



TE TAI ŌHANGA
THE TREASURY



Gender Pay Gap Action Plan

November 2021

Executive summary and key findings

The gender pay gap (GPG) is a high-level indicator of the difference between women and men's earnings. It has reduced in New Zealand since 1998 to 9.1 percent in 2021¹ but has slowed in the last decade. The causes of the GPG are complex, and inequities in the labour market and society are the result of long-held views and practices around the role(s) of women.

As we work towards lifting living standards and improving intergenerational wellbeing for New Zealanders, Te Tai Ōhanga – the Treasury has a role to play as an employer. The Treasury can positively affect the lifetime earnings of its female employees in a global environment where women are paid less than men.

Like most public service departments, the Treasury still has a GPG (mean 9.7%, median 6.9%, as of 30 September 2021). The Treasury views this as a priority area and is working to understand the drivers and levers, with a view to achieving a year-on-year GPG reduction.

Many of our drivers are similar to those experienced elsewhere in the Public Service, in the wider New Zealand labour market, and in comparable jurisdictions overseas. Note that some of our sets of employee data are too small for robust analysis, so similar data has been aggregated where it makes sense to do so and general observations have been noted.

In our analysis of employee data as at 30 September 2021, we generally found:

- Women are well represented at all levels of people leadership.
- We have a good gender balance in many of our occupational groups/directorates, although women are under-represented in some policy areas and Information & Technology, as well as in Principal Advisor roles. Women are over-represented in Business Support and People & Wellbeing.
- Like many organisations here and overseas, junior roles are more likely to be occupied by women than by men.
- Our female employees on average are younger and have worked at the Treasury for less time than their male colleagues.
- Female new starters are on average slightly better paid than their male counterparts.
- GPGs tend to be higher in higher pay grades than in lower grades.
- GPGs tend to be significantly larger for women over 55 than for women in younger age groups.

¹ Based on median hourly earnings. Source: [Gender pay gap unchanged | Stats NZ](#). Accessed 19 October 2021.

- The GPG for permanent employees is higher than that for fixed-termers, and higher for part-time employees than that for those working full-time.
- We are slowly becoming more ethnically diverse, although do not reflect New Zealand's population or the Public Service average.
- The average GPG varies for women in different ethnic groups.

This is a summary of broad findings. The report below discusses them in more depth and explores possible reasons.

Recent initiatives to close our GPGs have included:

- actively targeting like-for-like gaps
- eliminating GPGs in starting salaries, assisted by the implementation of a GPG calculator
- further reinforcing our flexible-by-default work practices, in place since 2019
- targeting biases, and
- supporting and maintaining gender-balanced leadership.

Many of our occupational, age and ethnic groups are too small to support robust quantitative analysis. It is critical that we understand the experiences of the women in these groups, however. We are developing a programme to engage with our workforce, which is aimed at exploring and co-developing solutions for current issues around inclusion and diversity. This is likely to include a variety of ways for staff to take part, such as focus groups and drop-in sessions, and we also hope to leverage the advice, access and expertise of our strong employee-led networks.

Our demographics at a glance

Unless stated otherwise, data:

- includes fixed-term and permanent employees but not temp/casual employees or contractors/consultants
- includes all secondees out and employees on extended leave but not secondees from other agencies working in the Treasury
- is headcount and not FTE
- is based on the mean GPG
- is current as of 30 September 2021
- may be summarised or aggregated where sample sizes are small (fewer than 20 men or 20 women) and/or individual privacy is a consideration.

Our workforce comprises of 562 permanent and fixed-term employees and 30 contractors. A small subset of our people has not stated a gender or identified as gender diverse; in the interests of privacy, we have not included them in our analysis except when gender is not a factor. Almost all our staff are permanently based in Wellington.

49% of our employees are female, 13% of whom work part time, compared with 7% of male employees.

Table 1: Employees by gender and employment type

Gender		Employees	
Female	Fixed term	Full time (80 hours/fortnight)	8
		Part time	2
	Permanent	Full time	213
		Part time	33
		Secondment out	9
		Extended leave	7
Male	Fixed term	Full time	10
		Part time	3
	Permanent	Full time	235
		Part time	16
		Secondment out	15
		Extended leave	7

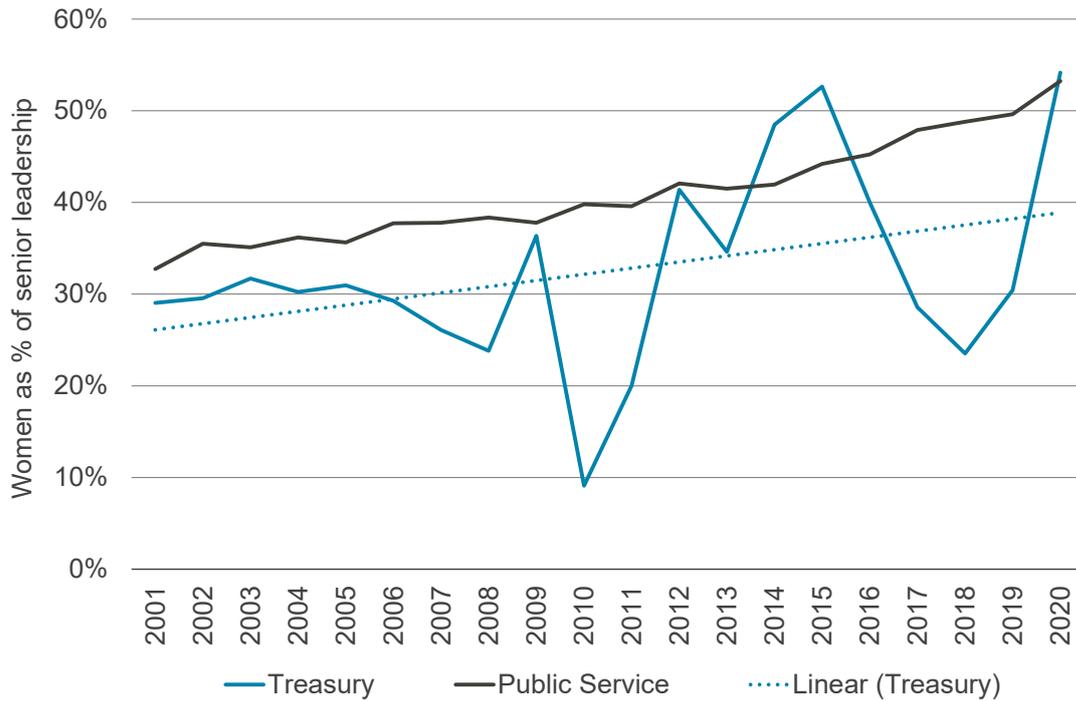
Source: Treasury Employee Data, September 2021

Management and leadership

Men and women are generally represented evenly in our cohort of people leaders. Our tier 3 leadership group (Kaiurungi) comprises nine women (including the tier 2 chair) and six men, with three women (including the Chief Executive) and four men on the Executive Leadership team. This has been increasing over time, although subject to fluctuation given our small numbers of senior leaders overall.

In 2020, 54.2% of senior management in the Public Service was female.

Figure 1: Women in Senior Leadership 2001-2020



Source: Te Kawa Mataaho workforce data

Occupational groups

Women comprise between 40% and 60% of the workforce in half of our 17 directorates/groups, across both policy and corporate functions. Women are under-represented in Analytics and Insights, Budget, Information and Technology, and Economic Systems, and over-represented in People and Wellbeing, and Growth and Public Services.

Role groups

Women make up 42% of our analyst/advisor cohort, although are slightly better represented in Analyst/Advisor and Senior Analyst/Advisor roles than in graduate² or principal roles. Along with approximately half of our managers, 50% of the Banking and Financial Specialist roles are held by women. Women are heavily over-represented in business support roles, such as Executive Assistant and Team Assistant.³

² Gender representation in the graduate cohort can change from year-to-year, depending on candidate interests, qualifications and availability, and placement opportunities.

³ Role categories are assigned by internal systems and may be subject to further refinement/definition. For simplicity, all employees below team leader level in the Treasury's Corporate and Shared Services function (except for business support roles) have been categorised as CSS, rather than in their functional specialities (eg, HR Advisor).

Grades

As previously identified, we tend to have more women in junior roles (pay grades) and fewer in more senior grades. Women make up 72% of the lower quarter of grades (11 to 14F) but only 45% of the senior grades (21 to 24).

Ethnicity

Most of our employees (96%) have reported at least one ethnicity, with 15% reporting more than one and a small number identifying with three ethnicities. Note that every report of ethnicity was counted and assigned to a level 1 category⁴, and, per PSC guidance, employees who have not reported an ethnicity have not been counted. This means that when looking at ethnicity, numbers may not match overall headcount.

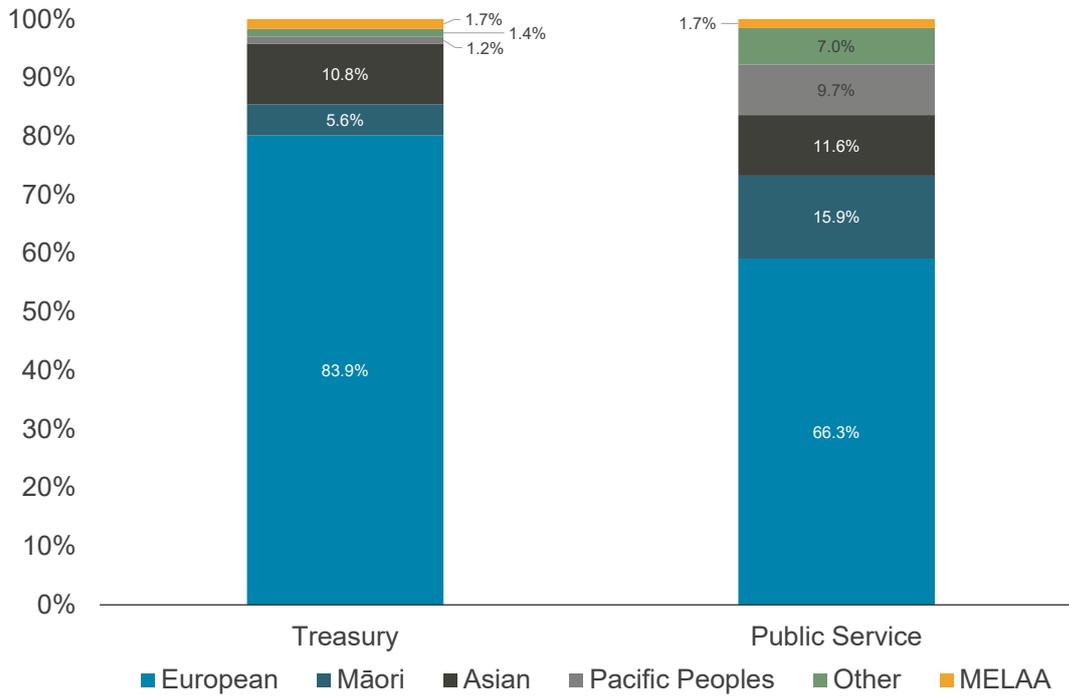
While there has been a small upward trend in the percentage of Māori and Pacific Peoples in our workforce over the past few years, we still have some way to go before we can say that our workforce is representative of New Zealand's population. We are less ethnically diverse than the Public Service on average, although this is slowly changing over time. For example, in 2000, 91.6% of Treasury employees identified as European and 3.9% as Asian; in September 2021, this is 78.7% and 11.4% respectively when counting multiple reported ethnicities.

Strategies to improve our ethnic diversity and inclusiveness have been a focus over the past few years. These have included analysis and modification of our recruitment practices to improve the diversity of candidates coming through to interview stage, training for managers to reduce bias in recruitment decisions and to lead inclusively, and continued focus on strengthening individual and organisational cultural competence through Te Puna Anamata (The Treasury's Te Reo Māori plan) and Whāinga Amorangi (The Treasury's Strengthening Te Ao Māori plan).

Access to our very active employee-led network groups and culture and language groups is a key part of our employee value proposition. These include our Treasury Women's Network, China Capable Network, Treasury Rainbow Network and Te Puna Wai, our waiata group which leads and helps uphold mana and tikanga within the Treasury.

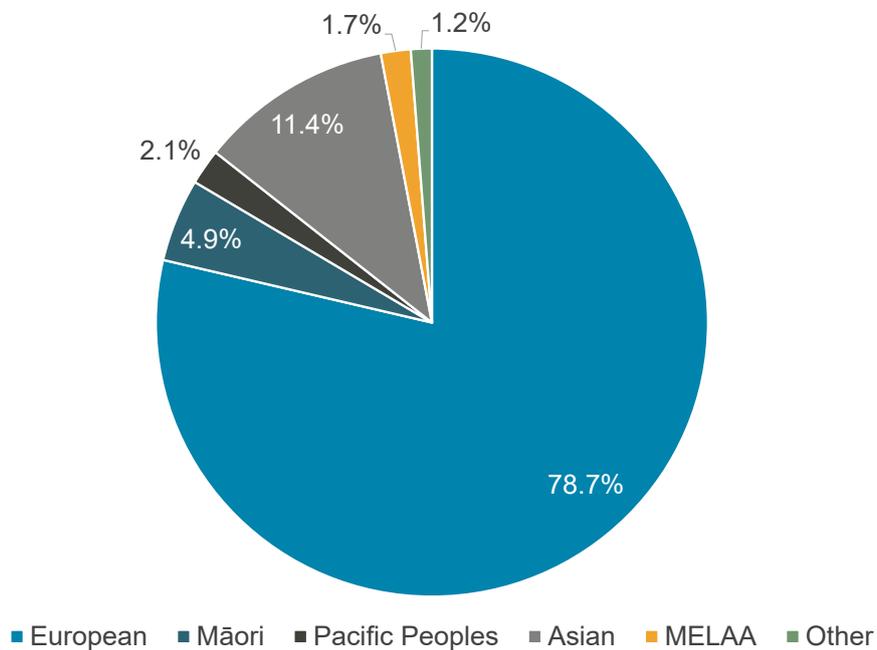
⁴ This refers to level 1 of [workforce classification of ethnicity](#): Māori, European, Pacific Peoples, Middle Eastern/Latin American/African (MELAA), Asian, and Other.

Figure 2: Ethnic Diversity at the Treasury and Public Service 2020



Source: Te Kawa Mataaho workforce data

Figure 3: Ethnicities (all reported)



Source: Treasury employee data, September 2021⁵

⁵ If an individual reported two ethnicities that fall into the same Level 1 category – eg, NZ European and Australian, or Chinese and Filipino – this was counted only once.

Age and tenure

The Treasury's workforce is slightly younger than the Public Service average of 44.2 years (Te Kawa Mataaho, June 2020). Our average age is 40.1 (September 2021) and our women are on average over two years younger than our men. Women aged 50 and under comprise 52% of our employees but represent only 37% of all employees over 50.

There are also differences reflected in tenure within the organisation; the average for women at the Treasury is 4.4 years, whereas it is 6.3 years for men. The Public Service average is 8.5 years (Te Kawa Mataaho, 2020; not broken down by gender).

Gender Pay Gaps – current and historical trends

Organisation level

At the organisation level, our mean and median GPGs continue to track down over time. As of 30 September 2021, our mean (9.7%, by total remuneration) was close to the last reported mean of 9.6% across the Public Service (2020). Our median GPG was 6.9%, down from 15% in January 2020 and 19.5% in December 2018, as reported in our 2020 Action Plan.

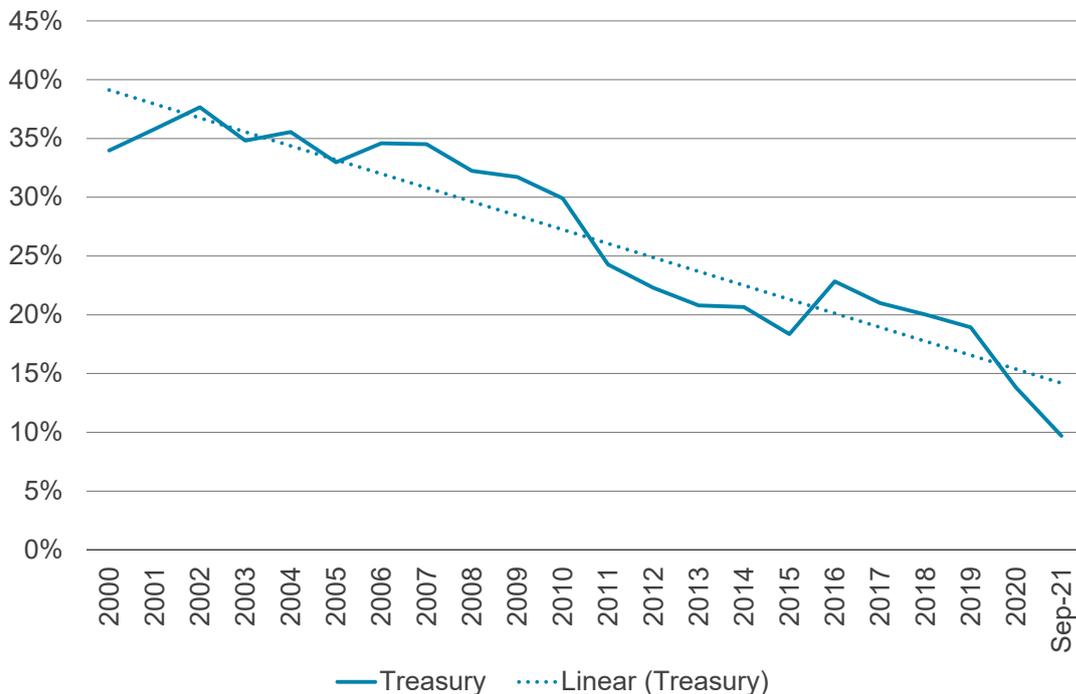
Per PSC guidance, we have calculated GPGs using the following:

$$\frac{(\text{Mean male full-time rem} - \text{mean female full-time rem})}{(\text{Mean male full-time rem})} \times 100$$

OR

$$\frac{(\text{Median male full-time rem} - \text{median female full-time rem})}{(\text{Median male full-time rem})} \times 100$$

Figure 4: Mean GPG over time



Sources: Te Kawa Mataaho workforce data; Treasury September 2021 employee data

This reduction can be attributed to initiatives associated with our commitment to the Gender Pay Gap Milestones:

Equal pay

- Addressing gender pay gaps has been a strong feature of our current remuneration strategy.
- We target closing like-for-like gender pay gaps through annual and mid-year remuneration reviews.
- The Treasury has created a GPG calculator; since mid-2020, proposed salaries for all new hires and returning secondees have been reviewed against other females and males within the pay band. This helps to determine the impact the salaries would have on the GPG in the team, directorate and organisation, allowing hiring managers to make informed decisions.
- In 2019, the Treasury began focusing on gender in hiring salaries and has eliminated the GPG for employees with less than one year at the Treasury.

Flexible Working by default

- The Treasury has been operating flexible working by default since May 2018 and we continue to update our technology, practices, guidance, communications, culture, and expectations to reflect this.
- Our approach includes promoting our flexible working approach as part of the employee value proposition at recruitment, supporting our people leaders to embrace flexible working and lead flexible working teams, and providing support and resources to enable our people to adopt flexible working practices.
- We ran a series of information sessions in late 2020 to provide all staff with an overview of our flexible working approach, including tools and resources. This emphasised that flexible working looks different for different people, whether it be flexibility of role, place, schedule, or leave.
- We continue to monitor our environment through regular employee surveys.

No bias or discrimination in remuneration systems or HR practices

- We run all job advertisements through a decoder to support the use of gender-neutral language.
- Recruitment documentation templates ensure our managers are prompted to consider the impact of selection decisions on gender balance.
- All managers across the Treasury and all panel members for interviews must complete unconscious bias training. This training is also freely available to non-management staff.

- There is a focus on mixed panels for interviews and short listing when recruiting.
- New reporting has been established to see at which stages in the recruitment process we may be losing women, to focus on process improvements.
- Talent acquisition includes focuses on Māori and Pasifika capability.
- There is more transparency of salary and remuneration ranges in advertising of roles.
- Retrospective analysis of the progression of graduates includes a gender focus.

Gender-balanced leadership

- We continue to focus on gender neutral recruitment practices including reviewing selection criteria for leadership roles.
- We have a 40:20:40 gender balance across the Treasury's leadership cohort and regularly monitor this.

Contractors

Contractors are engaged to cover short-term vacancies and/or undertake specialist projects and the time they are engaged for will vary depending on the nature of the role. For example, some are hired for short periods to support surge events during the Budget cycle, especially the production of the annual Budget Economic and Fiscal Update in May. For the purposes of this document, contractors are defined as those who are engaged on a contract for service.

As of the end of September 2021, we had 30 contractors in our workforce, although this varies across the year and as needs change. The gender balance was close to even, although some contractors chose not to disclose their gender. The numbers were too small for robust trend analysis.

Procurement of contractors and consultants follows All of Government processes, including working towards broader outcomes such as closing the gender pay gap. Our third-party service contracts include a statement that requires the provider to ensure that pricing is at the living wage for the duration of the contract.

Specific GPGs

Comparison with other Treasuries

In the UK, all organisations with more than 250 employees are required to report annually on their GPG. In its 2020/21 Gender Pay Gap report⁶, HM Treasury Group reported a median hourly GPG of 16.8% and a mean of 7.9%. Women occupied 41% of the highest paid jobs and 53% of the lowest paid jobs. The pay gaps did not indicate that men and women were paid differently for equal work, however, the GPGs were influenced by a higher proportion of women in junior grades and lower representation at senior level. The national mean was 15.5% for all employees (7.4% for full-time employees) and 9.3% in the UK Civil Service in mid-2020⁷.

In Australia, the national GPG as of mid-2020 was 14%⁸ and 6.6% in the Australian Public Service⁹. The Australian Treasury indicated in its 2016-2020 Gender Equality Action Plan¹⁰ that while there was no significant variation in the average remuneration of men and women at the same levels within its structure, men's mean salary exceeded that of women. This was largely attributed to there being more men at senior levels.

GPGs by seniority, grade, tenure

As noted in our 2020 Action Plan, one of the primary drivers of our GPG is that we tend to have more women in junior roles and fewer at more senior levels. Generally, gender pay gaps increase with age, seniority, and the length of time a woman works for an organisation. The interplay between these factors can be complex and may be subject to legacy issues (organisational, sectoral, societal) still resident in parts of the wider system.

Stats NZ notes that using tenure to analyse GPGs at different levels can show if men and women who have been at the organisation for the same amount of time have made the same progress. It may also be that new appointees' pay is related to market rates, while the pay of existing employees has not been similarly adjusted¹¹.

6 Source: [HM Treasury gender pay gap data for 2020-21 reporting year - GOV.UK - GOV.UK \(gender-pay-gap.service.gov.uk\)](#), accessed 2 August 2021. Data is dated 31 March 2020.

7 Source: [Gender pay gap in the UK - Office for National Statistics \(ons.gov.uk\)](#). Accessed 2 August 2021.

8 Source: [The national gender pay gap is now 14.0% | WGEA](#) (August 2020). Accessed 2 August 2021.

9 Source: [Australian Public Service Remuneration report 2020 | Australian Public Service Commission \(apsc.gov.au\)](#) (December 2020 data) Accessed 2 August 2021.

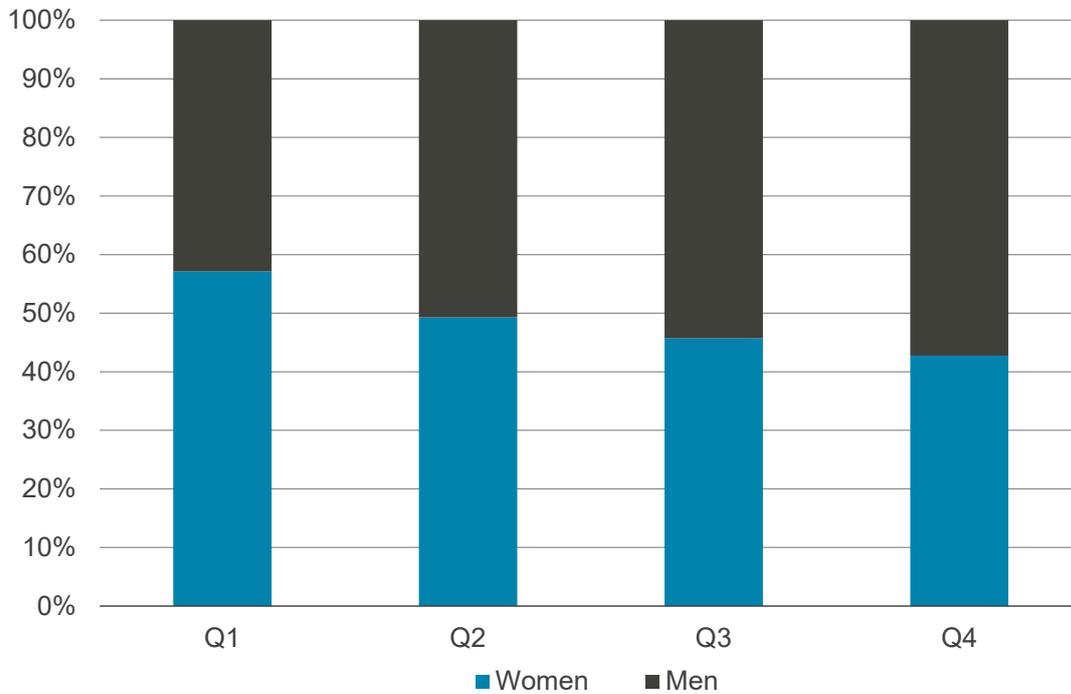
10 Source: [Gender_Equality_Action_Plan_2016-20_interne.pdf \(treasury.gov.au\)](#). Accessed 2 August 2021.

11 Stats NZ (2020). Organisational gender pay gaps: Measurement and analysis guidelines (second edition).

Retrieved from stats.govt.nz/methods/organisational-gender-pay-gaps-measurement-and-analysis-guidelines

While we have relatively equal numbers of men and women in management roles, women are still more likely to be in lower-paid jobs, reflecting the situation in counterpart organisations overseas. For example, women at the Treasury fill 57.1% of the lower-paid jobs (bottom 25% of salaries when divided into quartiles), but only 42.8% of the higher-paid (top 25%).

Figure 5: Gender Representation (%) by Pay Quartile



Source: Treasury employee data, September 2021

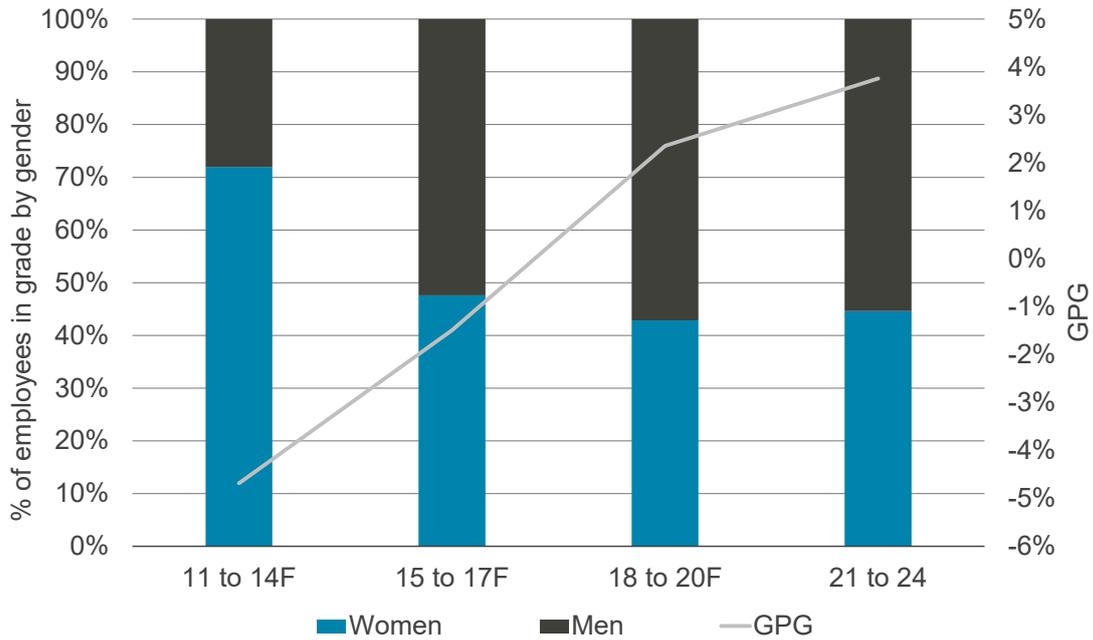
Only a few of our pay grades had sufficient numbers of both men and women for comparison, so the grades have been combined into groups. External research examining the GPG in the New Zealand labour market suggests that the gender pay gap increases for women who are in more senior positions and on higher salaries¹².

There is a negative GPG of 4.7% for grades 14F and below (see Fig 6. below); this may be connected to experience – women in this group have, on average, been at the Treasury for 4.7 years, compared with 2.5 years for their male counterparts.

The GPG gradually rises, reaching 3.8% for grades 21 and above. Some, although not necessarily all, of this may also be attributed to differences in years of experience: men in grades 18 and above have, on average, been at the Treasury more than three years longer than their female counterparts. Data on work experience prior to joining the Treasury was not available.

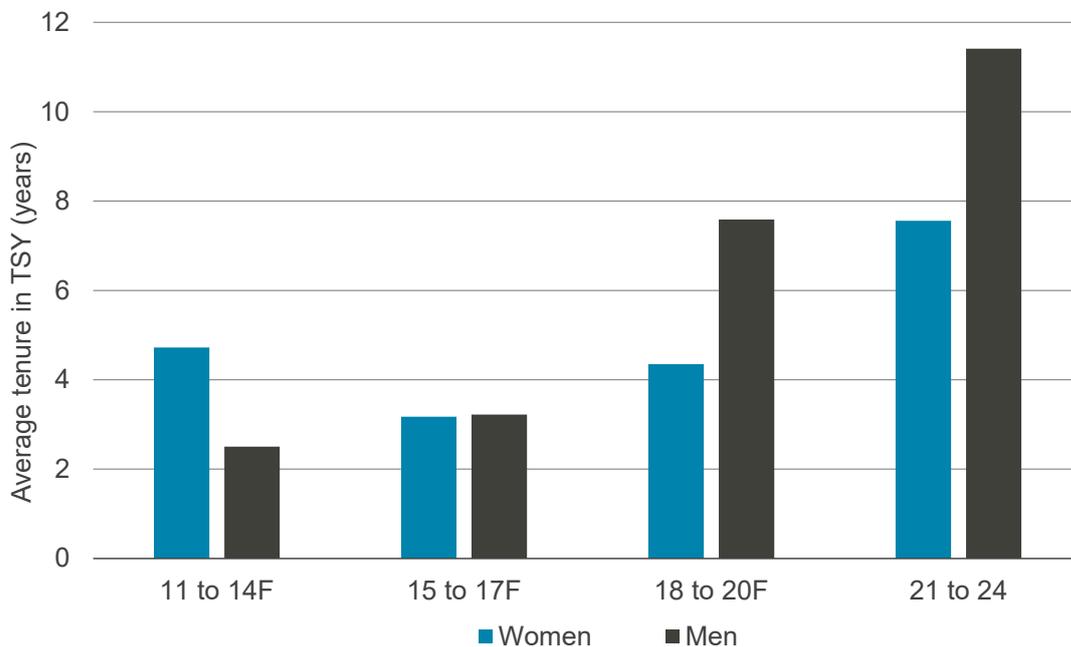
¹² Based on Pacheco, Li & Cochrane (2017) cited in [Research on the gender pay gap in New Zealand | Ministry for Women](#)

Figure 6: Gender Representation and GPG by Grade



Source: Treasury employee data, September 2021

Figure 7: Tenure at the Treasury by Grade

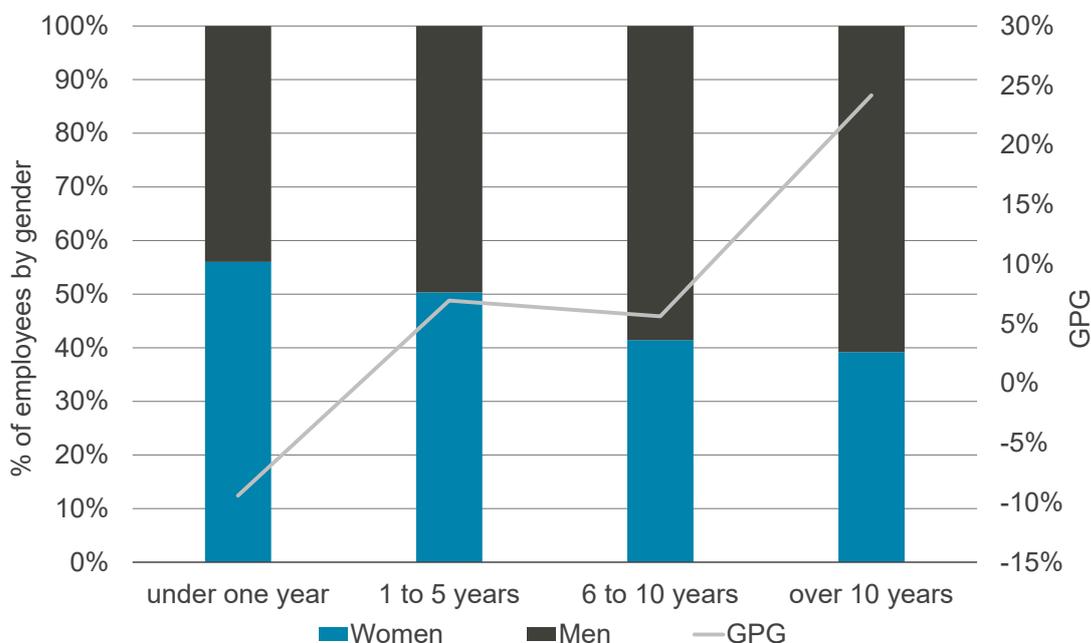


Source: Treasury employee data, September 2021

There is a GPG of 24.2% when comparing the average remuneration of men and women who have worked for the Treasury for more than 10 years. For employees who have been at the Treasury for less than 10 years, the GPG is much lower, with new starters experiencing a negative average GPG, suggesting that initiatives to eliminate the GPG at recruitment are having an influence.

Some of the increase in GPG as tenure rises (Fig. 8) may be attributable to occupational segregation. Women with more than 10 years' service at the Treasury (n=29) are more likely to be in lower grades than their male counterparts (n=45): 44.8% of the women in this group are below grade 18, whereas only 8.9% of the men are.

Figure 8: GPG and Tenure at the Treasury



Source: Treasury employee data, September 2021

By role

Our analyst/advisor cohort (n=264, 42.4% female) is the single largest role group in the Treasury and one of the few with sufficient numbers of both women and men to permit analysis. It has a mean GPG of 7% and median GPG of 3.3%. There are similar numbers of men and women in the Analyst/Advisor and Senior Analyst/Advisor sub-groups, and a small negative GPG for both sub-groups.

Women comprise just over a third of Graduate Analysts/Advisors as of September 2021. However, this male/female balance varies from year-to-year, influenced by candidate interests and placement opportunities, as well as by the availability and composition of talent emerging from New Zealand universities. In 2017 and 2019, for example, the gender balance in the graduate cohort was approximately 50:50.

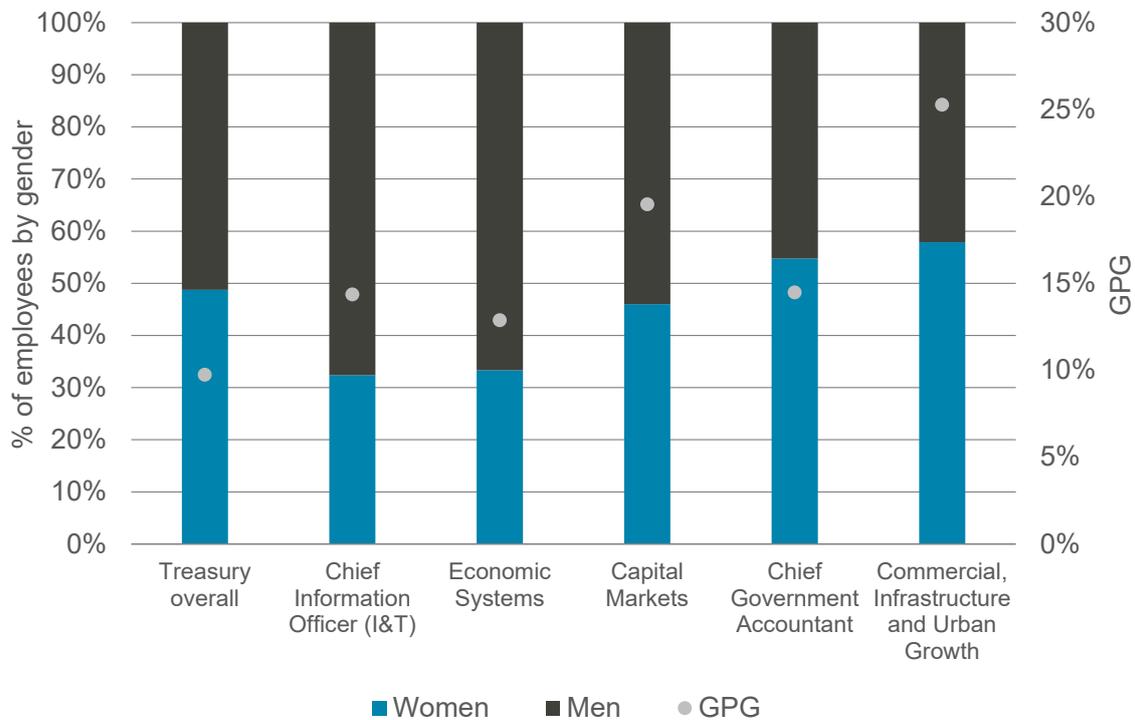
Women also form less than a quarter of the Principal Analyst/Advisor group, although there is a negligible GPG for this group. The reasons for low representation of women in this group are likely to be multi-faceted, and the PSC notes that the proportion of women in Principal Advisor positions in the Public Service is lower than in analyst, senior analyst and other policy roles¹³.

¹³ From 2020 analysis of HRC data. <https://www.publicservice.govt.nz/our-work/workforce-data/public-service-gender-pay-gap/>

By directorate/business group

GPGs vary across the 17 different directorates and business groups in the Treasury. Five had sufficient numbers of women and men represented to enable analysis:

Figure 9: GPG and Gender Representation by Directorate/Group¹⁴



Source: Treasury employee data, September 2021

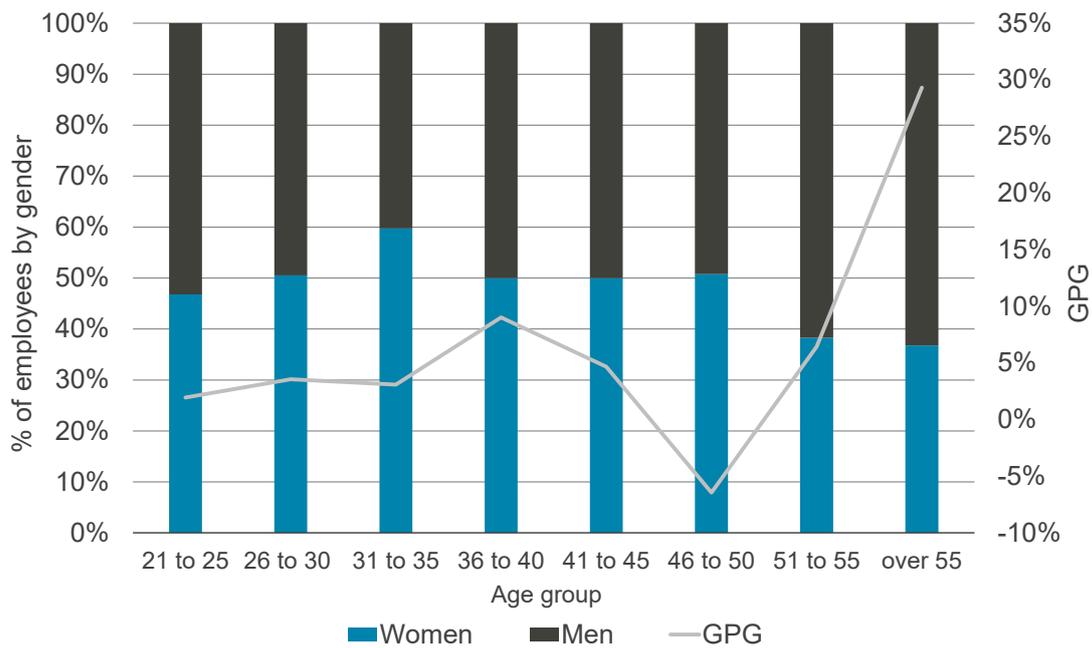
In most of groups in Figure 9, women are more likely to be clustered in lower grades; for example, 54.6% of the women in Commercial Infrastructure and Urban Growth are below grade 18, compared with only 20.9% of men.

¹⁴ Due to size, our Corporate and Shared Services Directorate was split into its component parts for this analysis eg, Legal, Information & Technology, People & Wellbeing etc.

By age

Women’s representation in our workforce varies by age; in most age groups, there are roughly similar numbers of men and women. However, there are more women in the early thirties age group (60% are women), and men are in the majority for over-fifties. The GPG also fluctuates by age but rises steeply from the mid-fifties onwards (these age brackets have been combined to ensure adequate numbers for analysis). This may have a significant influence on our organisational GPG: for under-55s, the GPG is only 4.7%. whereas for over 55s (n=68), it is 29%. Higher pay gaps for some women over 55 has also been observed in external research¹⁵.

Figure 10: Gender Representation and GPG by Age



Source: Treasury employee data, September 2021

Some of the increase in GPG for older age groups in Fig. 10 may be explained by occupational segregation, with over 50% of the women in this age group holding roles graded below 18, compared with only 12% of the men.

¹⁵ For example, Sin, Stillman and Fabling (2017) <https://www.motu.nz/assets/Documents/our-work/population-and-labour/individual-and-group-outcomes/Gender-Wage-Gap-Executive-Summary.pdf>; and Australian Workplace Gender Equality Agency (2021) https://www.wgea.gov.au/sites/default/files/documents/Gender_pay_gap_fact_sheet_Feb2020.pdf

By employee type

The GPG for part-time staff is greater than that for those working full time – 12.8% vs 10.6%¹⁶. Almost two-thirds of those working part-time are women.

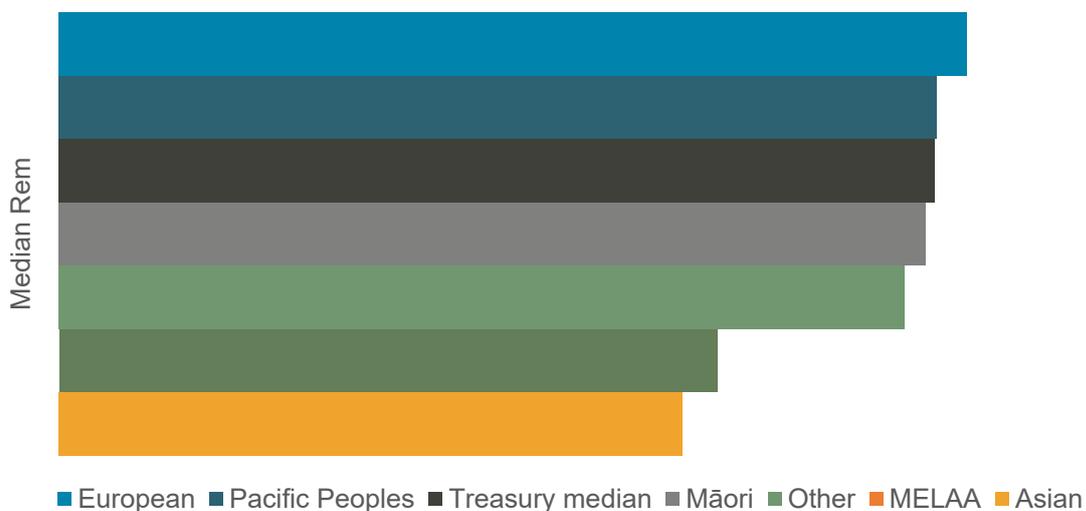
The GPG for fixed-term employees is smaller than that for permanent staff, although the number in each group is too small to assess the possible reasons for this. The GPG for permanent staff is 9.9%.

By ethnicity

In New Zealand, large ethnic pay gaps exist, and this is compounded for women of diverse ethnicities, combining to create larger pay gaps compared with the average earnings of all men¹⁷.

There are relative ethnic pay differences at the Treasury, with the average salaries for some ethnic groups being less than that for other groups¹⁸, although it must be noted that some ethnic groups are small at the Treasury, and that results may also be affected by very high (or low) individual salaries. For this reason, median remuneration has been used. Individual privacy is also a consideration. The employees who did not specify an ethnicity have not been counted in this section of the Action Plan.

Figure 11: Median Remuneration by Ethnicity



Source: Treasury employee data, September 2021

16 Does not include staff on secondment out or on extended leave.

17 NZ Ministry for Women (2020) [Ethnicity | Ministry for Women](#)

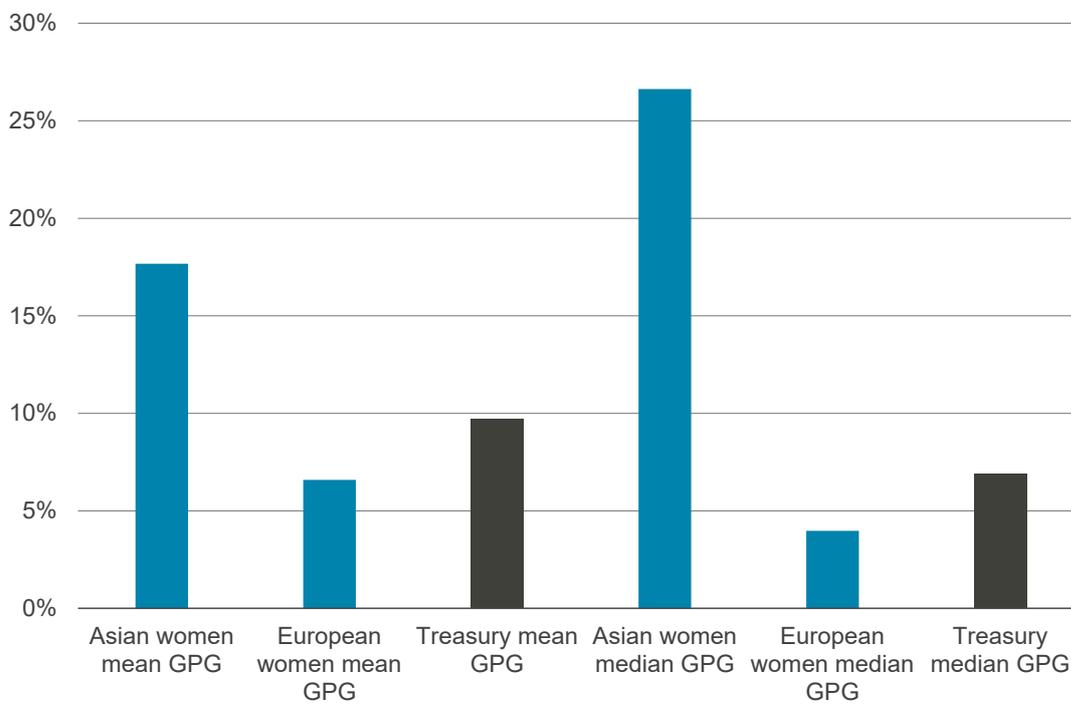
18 Public Service Māori pay gap 9.3%, Pacific pay gap 19.5%, Asian pay gap 12.8%. Te Kawa Mataaho, 2020.

Te Kawa Mataaho (2020) suggests that “a large increase in Asian new recruits in the Public Service in recent years may be a contributing factor to the recent increase in the Asian pay gap, as new recruits tend to have lower pay.” This may have some influence – the average tenure for Asian employees at the Treasury is 2.8 years, compared with 5.1 years for non-Asian employees – although there may be other factors to explore.

Our small sample sizes also make it difficult to effectively examine the effects of intersectionality (gender and ethnicity together). There are only sufficient numbers for analysis of the GPGs for female European and Asian employees respectively.

Based on 2020 Te Kawa Mataaho data for the whole Public Service¹⁹, European women tend to be better paid than other women (although less than European men). Compared with all men²⁰, there was still a small GPG for European women (n=220) and a large one for Asian women (n=33) at the Treasury.

Figure 12: GPGs for European and Asian Women



Source: Treasury employee data, September 2021

19 [Pay by gender and ethnicity | Te Kawa Mataaho Public Service Commission](#)

20 Male median: \$124,869.77, mean: \$134,784.62. Includes those who did not provide an ethnicity.

Next steps

The Treasury remains committed to closing our GPGs by addressing the drivers outlined above. Over the upcoming year, we will maintain and build upon our current initiatives, especially as we are seeing the positive impact they are having. For example, addressing starting salaries has supported us to eliminate the average GPG for employees with less than one year at the Treasury. In tandem with this, we continue to review our recruitment strategy and levers to address the *balance* of applicants for roles at all levels. We continue to address like-for-like gender pay gaps through our regular remuneration reviews to ensure gaps do not re-open, and we regularly scan for opportunities to encourage and build diversity in our leadership pipeline. We are also interested in investigating whether women leave the Treasury in greater numbers than men. If so, where this is happening, and why, and whether there are measures to encourage them to stay.

Given that many of our occupational, age and ethnic groups are too small to support robust quantitative analysis, we will also use a variety of means to understand the experiences of the women in these groups. Our plans include developing a programme of co-design to engage with our workforce, which is aimed at exploring and co-developing solutions for current issues around inclusion and diversity. This will include providing a variety of ways for staff to take part, such as focus groups and drop-in sessions, and leveraging the advice, access and expertise of our strong employee-led networks.