSC) website when you are ready to release it.
- 3 The progress report includes a Ministers' foreword, for your review.

Risks and mitigations

- 4 As noted in our February briefing [SSC2020/024 refers] the progress report does not contain a strong news story. Therefore, when it is released, the media may write about other aspects of the GPG, including framing progress as too slow.
 - The Public Service GPG is 10.5%, appearing higher than the national GPG which is 9.3%, but is calculated using a different method.
 - The 2019 decrease in the Public Service GPG was already reported in the media in November 2019.
 - The media might focus on Māori, Asian and Pacific Island women in the Public Service receiving lower average pay than European men and women.
- 5 To mitigate these risks, the progress report is candid about what has been difficult and the remaining challenges, including tackling gender and ethnic biases combined. There are many positive results to focus on in the progress report including strong achievements in equal pay and gender balanced leadership.
- 6 The SSC is also broadening its focus to support agencies to ensure fairness across all diversity dimensions. For example, it has worked with StatsNZ to develop guidance on measuring ethnic pay gaps.

Options for the proposed release of the progress report

- 7 **Option one: Release at a Government Women's Network event (to be arranged)**
 - The Government Women's Network (GWN)'s communications reach 1,700 women in the public sector.
 - A lunchtime seminar could be arranged by the Taskforce and the Ministry for Women. We recommend a virtual event to reach as many GWN members as possible.

- A panel discussion, including yourselves, agency, union and Taskforce representatives could discuss the progress report and answer questions from the audience.
- This presents a good opportunity for engaging with a public sector audience, and an accompanying media release could reach a wider audience.

8 **Option two: Release the progress report via a media release from 18 June**

- A media release could be issued from 18 June when the progress report will be ready to be published in an accessible online format.
- A media release could be accompanied by op-ed pieces authored by you, and/or interviews with you, as well as social media products.

9 **Option three: Release the progress report in conjunction with an existing opportunity from 18 June**

- You may wish to release the report in connection with an existing event you are attending.
- The Taskforce and Ministry for Women can work with your offices to identify an appropriate opportunity, e.g. the forthcoming NACEW e-seminar. The date for this e-seminar is to be confirmed.

Action Plan key achievements

- The Public Service gender pay gap has had its largest annual decrease since 2002: it is now 10.5%.
- 23 agencies reduced their gender pay gaps in 2018–19.
- 22 agencies have closed pay gaps in the same or similar roles and individual employees have received salary corrections as a result.
- The proportion of women in leadership in the Public Service is at an all-time high: women hold 50% of the roles in the top three leadership tiers in the Public Service and half of our CEs are women.
- 17 agencies are piloting flexible by default working.
- Agencies are working to reduce gender bias in their workplace policies.

Draft points for press release

- A plan that supports Government agencies to close their gender pay gaps and create fairer workplaces has achieved a lot in a short time.
- Minister.... says that two thirds of Public Service agencies have closed pay gaps in the same or similar roles and individual employees have received salary corrections as a result.
- 'Women now hold half of the positions in the top three tiers of leadership, and half of Public Service chief executive roles, this is a fantastic result for the Public Service'
- 'By the end of the year all agencies, covering over 52,000 employees, will have ensured they have no gaps in the same or similar roles which is a great foundation for fairer workplaces.'

- The Action Plan is also contributing to closing gaps for Māori, Pacific and Asian women who experience greater pay gaps than Pakeha women on average, but we still have more work to do.
- The Gender Pay Taskforce has worked with wāhine Māori to ensure that our work to address gender bias reflects their experiences of bias, and this work continues to develop.
- 'Fairness is even more important in times of crisis and pandemics, when gender inequalities can increase. The Action Plan can give organisations a framework for ensuring their workplaces are fair.'
- 'The Action Plan has been a real team effort between the Public Service, employers and unions, especially the PSA, which has enabled rapid progress.'
- One of our aims is for the Action Plan to create a model for employers to learn from. We now have a good understanding of what works and what challenges need to be overcome to close gender pay gaps, says....
- We would like to encourage other employers to identify and tackle their gender pay gaps too.
- 'The Public Service is getting its own house in order and by doing this, creating an example for other employers in New Zealand. With the public and private sectors working together and sharing ideas and initiatives, we can make more gains for more New Zealand women.'
- Public Service agencies are publishing their gender pay gap action plans on their websites by the end of July, so that employees and other employers can see what they are doing to address their gender pay gaps.
- All the guidance developed to help agencies implement the Action Plan so far is publicly available on the SSC website <https://ssc.govt.nz/our-work/the-gender-pay-gap-and-pay-equity/>.

Possible quote(s) to include in a media release:

'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 member

And/or

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

Appendix: Questions and Answers

What was the gender pay gap for the Public Service in 2018?

12.2%. 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%.

How much have you closed the gap in the Public Service since the Action Plan has been in place?

1.7 percentage points. It is now 10.5%.

This is the largest annual decrease in the Public Service gender pay gap since 2002.

Why is there a pay gap?

Multiple workplace and societal factors combine to create gender pay gaps, but essentially, gender pay gaps occur when more women are in lower paid jobs than men, and when women are paid less than men for doing the same or similar jobs.

Why is closing the gap a gradual process? Can't agencies review pay for like jobs and ensure everyone is being paid equally?

Equal pay is part of the gender pay gap but not the whole story. Agencies are reviewing pay for the same or similar roles to ensure that their employees are being paid fairly, and that is incredibly important.

There are workplace and societal drivers of gender pay gap and the Action Plan focuses on what employers can do in their workplaces. Societal change will take longer.

What are the issues with closing the gap?

The gender pay gap is a complex social problem, so the Action Plan has focused on practical steps employers can take to tackle the workplace drivers of gender pay gaps.

We've aimed for progress, rather than perfection, and we're acting on the best evidence we have.

A key issue is knowing what is causing gap in your organisation, and we have guidance on analysing workplace data to help employers understand this.

One of the biggest challenges is overcoming bias, and there isn't much evidence about what works in this area. We recommend that organisations combine bias awareness training with ensuring that workplace policies are designed to reduce the effects of bias.

The combined effects of gender and ethnic bias create larger pay gaps for Māori, Pacific, Asian and other non-European women, and we know progress needs to be made for all women.

Will you meet your 2020 Action Plan targets?

Yes, we have met our targets so far and we are on track to achieve our 2020 milestones which are:

- Equal pay: 22 agencies have closed gender pay gaps within the same or similar roles and the remaining 11 agencies are working to achieve this.

- Flexible work by default: 17 agencies are already piloting flexible by default working and others are working towards this.
- Bias: agencies will have a plan and target date for completing their review of HR policies and practices in line with our guidance and will ensure all managers have completed bias training.
- Leadership: Women hold 50% of the roles in the top three leadership tiers in the Public Service.
- Agencies without gender balance in their leadership teams are including a plan and target date to achieve this in their 2020 agency action plans.

What do you want to achieve by 2020?

We aimed for a substantial reduction in the Public Service gender pay gap this term and we have achieved that.

By the end of the year all agencies, covering over 52,000 employees, will have ensured they have no gaps in the same or similar roles which is a great foundation for fairer workplaces.

All agencies have developed action plans for their own agencies and are publishing them, so they have a strong foundation for further progress. We want to see these changes become embedded.

We want our progress to create an evidence base for action by other employers, we are keen to share what we have learnt.

Why are flexible workplaces a more supportive environment for women, in particular, to work in?

In workplaces where flexibility is normalised, working flexibly doesn't negatively affect pay or career progression. At the moment, for example, senior roles are not usually flexible.

Normalising flexible work also enables caring and work responsibilities to be shared more equitably.

Is ethnicity included in the gender pay gap Action Plan?

This Plan has focused broadly on gender, and women make up over half of our Public Service workforce. As agencies work to eliminate gender bias, there are positive effects for eliminating ethnic and other biases too. This benefits Māori, Pacific, Asian and other non-European men and women.

We know there is more to do to close pay gaps and reduce bias for Māori, Pacific, Asian and other non-European women.

The State Services Commission is now advancing the progress made on gender to include improving fairness across all diversity dimensions. In the next month it will release guidance on reducing bias more generally, and on measuring ethnicity within Public Service agencies.

What is the gender pay gap now?

The latest figure for the Public Service is 10.5% for June 2019. The gender pay gap is measured annually at the end of June.