

Gender Pay Analysis & Action Plan 2020

Purpose of this document

The Ministry of Transport (the Ministry) is committed to removing inequality in the workplace. Our overarching vision is to create a working environment that is free from gender based inequalities and enables employees to achieve their career aspirations free from gender bias.

This document is presented in two key parts; the Gender Pay Analysis, and the Gender Pay Action Plan. In this document, we report on our current Gender Pay Gap (GPG), based on data captured on 1 January 2020. We have included important analysis of the GPG and other equity measures that we have identified to be potential contributors to our GPG.

This document also sets out our Action Plan, which includes previous actions we have achieved, short term objectives for the upcoming year, and long-term objectives that sets our direction further into the future. With this Gender Pay Analysis and Action Plan, we will continuously analyse, monitor and seek improvement of our GPG, in accordance with public sector goals.

In reviewing the gender pay data, we have considered:

1. The Public Service Gender Pay Gap Action Plan
2. The Gender Pay Principles
3. Ministry Gender Pay Objectives 2019
4. SSC Gender Pay Gap Action Plan Guidance for 2020.

As part of our commitment to addressing gender based inequalities, the Ministry continues to take deliberate steps to actively identify and remove any gender-based inequalities. The Ministry works to develop and deliver sustainable solutions that overcome deeply embedded views, values and practices that result in pay gaps based on gender.

This document summarises the steps being taken by the Ministry to remove the GPG. The Ministry will review the GPG regularly (post the annual remuneration round in approx. July 2020) and will update this document on an annual basis based on data as at 1 January each year. It will include analysis of the existing GPG, in order to ensure that the actions remain relevant, appropriate and effective. Maintaining this live document will ensure that we track our performance against the agreed objectives and desired outcomes.

Statement of objectives and outcomes

The objective of this Gender Pay Analysis and Action Plan is to remove all unjustified gender pay gaps and gender based inequalities. As a result reducing the overall gender pay gap by 1 January 2021.

In order to achieve this objective, the Action Plan in this document has been structured around four outcomes which will focus actions and measurement.

These high level outcomes recognise the broader drivers of inequitable pay and reflect a holistic approach to reducing the gender pay gap and creating a diverse, supportive and equitable workplace:

- **We will have balanced gender representation in our leaders** – we recognise that a balance of representation at all levels both shows our commitment to ensuring gender equality, and reflects the aspirations of future leaders in our sector/workforce.
- **We will ensure flexible working arrangements are our default** – we recognise that traditional working hours and arrangements are a significant contributor to gender based inequity in the modern workforce, we will show that flexible working, including part-time working arrangements can be empowering and contribute to eliminating our GPG.
- **We will eliminate unconscious bias** – we acknowledge that because of deeply embedded views, values and practices, unconscious bias can lead to gender based inequities in our workforce, we will address these and embed gender equitable values in our workplace.
- **We will eliminate bias and discrimination in remuneration systems or HR practices** – we understand that bias and discrimination can be reflected in progression, training and other opportunities within our workplace, we will address this bias and seek to eliminate discrimination.

These outcomes are underpinned by the [Gender Pay Principles](#) set out by the New Zealand government, which are:

- Freedom from bias and discrimination
- Transparency and accessibility
- Relationship between paid and unpaid work
- Sustainability
- Participation & engagement.

Acknowledging ethnic diversity

An associated objective of this Action Plan (and an emerging priority for our work on Diversity and Inclusion) is to improve the ethnic diversity of the our workforce, to reflect New Zealand's ethnic diversity. We acknowledge that the work we do, as the system lead for transport, impacts all New Zealanders and we need to include the views and knowledge of all New Zealanders. The outcomes relating to unconscious bias and discrimination in this Gender Pay Analysis and Action Plan are also applicable to this objective.

Part one: Gender Pay Analysis

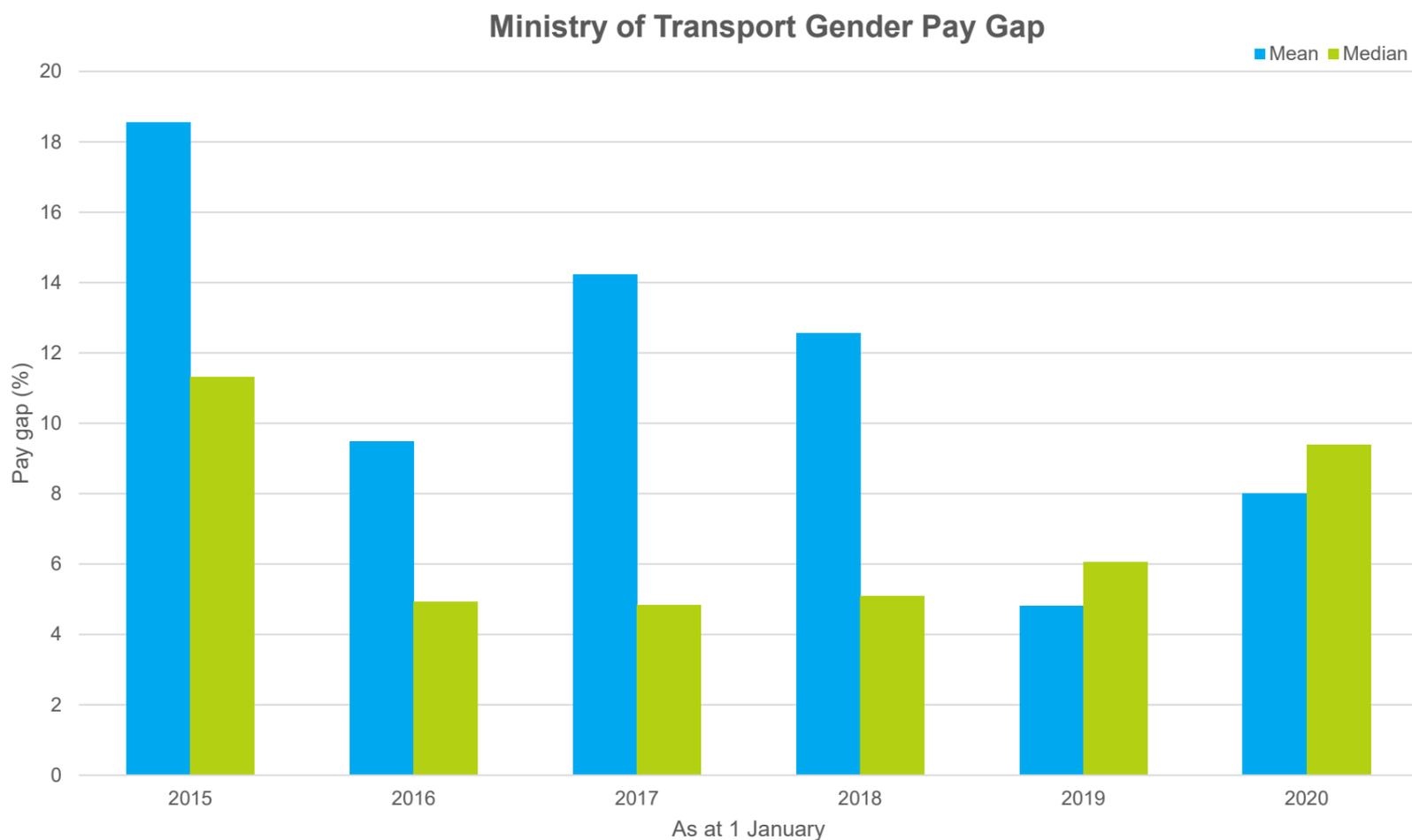
Current Gender Pay Gap

In this document, we report on our current GPG¹, with data taken as at 1 January. We have analysed our GPG back to 2015 and will show the trend of our GPG over the previous five years in this plan.

Between 2015 and 2019 the Ministry's overall GPG (in favour of men) was generally decreasing (reducing from a mean GPG of over 18% in 2015, down to approximately 5% in 2019).

Both the mean and median gender pay gaps have increased in the 12 months to 1 January 2020².

- the mean GPG increased from 4.8% to 8.6% (in favour of men)
- the median GPG increased from 6.1% to 9.4% (in favour of men).



Possible reasons for the increase in the overall Gender Pay Gap over the last 12 months

We acknowledge the importance of providing context and narrative to our Gender Pay analysis to help our employees and others understand our progress towards our objectives. In this instance, we have considered likely contributing factors of our increasing GPG over the past year. These are indicatively reflective of the:

1. High number of men appointed into higher salary bands in 2019
2. Over-representation of women in lower salary bands (e.g. administration type roles, bands 12-14, 22F:4M ratio).

In 2019, 24 men and 26 women were appointed (29% of the total 174 employees). This mirrors the 50 appointments made in 2018. For employees who have been at the Ministry for less

than one year the GPG is significantly higher (which reflects why the gender pay gap has increased in the last 12 months):

Starting salaries for male appointments have been significantly higher due to being appointed to higher salary bands, particularly bands 17 and 18. There were 21 appointments in band 17 (Senior Advisers), of which 67% were male. Of the eight appointments made in band 18 (Principal Advisers), 75% were male. The under-representation of women in more senior roles, combined with the GPG, creates a compound effect in our analysis and reflects a wider pay gap.

We have carried out some analysis of like for like roles with a particular lens on gender and ethnicity. In line with State Services Commission (SSC) guidance, the Ministry will continue to work with manager's in 2020 to carry out further detailed review and analysis (line by line) of 'like for like' roles within bands to ensure gaps are justified and not driven by gender, ethnicity or other pay anomalies.

¹ The Action Plan focusses only on binary genders (i.e. men and women) due to a lack of data about employees who identify as a non-binary gender. The Ministry's Diversity and Inclusion Strategy and Action Plan 2019-21 will update internal recruitment practices to recognise non-binary status, which will enable data to be recorded.

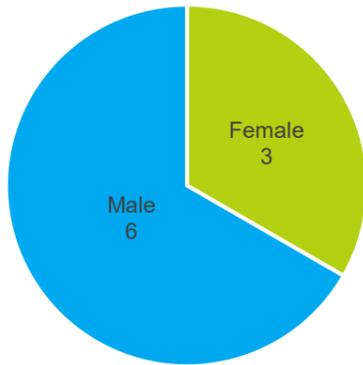
² The data set analysed is current as at 1 January 2020. This date was chosen as the annual date for reporting to SSC at the beginning of each calendar year. Data will be analysed again following remuneration increases in July 2020. The working group will review progress against the action plan at this time.

Gender equity in the Ministry's performance review system

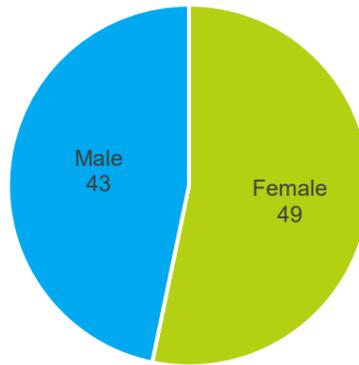
One potential area for gender bias that we have included in this analysis but does not appear to contribute to the GPG is the Ministry's annual employee performance evaluations. The Ministry's current performance rating system has three performance measures, which employees are rated at during

their reviews with their managers (*Needs Improvement, Meeting Expectations, Exceeding Expectation*). In the previous review round (August, 2019), 66 females and 64 males received performance ratings, with no clear bias in favour of either gender, as shown below:

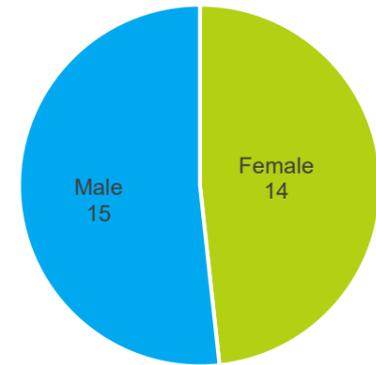
Needs improvement



Meeting expectations



Exceeding expectations



Gender Pay Gap by pay band

SSC recommends like-for-like GPG comparisons are published only for cases with at least 20 females and 20 males for each job band or job type to ensure data is statistically robust and protects the privacy of individuals. In 2020 we have no roles that meet this criteria. Therefore, we are unable to report either the mean or median GPG on a per-band basis. However, we can

indicate whether or not the GPG has increased or decreased compared to the previous year. The Ministry is focussed on broad measures and actions to improve equity for all women at the Ministry, as opposed to focussing on just specific bands and groups of employees.

	Band 12	Band 13	Band 14	Band 15	Band 16	Band 17	Band 18	Band 19	Band 20	Band 21+
Gender ratio	10F : 1M	6F : 0M	6F : 3M	7F:6M	9F:10M	18F:30M	17F:22M	2F:0M	10F:9M	4F:4M
Mean GPG change vs 2019	↑	N/A	↓	↓	↓	↓	↑	N/A	↓	↑
Median GPG change vs 2019	↑	N/A	↓	↓	↓	↓	↑	N/A	↓	↑

Gender representation at the Ministry of Transport

The overall GPG can be heavily influenced by different proportions of males and females employed in different roles within an organisation. At the time of writing, the Ministry has an almost perfectly even ratio of male (49%) and female (51%) employees. The following table provides a breakdown of gender representation across the Ministry:

	Female	Male
All employees	89	85
Leadership		
Senior Leaders (tier 2)	3	3
Managers & Directors (tier 3)	14	10
Working time		
Full-time	84	80
Part-time	5	5
Ethnicity		
NZ European	63	53
Other European	9	18
Asian	9	9
Maori	5	1
MELAA ³	1	4
Pasifika	2	0

Part-time and flexible employees

There is an indicative gender pay gap (in favour of men) across employees who work part time. Women in part-time work overall are paid an average base salary which is less than that of men in part-time positions, particularly in band 18. It is also lower than men and women who work full time. Whether or not part-time working arrangements have a bearing on progression is to be determined. Overall men who work part-time have a higher base pay compared to both part-time and full-time employees.

All our employees who have taken parental leave have been included in the annual remuneration and performance review process. When returning from parental leave, our employees receive annual leave at relevant daily pay or the hourly rate based on the 52 week rolling average, whichever is the highest.

Ethnicity

We have reviewed our ethnicity data by looking at the average pay for men and women in each ethnic group. Due to the small number of employees in non-European groups, we can only indicatively report that our Māori, Pasifika and MELAA (Middle Eastern, Latin American, African) women are paid less on average compared to our Asian and European women. Women across all ethnicity groups except Asian are paid on average less than men. Asian women on average are paid higher than their female counterparts across all other ethnic groups. Their average pay is higher than their Asian, Pasifika and Other European male counterparts but less than males who are either of MELAA or NZ European ethnicity.

Anecdotally it is suspected that non-European ethnicities are under-represented in this data. The Ministry will review how ethnicity data is collected with the aim to update and improve ethnicity data.

Achievements and progress to date

We have maintained a balanced gender representation at tier 2 and tier 3. (12 women and 9 men at 1 January 2020 compared to 11 women and 10 men in 2019).

Our Diversity and Inclusion Strategy and Action plan was launched on 19 September 2019. Outcomes have included:

1. Partnership with the Tupu Toa Internship Programme and the appointment of an intern of Māori ethnicity.
2. Delivery of unconscious bias training to our leaders to improve their understanding and awareness of unconscious bias and how they can avoid it
3. In progress and on schedule for delivery in 2020 includes:
 - Reasonable Accommodation policy which will include flexible working guidelines
 - review of our remuneration and performance frameworks
 - analysis of gender pay gaps for contractors
 - review of the recruitment processes, in particular monitoring starting salaries and including unconscious bias prompts into interview packs
 - incorporating unconscious bias e-learning modules in to a refreshed Ministry induction programme.

³ Middle Eastern/Latin American/African

Part two: Gender Pay Action Plan

Actions to reduce the Gender Pay Gap

Our Action Plan sets out how we will achieve our key objective: to remove all unjustified gender-based pay gaps and gender-based inequalities.

This is a high level plan and was developed by a working group comprising of HR, the PSA, and employee and manager representatives. Further detail in the plan will be developed in consultation with the working group and others where appropriate (e.g. the Diversity & Inclusion working group).

The outcomes and plan are aligned to the Government's [Eliminating the Public Service Gender Pay Gap 2018-2020 Action Plan](#).

Outcomes	Actions			Progress measures
	Actions completed 2019	Actions for 2020	Long-term actions (2021 onwards)	
We will have balanced gender representation in our leaders	Monitor and maintain a balanced gender profile of shortlisted candidates for leadership positions.	Continue to monitor and maintain a balanced gender profile of shortlisted candidates for leadership positions.	Monitor and maintain a balanced gender profile of shortlisted candidates for all positions.	Gender ratio of shortlisted candidates. Gender ratio of appointed candidates.
We will ensure flexible working arrangements are our default	Flexible working policy refreshed (July 2019)	Review current flexible working arrangements. Develop plan and implement flexible by default working by December 2020. Carry out further analysis of part-time employees to determine if indicative gap (in favour of men) is justified or not and whether or not part-time working arrangements have a bearing on progression. If not justified and an impact on progression is identified the Ministry will take a targeted approach to close any gender-based inequalities. Due post remuneration review (approximately July 2020).	Record, analyse and report on how many informal and formal flexible working arrangements are in place to determine whether there is a positive shift. Current base line for record keeping and ability to analyse is zero.	Proportion of employees with access to flexible working by gender and position.
We will eliminate unconscious bias	Unconscious bias training for all managers (April 2019). Diversity & Inclusion Strategy and Action Plan launched (September 2019). Promote & support our Women's Network. Raise awareness of the gender pay principles and action plan as part of our Diversity & Inclusion Strategy and Plan.	To increase the reliability of our ethnicity data by December 2020 we will have delivered (a) a campaign to encourage employees to update their ethnicity information (b) reviewed how we collect and record ethnicity data. Address any identified gender-based inequalities through positive discrimination in higher level appointments or through genuine recognition where appropriate when looking at lower salary bands. To support continuous learning of unconscious bias principles, HR is working to finalise requirements, budget and	Continue partnership with Tupu Toa to encourage the growth and number of Maori and Pasifika employees at the Ministry.	Completion rates of unconscious bias training at 80%. Ethnicity data is more representative of our people/workforce.

			implementation plan for incorporating unconscious bias e-learning modules in to a refreshed Ministry induction programme by December 2020. How we will upskill existing staff in also included in this scope of work.		
We will eliminate bias and discrimination in remuneration systems or HR practices	Recruitment	Monitor starting salaries and address any gender based gaps. Gender mixed interview panels.	Targeted action around starting salaries: Develop manager guidelines for salary offers, add additional checks in approval memo, HR to provide salary information to managers prior to offer, and require panels to be involved in offer recommendation. The manager guide is to ensure a consistent approach is applied by managers to new starters when manager's are considering remuneration for prospective employees. Continue to monitor starting salaries and address any gender based gaps by applying the new guide. Introduce unconscious bias awareness prompts into interview packs as well as the guide for managers. Introduce method for recording recruitment data so it can be analysed efficiently.	Monitor gender representation of applicants, short-lists and offers Targeted advertising for women to join the Ministry.	Starting salaries will no longer be a driver for gender-based inequality. Able to report on: % of gender mix on interview panels % of gender mix – candidates applying for roles.
	Performance, Development & Career Progression	Review gender distribution of performance ratings.	Embed unconscious bias awareness into moderation.	Monitor gender distribution of progression & promotion (including effect of parental leave).	Gender ratio of performance ratings.
	Remuneration	Review and address gender-based like-for-like pay gaps as part of remuneration review process. Award remuneration increases to those returning from parental or carers leave.	Review the overall gender pay gap post the annual remuneration review process July 2020 and report back to the Gender Pay Working group to ensure actions are reducing the gender pay gap. Review remuneration system with PSA. Review and confirm gender-neutral salary criteria and Ministry remuneration principles. Use salary criteria to carry out like for like analysis of current employees in the same or similar roles or within roles evaluated as being of similar size in order to determine whether salaries are justified and reasonable. Correct salaries where appropriate.	Review gender pay gaps for contractors. New remuneration system implemented.	Starting salaries will no longer be a driver for gender-based inequality. Gender Pay Gap decreased at July 2020 and further at January 2021. Ministry Pay Equity gap closed.