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Gender and ethnic pay gaps action plan



Ministry for the
Environment
Manatū Mō Te Taiao



Te Kāwanatanga o Aotearoa
New Zealand Government

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Introduction

Gender and ethnic pay gaps are a measurable outcome of ingrained inequalities in the workplace and broader society. They are driven by deeply embedded views, norms and values.

The Ministry for the Environment (the Ministry) is committed to addressing the root causes of ethnic and gender pay gaps that exist within our organisation. Taking guidance from [Kia Toipoto](#), the Public Service Pay Gaps Action Plan, our plan has three goals:

- make substantial progress towards closing gender, Māori, Pacific, and ethnic pay gaps
- accelerate progress for wāhine Māori, Pacific women, and women from ethnic communities
- create fairer workplaces for all, including disabled people and members of rainbow communities.

Our plan builds on the foundations achieved through previous pay gaps action plans; Tui Raumata - our Diversity, Equity and Inclusion Strategy; and Tangata Ora - our People Strategy.

It is designed in consultation with representatives from our employee-led networks, the Public Service Association (PSA), and The Ministry's Leadership Team.

Acknowledging the drivers of pay gaps

Pay gaps are the product of a complex set of interrelated factors, including:

- **conscious or unconscious bias or discrimination** – the deeply held beliefs we hold about gender, ethnicity, work and family. This underpins many other factors
- **the jobs women, Māori, Pacific and people of other minority ethnicities do** – Māori and Pacific women, for instance, are more likely to be employed in a narrow range of occupations at the bottom or middle of an organisation. European men are generally better represented than women in senior roles
- **the value placed on jobs identified as ‘women’s work’** – the skills, capabilities and responsibilities required in female-dominated occupations are not valued as highly as those in male-dominated occupations, generally speaking
- **work arrangements and caring responsibilities** – women in all ethnic groups take on most of the caring responsibilities, whether for children, parents or extended whanau. Part-time or flexible work, which allows people to integrate these responsibilities into their work lives, tends to be more available in lower-paid occupations. In addition, women are more likely than men to take parental leave, which also reduces the rate at which they can progress their careers, and impacts on lifetime earnings
- **lack of women, Māori and Pacific People, and people of other minority ethnicities in leadership** – Women, Māori and Pacific People are less likely to hold leadership roles, which partly reflects the engrained belief that men, particularly European men, are more suited to leadership
- **cultural and gender differences** – cultural and gender differences around, for example, the willingness to negotiate a higher salary or put oneself forward for a promotion contribute to pay gaps and career progression
- **educational attainment** – of the main ethnic groupings, Asians are most likely to be tertiary qualified, followed by Europeans, followed by Māori, followed by Pacific Peoples. The reasons for these differences are also varied, complex and interrelated.

Source: Te Kawa Mataaho Public Service Commission. 2022. [Pay gaps and pay equity](#). Accessed 31 October 2022.

The Ministry’s pay gaps action plan seeks to address the way that these factors impact on our workforce in order to progress towards a more diverse organisation at all levels, and more equitable outcomes for our people.

The Ministry's gender and ethnic pay gaps – progress to date

A focused effort since the introduction of a pay gaps action plan in 2020 has resulted in a reduction of the average gender pay gap at the Ministry, and progress against some of our ethnic pay gaps. However, we have more work to do to embed these shifts and drive consistency.

Over the last two years we have delivered:

- **continued enhancements in our recruitment practices**, including using gender-neutral language, advertising jobs with te reo and a flexible-by-default location, and advertising all roles with transparent salary ranges. In addition, we promote the use of diverse interview panels and the provision of interview questions to candidates prior to interview.
- **sector-leading 'flexible by default' way of working** have embedded and normalised flexible working at the Ministry, and have helped to increase our diversity as an organisation by allowing us to tap into candidate pools anywhere across Aotearoa, and reduce barriers to entry for those who have care responsibilities. Our trust-based system is modelled by leaders and highly valued by our workforce. It allows people outside of the urban centres to access opportunities to work at the Ministry
- **regular 'deep dive' reporting into our diversity and inclusion landscape**, including pay gaps. Sharing this information with our leaders has helped to build awareness of our current state and reinforced our focus on building a workplace free from bias and discrimination
- **continued progress against our Diversity, Equity and Inclusion Strategy – Tui Raumata, and our People Strategy – Tangata Ora**, including participating in external accreditation processes to ensure continuous improvements to our practices and systems, strengthening support for employee-led networks, delivery of cultural capability uplift for leaders and teams, and building the foundations of a career development framework

Workforce Data

This section provides an overview of the key workforce data relating to our gender and ethnic pay gaps, including the pay gaps themselves, and how different genders and ethnicities are distributed across our workforce.

All data is at 30 June 2022.

Table 1: Workforce and leadership representation by gender and ethnicity

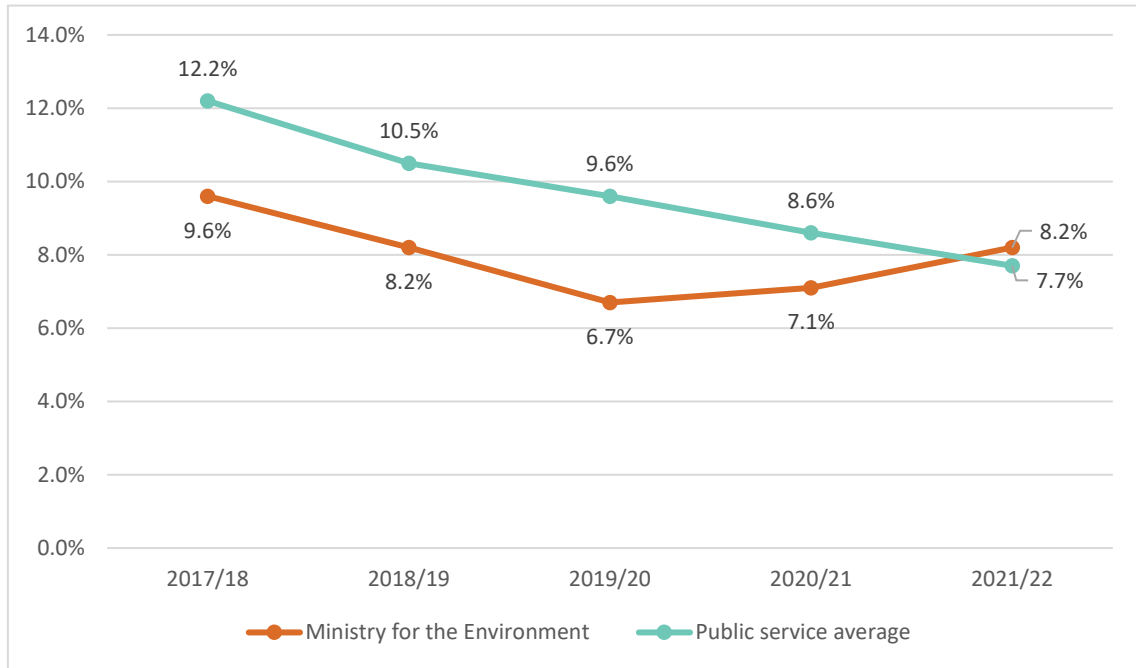
	Workforce representation	All Managers	Senior leaders Tier 2-3
Gender			
Female	68%	67%	63%
Another gender/Prefer not to say	1%	1%	3%
Male	31%	32%	35%
	Workforce representation	All Managers	Senior leaders Tier 2-3
Ethnicity			
European	76%	82%	75%
Māori	12%	16%	23%
Pacific Peoples	2%	0%	0%
Asian	8%	3%	8%
MELAA	2%	0%	0%
Other Ethnicity	1%	1%	0%
Not Declared	4%	1%	3%

Ethnicity disclosure: 95.9% of all staff, 97.1% of Senior Leaders.

Employees can declare up to three ethnicities, therefore the total can equal more than 100 per cent.

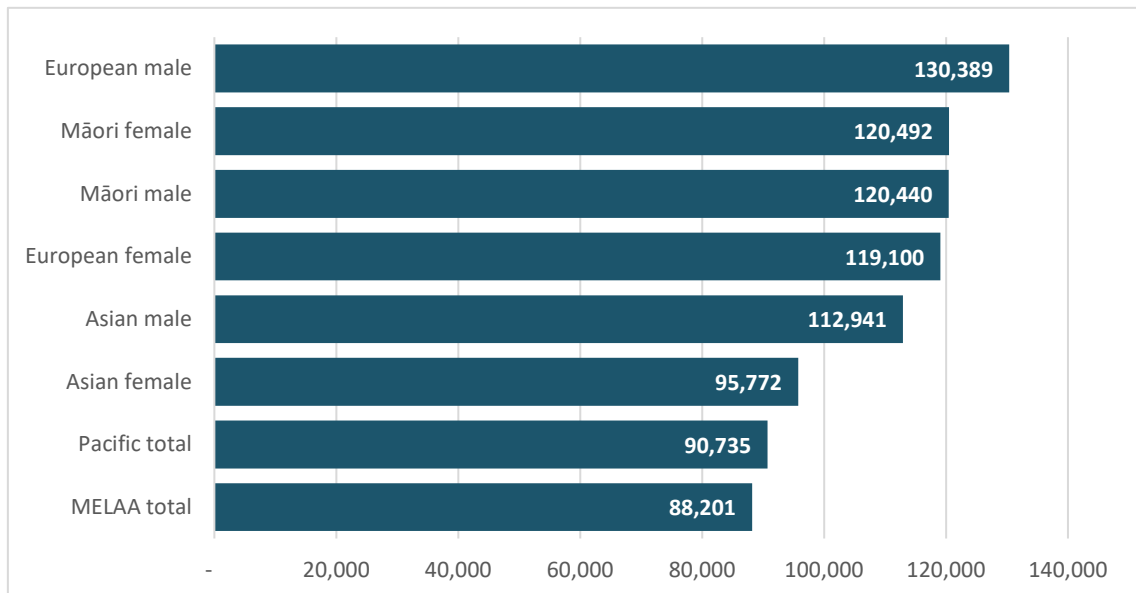
Representation percentages are rounded to the nearest whole number.

Figure 1: Overall gender pay gap



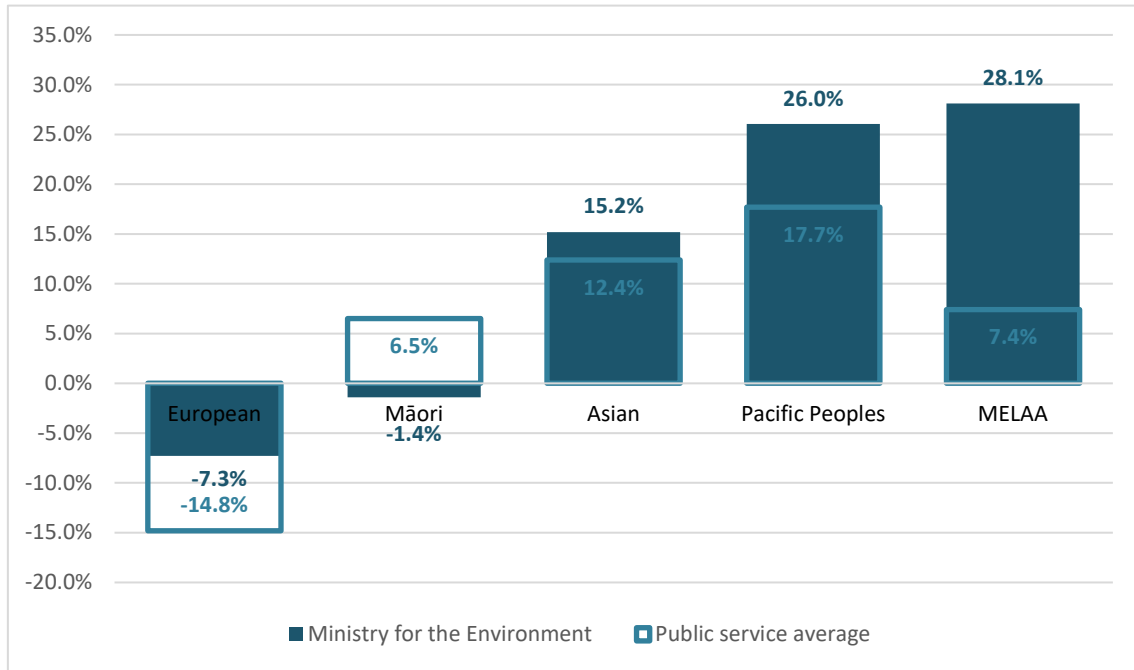
- Gender pay gap (GPG) is measured by calculating the difference between the average salary of male and female employees.
- The GPG figure **includes** permanent, fixed term and staff on secondment outside the Ministry.

Figure 2: Average Ministry for the Environment salaries by gender and ethnicity



NB: Pacific Peoples and MELAA have not been split out by gender due to low numbers (2 per cent share of workforce per group).

Figure 3: Ethnic pay gaps compared to the public sector average



- Ethnic pay gaps (EPG) are measured by calculating the difference between the average salary of European and non-European employees.
- The EPG is calculated using all ethnicities that an employee has declared (for example, if they have declared both Māori and European, they will contribute to the average for both ethnicities).
- The EPG figure includes permanent, fixed term and staff on secondment outside the Ministry.
- For Pacific Peoples' and MELAA figures it should be noted that figures are based on low employee numbers, and therefore are subject to significant fluctuations based on individual movements.

Analysis

- The Ministry's gender pay gap has had a small increase in recent months, after four consistent years below the public sector average.
- The Ministry's gender pay gap is largely driven by a higher proportion of females than males in lower paid roles at the Ministry. The Ministry has good female leadership representation at all levels, and this is a likely advantage when it comes to attracting a strong female talent pool to entry level roles. The higher representation of females at the entry level (Support, Advisor and Analyst roles) is a result of this strong female talent pool we attract.
- Continuing to build our development frameworks including identifying future-critical skills that the Ministry will need to achieve its organizational goals, mapping core capabilities and career pathways will help to ensure we are supporting female employees at the Support/Advisor/Analyst levels to grow and progress their careers.
- Within-band gender and ethnic pay gaps are within tolerance (+/-4%) which indicates that male, female and gender diverse employees, and employees of different ethnicities, are paid equally for roles of similar size and complexity. The Ministry has made good progress in increasing Māori representation across all levels, and this is reflected in our Māori pay gap data – showing that at an overall level, Māori are paid slightly more on average than Europeans.
- The Ministry's overall ethnic pay gap has reduced year-on-year for the last five years, and the European pay gap is smaller than the public service average, meaning that overall, the gap between European and other non-European ethnicities combined is smaller than for the public sector overall.
- For Pacific Peoples and MELAA employees, occupational segregation underpins the larger pay gap and it should be noted that the data is volatile due to low numbers in these groupings.
- Similarly, in the case of the Asian pay gap, a lack of representation at leadership is also an area for focus, though the Ministry's mid and senior levels have reasonably healthy Asian representation.
- In addition to improving the diversity of our workforce across all levels through hiring, the Ministry is focused on supporting the career development of an ethnically diverse talent pool internally, alongside building cultural capability and inclusive leadership to support a more diverse team. Actions towards these goals are outlined in this plan and in Tui Raumata, our Diversity, Equity and Inclusion strategy.

Closing our pay gaps

We aim to significantly reduce the pay gaps reported above over the lifecycle of this action plan.

Approach

Following in the footsteps of Kia Toipoto, we have developed a two-year action plan to address gender and ethnic pay gaps, with six-monthly milestone check-in points to monitor progress. The plan will be updated and republished at the halfway point (November 2023) with a status update on pay gaps and a progress report against the plan.

Responsibilities

People and Capability are **responsible** for delivering against the plan, and our Chief Executive is **accountable**.

Employees of the Ministry, through our employee-led networks, and PSA representatives are **consulted** in the development of the plan.

Everyone in the organisation is **informed**, with a particular focus on ensuring leaders are aware of, and actively contributing to, delivering on the plan.

The next section outlines our progress so far against the key focus areas of Kia Toipoto, and the deliverables the Ministry commits to over the coming two years, along with success measures.

Action plan

The Ministry's gender and ethnic pay gaps action plan is organised according to the key focus areas set out under Kia Toipoto. Deliverables are organised into year one (by November 2023) and year two (by November 2024) milestones. The focus areas are:

- Te pono – Transparency
- Ngā hua tōkeke mō te utu – Equitable pay outcomes
- Te whai kanohi ngā taumata katoa – Leadership and representation
- Te whakawhanaketanga i te aramahi – Effective career and leadership development
- Te whakakore i te katoa o ngā momo whakatoihara, haukume anō hoki – Eliminating all forms of bias
- Te taunoa o te mahi pīngore – Flexible work by default.

Te pono – Transparency

Milestones	
	By 15 November 2022, agencies and entities publish annual action plans based on gender and ethnicity data and union/employee feedback.
	Agencies and entities ensure easy access to HR and remuneration policies, including salary bands.
Our current status	
	We have published a pay gaps action plan for the last two years. We included ethnicity for the first time in the 2021/22 Plan.
	Policy, guidelines and remuneration bands are published on our intranet, remuneration bands are published in the collective agreement, all advertised roles have transparent salary ranges.
Deliverables by November 2023	
	Our pay gap data and action plan are published externally.
	Our employee led networks and Public Service Association are engaged regularly on our plan
	Review of remuneration policy information, pay bands and benchmarking on internal intranet to ensure it is accessible and easy to understand.
	Signpost guidance for addressing pay equity issues from PSC on Te Taiao intranet
Deliverables by November 2024	
	Publish pay gaps by band across the organisation on intranet on a two-yearly basis, along with explanatory notes for areas where pay gaps are above tolerance.
	Increase transparency of available data relating to career and development by: <ul style="list-style-type: none"> • communicating available training and development offerings • reporting on how training and development offerings are allocated (by ethnicity and gender) • planning for future actions including reporting on outcomes of talent identification process.

What will success look like?

- Our employees and prospective employees have access to fully transparent pay band information and visibility of pay gaps that exist along with information about what the organisation is doing to reduce these.
- Our employees feel more empowered to discuss their pay with their managers, understand where they sit within bands and the reasons for remuneration decisions.
- Our Tō Reo measures related to remuneration and reward transparency improve.

Ngā hua tōkeke mō te utu – Equitable pay outcomes

Milestones	
	By the end of 2022 entities ensure that starting salaries and salaries for the same or similar roles are not influenced by bias.
	By the end of 2022 agencies monitor starting salaries and salaries for the same or similar roles to ensure gender and ethnic pay gaps do not reopen.
	Pay equity processes are used to address claims and reduce the impact of occupational segregation.
Our current status	
	All advertised roles include transparent salary ranges (with starting salary influenced by negotiation and internal relativities).
	Designed starting salary calculator with the intention of reducing bias at point of entry – this required further work to ensure it is properly benchmarked.
	Inserted step in recruitment process for Hiring Managers to discuss internal relativities at point of salary negotiation with Business Partners/Advisors
	Regular six-monthly reporting across bands and business groups, reviewing annually in line with remuneration review.
	Pay equity processes followed when a claim is made as outlined by PSC.
Deliverables by November 2023	
	Improve access to relevant rem data to enable talent business partners to guide and influence pay decisions with an equity lens.
	People and Capability (P&C) review existing guideline used by Hiring Managers to establish starting salaries (ensuring Talent Acquisition Partner is consulted where a remuneration decision negatively impacts pay gaps).
	P&C ensure representatives involved in system pay equity processes are appropriately trained.
Deliverables by November 2024	
	Any within-band pay equity issues are flagged to Te Mīmīro by P&C as part of our six-monthly analytics and used to inform pay equity actions.
	P&C focus on building internal remuneration system expertise to inform system remuneration and equity decision-making.

What will success look like?

- Pay gaps within bands will reduce (below 4 per cent tolerance by June 2024).
- Hiring Managers will be supported to make remuneration decisions that are not influenced by bias.
- Identified within-band pay gaps are picked up through ongoing analysis and remedial actions recommended where appropriate.

Te whai kanohi ngā taumata katoa – Leadership and representation

Milestones	
	By 28 April 2023 agencies/entities have plans and targets to improve gender and ethnic representation in their workforce and leadership.
	By the end of 2024 the public service workforce and leadership are substantially more representative of society.
Our current status	
	We have set targets via Tui Raumata which we are assessing progress against and reporting to leadership every six months.
	We have implemented a six-monthly cycle to monitor progress against targets.
Deliverables by November 2023	
	P&C to deliver six-monthly status updates to leadership teams regarding business group diversity landscape and facilitate local action planning with leaders around increasing diversity.
	P&C to deliver six-monthly status updates to PSA and employee-led networks on organisational diversity landscape and consider how any feedback should be incorporated to Diversity, Equity and Inclusion work program.
	Tui Raumata work program on track
	P&C work with Tagata Moana, the Ministry's Pacific Peoples' Network to understand and address barriers to entry for Pacific Peoples, and build out a clear strategy for attracting Pacific Peoples to the Ministry
Deliverables by November 2024	
	P&C to clearly articulate and deliver a robust leadership development offering to support future leaders of diverse ethnicities, underpinned by leadership expectations, capability framework and career pathways projects.
	Review the talent identification process from a diversity perspective and make recommendations.
	Ministry establishes metrics around talent and career progression with a diversity lens.

What will success look like?

- Reduced ethnic and gender pay gaps due to the reduction of occupational segregation.
- Maintain strong female representation in leadership (Tiers 1-4).
- Better representation of ethnicities across leadership.
- A clear method of identifying and supporting future leaders from diverse ethnic backgrounds to fulfil their leadership potential.

Te whakawhanaketanga i te aramahi – Effective career and leadership development

Milestones	
	By mid 2023 agencies/entities have career pathways and equitable progression opportunities that support women, Māori, Pacific and ethnic employees to achieve their career aspirations.
Our current status	
	We have launched leadership expectations which begin to set common standards for individual contributors, leaders and senior leaders.
	We have included a diversity lens on our selection panel for Aspiring Leaders and New People Leaders programmes.
	We have commenced design and implementation of a strategic workforce planning approach which gives us clarity around the key skills, capabilities and roles the Ministry will need into the future, thereby informing career pathways.
	We have provided a pilot leadership coaching programme to employee-led network leads.
	We support participation in the Te Puni Kōkiri Māori Emerging Leaders' Programme.
	We have implemented a new leader tuakana programme to support those transitioning into leadership.
	We continue to run a Ministry summer internship programme and are involved in partnership programmes through Iwi and via the Ministry of Business, Innovation & Employment Tupu Tai programme which enables us to access a diverse early career talent pool.
Deliverables by November 2023	
	Capability framework developed and implemented.
	Career pathways developed for key volume roles (to include policy, administration).
	Analyse participation in all development offerings to ensure opportunities are being offered equitably.
	Continue participation in Te Puna Kōkiri Māori Emerging Leaders Programme.
	Leadership campaign to develop capability in leading inclusively to be delivered to Tiers 3 and 4
	Workforce planning approach – business group workforce plans to be completed by end of the 22/23 financial year to inform career pathways.
Deliverables by November 2024	
	P&C to make recommendation around mentoring programme for multi-ethnic talent.
	Benchmark and track percentage of places on centrally funded development programmes offered to multi-ethnic employees, and female and gender diverse employees
	P&C to lead discovery and recommendation around non-tertiary pathway into policy.
	Development and implementation of graduate programme with a key focus on increasing our pipeline of multi-ethnic talent.

What will success look like?

- Data and insights relating to development, talent and career allow us to understand whether bias is at play in our career development landscape.
- The leadership cohort is significantly more diverse.
- Improvements in our Tō Reo measures relating to career and development across different ethnic populations.

Te whakakore i te katoa o ngā momo whakatoihara, haukume anō hoki – Eliminating all forms of bias

Milestones	
	By the end of 2023 entities have remuneration and HR systems, policies and practices designed to remove all forms of bias and discrimination.
	Agencies embed and monitor the impact of bias-free HR and remuneration policies and practices.
	Agencies/entities ensure leaders and employees learn about and demonstrate cultural competence.
Our current status	
	Recruitment process improvements: unconscious bias module promoted to Hiring Managers, ethnic and gender-balanced panels, ensuring Hiring Managers are aware of diversity landscape prior to hiring, diversifying sourcing channels (including specialist job boards, social media), ensuring interview questions are circulated in advance.
	Regular reporting and updates to leadership against Tui Raumata targets, Tō Reo.
	Commencement of organisation-wide roll out of Tōnui, inclusive leadership (via leadership expectations), Mana Aki.
Deliverables by November 2023	
	Review attraction and recruitment channel strategy to improve diversity of candidate pool. Include targeted advertising, social media presence, networks and community approach, and through tertiary education channels (networks, career fairs and job boards)
	Year two review of recruitment process performance.
	Employee assistance programme review – recommendation for bicultural solution made.
	Assess Tō Reo results to understand key differences in employee experience across genders and ethnicities.
	Tōnui implementation across 50 per cent of workforce complete.
	Continue to roll out and embed leadership expectations via leadership campaigns.
Deliverables by November 2024	
	Year three review of recruitment process performance.
	Tōnui initial implementation across all business groups completed and integrated into induction for new starters.
	Talent review process review.
	P&C map employee lifecycle to be used to assess HR systems, policies and processes for vulnerability to bias.

What will success look like?

- We will increase our organisational capability in Te Ao Māori and Tiriti obligations from ‘unfamiliar’ to ‘comfortable’ (based on Whāinga Amorangi organisational cultural capability framework).
- The recruitment process delivers a significant increase in diversity of new hires.
- Employee experience gaps measured in Tō reo close.
- The Ministry maps the employee lifecycle and identifies and addresses areas where bias may exist.

Te taunoa o te mahi pīngore – Flexible work by default

Milestones	
	By the end of 2024 agencies and entities offer equitable access to flexible-by- default working and ensure it does not undermine career progression or pay.
Our current status	
	Roles are recruited with flexible location unless there is a specific requirement for in-person engagement, such as local stakeholder engagement or support.
	The Ministry has published guidelines around flexible ways of working including guidance for leaders and guidance for managing wellbeing in a flexible working environment.
Deliverables by November 2023	
	Review flexible-by-default guidelines to ensure consistency with cross-government hybrid working principles.
	Introduce metrics segmented by work location including looking at diversity of hires, talent, engagement, promotions, and remuneration.
Deliverables by November 2024	
	Publish flexible-by-default metrics as part of diversity reporting (for leaders and employees).
	Develop a plan to close any gaps identified through analysis (in consultation with PSA and employee networks).
	Develop a plan to support remote workers by ensuring our ways of working support equal access to development opportunities.

What will success look like?

- Access to flexible-by-default ways of working are available to all in line with true requirements of roles.
- We have a clear view of the impact of different types of flexible working on career progression and development and are thus able to solve for any equity issues that exist.
- We have a clear and effective proposition in place for developing early-in-career professionals to ensure no disadvantage to those who work remotely.
- Our sector-leading, flexible-by-default way of working continues to be a key attraction pillar for the Ministry.