

Gender Pay Gap Action Plan 2020

As we work towards higher living standards and improved intergenerational wellbeing for New Zealanders, 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.

Understanding our Gender Pay Gaps

The Treasury has a median gender pay gap (GPG) of 15.00%. In December 2018 the median GPG was 19.53%.

Table 1: Data as at 22 Jan 2020 Mean and Median GPG by Employee

Whole of Treasury includes permanent and fixed term employees				Mean GPG 14.13%			Median GPG 15.00%			
Employee Type	Mean Total REM			Median Total REM			#		%	
	Male	Female	% Gap	Male	Female	% Gap	M	F	M	F
Permanent	\$130,010	\$111,876	13.95	\$121,800	\$103,294	15.19	301	280	51.8%	48.2%
Fixed Term	\$143,890	\$117,244	18.52	\$163,000	\$108,307	33.55	13	14	48.1%	51.9%
Total	\$130,585	\$112,132	14.13	\$121,887	\$103,601	15.00	314	294	51.6%	48.4%

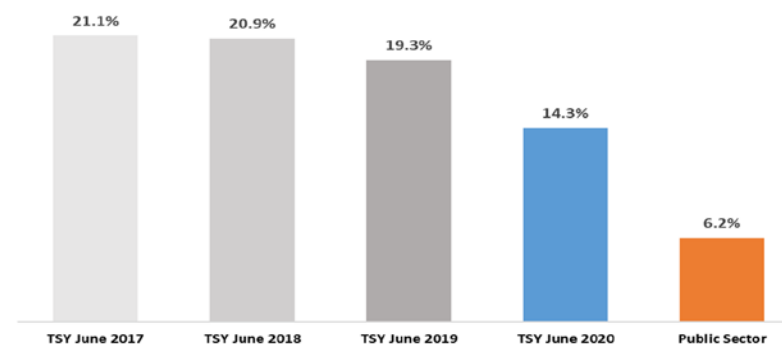
The key drivers of the Treasury's gender pay gap are fewer females in leadership roles and fewer males in more junior roles. The GPG median has reduced by 4.53 percentage points during 2019.

We have achieved this significant drop through:

- the continued focus on new starter salaries to ensure equity at appointment for the 0-1 years tenure, reducing from 22.24% in 2018 to 0.87% median GPG in 2019
- focus on developing women through the leadership pipeline to increase the number of women at leadership levels
- addressing the imbalance of gender in more junior roles
- remuneration reviews including making *like for like* remuneration equality a current Treasury and all of Government priority
- more visibility and reporting of our gender pay gap priorities to inform our annual remuneration review process
- flexible working by default for all roles.

Figure 1: GPG at Treasury tracking down over time compared with the Public Sector GPG median to June 2017-2020

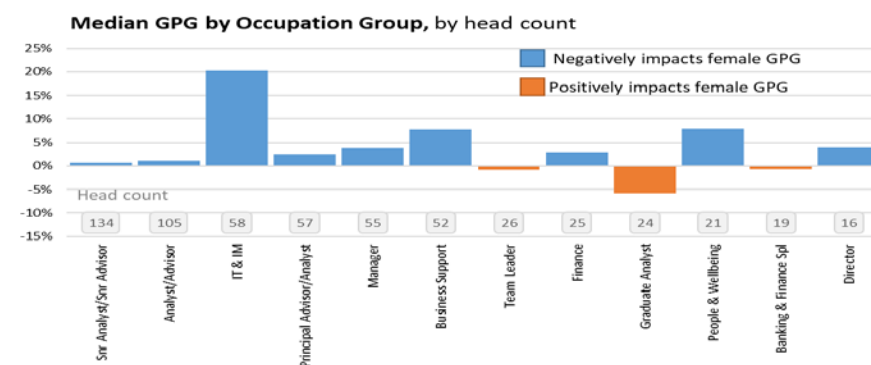
Target Representation and TSY GPG over the years



Data shown in Figure 1 is at June 2020.

Here is an example of the data to help us understand our gender pay gaps.

Figure 2: Data as at 22 Jan 2020 Median GPG by Occupational Groups



Note: Occupational groups with small numbers have been excluded to ensure privacy.

Analysis of the occupational groups data

- As some occupations and teams have small numbers, the gender pay gap can change significantly with new recruits or exits.
- The median gender pay gap reduced for Directors from 16.21% to 3.93% due to an increase in the number of female Directors.
- We continue to address roles with lower female representation and high gender pay gaps.

Focusing on Ethnicity can positively impact GPG

Over the last 12 months our data shows that more of our people are sharing their ethnicity data with us. We continue to increase our cultural capability through:

- the introduction of the Māori Capability Framework and measures of capability across Directorates and the Treasury
- Māori development goal encouraged in everyone's development plans post Kōrero mai, our employee engagement survey
- regular Te Reo classes at levels 1-3
- Te Manawa – release of the story of our whareniui
- understanding Pacific Communities learning module
- inclusion of cultural capability in graduate programme selection criteria.

Addressing our Gender Pay Gaps

We will build on the work we have already done to narrow our gender pay gaps in line with Public Service commitments



Equal Pay

- Have regular on-going ELT conversations to keep this as an area of focus.
- Maintain effort to close *like for like* gender pay gaps through annual and mid-year remuneration reviews as a current Treasury and all of Government priority.
- Further understand our key drivers for gender related differences around occupation, promotion and tenure.
- Review and address ongoing pockets of gender pay gaps at Directorate level.



Flexible Work by Default

- Continue to support people leaders and employees to embrace flexible working.
- Continue to promote and highlight flexible working practices from recruitment, employee engagement and wellbeing measures.
- Monitor our environment through regular employee surveys.



No Bias or Discrimination in Remuneration Systems or Human Resources Practices

- Introduce a tool for hiring managers to understand the impact of a new starter salary on the various gender pay gaps that exist.
- Run all job advertisements through the decoder for gender neutral language.
- Recruitment documentation considers impact of selection decisions on gender balance
- All managers across the Treasury and all panel members for interviews must complete unconscious bias training. Include unconscious bias training in induction and offer to all teams.
- Focus on mixed panels for interviews and short listing when recruiting.
- New reporting to see at which stages in the recruitment process we are losing women, to focus on process improvements.
- Māori job titles to be included in advertisements and job descriptions.
- Talent acquisition focus on Māori capability.
- More transparency with salary and remuneration ranges at advertising of roles.
- Retrospective analysis of the progression of graduates to include a gender focus.



Gender Balanced Leadership

- Continue to focus on gender neutral recruitment practices including reviewing selection criteria for leadership roles.
- Continue to grow female emerging leaders into leadership roles.
- Focus on GPG drivers in all leadership groups to strengthen our pipeline over time.
- Target of 40:20:40 gender balance across the Treasury's leadership cohort.

Integration with Public Service Commission

Although our GPG plan is focused on what is required for the Treasury to close its gender pay gaps, it also aligns with the broader requirements for all agencies set out by the PSC in their 2018-20 action plan to eliminate the Public Service GPG.

The key elements of the PSC action plan are:



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.



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.



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.



No Bias or Discrimination in Remuneration Systems or Human Resources 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.