



Adjusting the Gender Pay Gap and Pay Equity Taskforce work programme in response to COVID-19

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Security Level: IN CONFIDENCE

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	Actions Sought	Due Date
Hon Chris Hipkins, Minister of State Services	Discuss the proposed adjustments to the work programme at your meeting on 4 June	4 June 2020
Hon Julie Anne Genter, Minister for Women	Discuss the proposed adjustments to the work programme at your meeting on 4 June	4 June 2020

Enclosure: No

Minister's Office Comments

Comments:	
Date returned to SSC:	

Recommended Action

We recommend that you:

- a **Note** that the Gender Pay Gap and Pay Equity Taskforce has reviewed its work programme to mitigate the risks and take advantage of opportunities presented by the COVID-19 response and recovery.

Noted

- b **Note** that as a result of the findings of the review, the Taskforce recommends that it push forward with implementing its work programme with some adjustments that it seeks your agreement to below (Recommendation c).

Noted

- c **Agree** to the following framing of the Gender Pay Gap Action Plan milestones to provide greater clarity to agencies on what is required to achieve the milestones:

- Retain the current equal pay milestone and encourage all remaining agencies to close their "like for like" gaps by the end of this year. At the same time, we will:
 - invite agencies most impacted by the COVID-19 response to discuss any concerns with us, and
 - provide wrap around support to these agencies.
- Retain the end of year flexible-by-default milestone, and frame it as follows:
 - by the end of the year all agencies will have trialled flexible-by-default practices and will have flexible-by-default policies and systems in place which are aligned with the flexible-by-default guidance.
- Shift the deadline for completion of the bias and discrimination milestone to the end of this year and frame it, as follows:

By the end of this year, agencies will:

 - have engaged with Taskforce guidance; and
 - have a plan and target date for completing their review of HR policies and practices and
 - ensure all managers have completed bias training and will have a plan in place to provide all relevant staff with bias training on an ongoing basis.

- d **Note** that the gender balanced leadership milestone has been met and we will shift our focus to working with SSC's Diversity and Inclusion team to increase the ethnic diversity of the female leadership pipeline.

Noted

- e **Note** that the deadline for submitting this year's agency action plans has been shifted from the end of March to the end of May, and that we are asking agencies to publish their plans on their external websites within six weeks of submitting them.

Noted

- f **Note** that the work to map the pay equity environment, conducted under the Tripartite Oversight structure, is now complete and so we wish to refocus our efforts on providing support and governance for pay equity claims as outlined in recommendation h.

Agree/disagree

- g **Note** that the Taskforce will continue to engage with the NZCTU and unions through our fortnightly NZCTU-SSC meetings, and continue our collaboration on the pay equity tools and resources.

Noted

- h **Note** that the Taskforce will prioritise support for agencies to progress pay equity claims by:

- Supporting agencies through the governance process, including their engagement with the Central Agency Governance Group
- Building system capability by completing the pay equity tools and resources and developing wrap-around education to support the implementation of the tools.

Noted

- i **Note** that the Taskforce will add a new work item to explore how to monitor the ongoing impact of the COVID-19 pandemic on women in the Public Service (and possibly the State sector) and will engage across SSC and with the Ministry for Women on this work.

Noted

- j **Agree** that the SSC release this briefing in full once it has been considered by you and the SSC has completed its engagement with stakeholders.

Agree/disagree.

Hon Chris Hipkins
Minister of State Services

Hon Julie Anne Genter
Minister for Women

SSC Report: Adjusting the Gender Pay Gap and Pay Equity Taskforce work programme in response to COVID-19

Purpose

1. This report seeks your agreement to adjustments to the Gender Pay Gap and Pay Equity Taskforce (the Taskforce) work programme to mitigate the risks and take advantage of opportunities presented by the COVID-19 response and recovery.

Review of the Taskforce work programme

2. The Taskforce has reviewed its work programme in response to COVID-19. The review considered the:
 - Likely risks and opportunities of COVID-19 in the recovery phase and in the new post-COVID world for women employed in the State sector
 - Pressures facing State sector agencies as a result of the COVID-19 response
 - Government's goals to close the gender pay gap and build more diverse and inclusive workplaces in the Public Service.
3. Our aim is to continue to target the areas that will have the most impact for women, whilst supporting the recovery of the economy in a way that is productive, sustainable and equitable.
4. We drew on international evidence about the impact on women of past pandemics and economic downturns, our knowledge of the State sector pre-COVID, and Government statements about recovery goals.

Findings

5. Overall, we found that:
 - Pandemics and economic shocks magnify existing gender-based inequality and have a disproportionate economic impact on women, and countries' responses must include a focus on gender equity. Gender equity is central to the "new normal" post-COVID world.
 - Women in the State sector are likely to have better employment security than women in the private sector, and COVID-19 has raised awareness of the value of female-dominated essential workforces.
 - Agencies are under additional pressure from COVID-19 and, despite their continued commitment to the work, there is a risk that gender pay gap (GPG) and pay equity work will slow.
 - The work programme demonstrates values-led leadership, consistent with the Public Service Legislation Bill. The work programme supports the areas of collective focus of the State Services Leadership Team, such as building workforce diversity and inclusive practices, and closing the GPG.

Recommended adjustments to the Taskforce work programme

6. The Taskforce therefore recommends that it push forward with implementing its work programme with minimal substantive change, but with some adjustments to:
 - Frame some of this year's GPG Action Plan milestones to provide greater clarity to agencies on what is required to achieve them
 - Prioritise the governance of and support for pay equity claims, including the completion of the tools and development of education to support their use, and shift our focus away from the Tripartite Oversight work now that the mapping of the pay equity environment is complete
 - Add a new item to explore how the Taskforce can monitor the ongoing impact of the COVID-19 pandemic on women in the Public Service (and possibly the State sector). This item is likely to be of broader interest, e.g. from a diversity and inclusion perspective, and so we will engage across the State Services Commission (SSC) and with the Ministry for Women on this work.
7. The recommended adjustments to the Taskforce work programme are described in further detail in the Recommended Action section above. For your reference, the GPG Action Plan milestones as currently framed are set out in Appendix One.
8. The proposed adjustments will enable the Taskforce to better support the Government's goals to close the gender pay gap and build workplaces that are more diverse and inclusive in the Public Service.
9. It is difficult to assess the full impact of COVID-19 at this early stage and we will need to be ready to make further adjustments over the coming months if necessary.

Engagement

10. The GPG Action Plan was a joint initiative between Government, Public Service Chief Executives and the Public Service Association (PSA) and so we have engaged with the Papa Pounamu lead chief executives (Peter Mersi and Naomi Fergusson) and the PSA about the proposed adjustments to the work programme.
11. If you are both comfortable with our recommendations, we will engage with Papa Pounamu and the PSA on the framing of the GPG Action Plan milestones, we will use HUDO and Heads of HR briefings to communicate the adjustments more widely.

Appendix 1: Current Gender Pay Gap and Pay Equity 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 (i.e. treating all roles as flexible unless there is a good business reason for any role not to be)
- Flexible options are equally available to men and women and do not undermine career progression or pay
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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.