

12 December 2022

9(2)(a)

Tēnā koe 9(2)(a)

OFFICIAL INFORMATION ACT REQUEST

I refer to your official information request of 14 November 2022 for:

Can you please provide me with all papers sent to Ministers concerning pay transparency since 1 June 2022

The Ministry has identified eight documents concerning pay transparency since 1 June. Please find enclosed in this response as Appendix 1 six of the eight documents. Please note some information has been withheld under the following sections of the Official Information Act:

- 9(2)(a) – to protect the privacy of natural persons
- 9(2)(f)(iv) – to protect the confidentiality of advice tendered by Ministers and Officials
- 9(2)(g)(i) – to maintain the effective conduct of public affairs through free and frank expression of opinions
- 18(d) – the information is or will soon be made publicly available

Furthermore, two of the eight documents identified in scope of your request have been withheld in full under the following sections of the Act:

- 9(2)(f)(iv) – to protect the confidentiality of advice tendered by Ministers and Officials
- 9(2)(g)(i) – to maintain the effective conduct of public affairs through free and frank expression of opinions

As you are aware, Hon Jan Tinetti Minister for Women has asked the National Advisory Council on the Employment of Women (NACEW) to provide a key role in the development of a pay transparency system for Aotearoa New Zealand.

As part of this work, NACEW will be consulting with its ten partner organisations **9(2)(a)** and more widely with groups that have an interest in pay transparency including Mind the Gap. Manatu Wahine is supporting NACEW in this role and has already meet with **9(2)(a)** on pay transparency, and will continue to share information as it becomes available.

Please note that this response, with your personal details redacted, may be published on the Ministry's website. If you have any concerns or comments related to this, please let us know by emailing ministerialservicing@women.govt.nz, within two weeks of the date of this letter.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

If you wish to discuss this decision with us, please feel free to contact Deborah Malcolm at Deborah.malcolm@women.govt.nz.

Nāku noa, nā



Kellie Coombes
Secretary for Women

Hon Jan Tinetti

Minister for Women

AIDE MEMOIRE: Draft letter to Minister Radhakrishnan

Date:	25 October 2022	Priority:	Low
Security classification:	In Confidence	Reference:	MW AM 22-23 0126
Proactive Release:	This document will not be considered for proactive release		
Contact	Deborah Malcolm, Director Policy, 9(2)(a)		

Purpose

1. This Aide memoire provides you with a draft letter that you could send to Minister Radhakrishnan, outlining how she might work with the National Advisory Council on the Employment of Women (NACEW) on pay transparency (refer Appendix One).
2. The draft letter notes that:
 - NACEW has two key functions: providing advice and feedback on pay transparency issues to us as the lead Ministers and leading targeted sector engagement.
 - NACEW will meet four times a year as per the Terms of Reference (in person or online) and pay transparency will be a standing agenda item.
 - NACEW will meet as needed outside the four formal meetings a year as the national advisory group on pay transparency to discuss policy papers provided by our officials and provide advice on specific issues and policy options, and that joint Ministers could attend these meetings.

Next Steps

3. We suggest that we discuss the draft letter for Minister Radhakrishnan at the next available officials meeting.

9(2)(a)

Deborah Malcolm
Director Policy

IN CONFIDENCE

9(2)(g)(i)

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IN CONFIDENCE

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Hon Jan Tinetti
Minister for Women

AIDE MEMOIRE: DISCUSSION WITH MINISTER RADHAKRISHNAN ON PAY TRANSPARENCY

Date:	14 July 2022	Priority:	Medium
Security classification:	In Confidence	Reference:	MW 22-23 0007
Proactive Release:	This document will not be considered for proactive release		
Contact	Sophie Maher, Senior Policy Analyst, 9(2)(a)		

Purpose

- 1 This aide memoire provides you with a short update on the Ministry's work programme on pay transparency, including indicative timeframes and resourcing requirements, ahead of your discussion on 19 July 2022 with Minister Radhakrishnan, the new Associate Minister for Workplace Relations and Safety.
- 2 Key messages around pay transparency are attached as **Appendix One**.
- 3 We recommend that you discuss these messages with Minister Radhakrishnan and confirm you are both comfortable with using them publicly.

What you could seek from this meeting


- 4 We recommend that you seek agreement with Minister Radhakrishnan to the following priorities for the pay transparency work programme:
 - Pay transparency is a joint Ministerial priority issue.
 - Work will commence to address the Government's agreement in principle to investigate whether a pay transparency regime would be beneficial in New Zealand.
 - Manatū Wāhine Ministry for Women will lead work on the Integrated Data Infrastructure project and the development of an advisory group.
 - The Ministry of Business, Innovation and Employment (MBIE) and the Ministry for Women will jointly lead work to develop information and education initiatives and carry out policy development on pay transparency.

- 5 We also recommend that you seek agreement with Minister Radhakrishnan to direct the Ministry for Women and MBIE to confirm the resourcing requirements and timeframes for this work programme, as part of the next joint paper we will be providing to you in August.

Overview of the work programme and key timeframes

- 6 In its response to the Education and Workforce Committee report into pay transparency, the Government accepted the recommendations of the Committee and agreed in principle to investigate whether a pay transparency regime would be beneficial in New Zealand. The Government also noted that it was scoping a work programme across three focus areas:
- information and education initiatives;
 - utilising the Integrated Data Infrastructure (IDI); and
 - the formation of an Advisory Group.
- 7 The Government also agreed in principle to incorporate the policy considerations outlined by the Committee into the work programme on pay transparency.

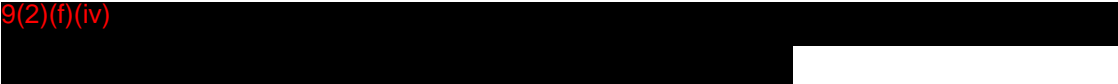
Information and education initiatives

- 8 This initiative would involve disseminating key messages on pay transparency for the private sector and adapting existing tools and resources in use within the public sector (such as those developed by the Gender Pay Taskforce at the Public Service Commission).
- 9 The Ministry for Women and MBIE would jointly lead this work, which would be funded out of existing baselines across both agencies (subject to resourcing). The Ministry for Women would also utilise existing relationships, such as our partnership with Champions for Change, to disseminate key messages.
- 10 We consider that this work would occur over approximately a six-month timeframe.
- 11 Further work, including the development of education initiatives such as new tools and resources, could take place over a longer timeframe of 18-24 months. 9(2)(f)(iv)
- 

Utilising the Integrated Data Infrastructure

- 12 The Ministry for Women is undertaking a research project, out of our existing research budget for the 2022/23 financial year, to utilise the IDI to show a labour market overview of pay differences across different sectors.
- 13 There is increasing awareness of gender and ethnic pay gaps across the business sector; however, businesses report difficulty in identifying these gaps at the business and sector levels. Ethnic and gender-ethnic pay gaps, in particular, are often difficult to report at the business level due to small numbers. Utilising the IDI provides an opportunity to show businesses where gender, ethnic, and gender-ethnic pay gaps exist across sectors, and gives businesses an opportunity to develop pathways to reduce pay inequality.
- 14 We also expect to see industry employment patterns emerge, which will highlight where some groups of women have gender pay differences due to occupational or vertical segregation, enabling the Ministry for Women to raise awareness of, and challenge, bias within occupations.
- 15 The Ministry for Women is currently considering tenders by third parties to undertake this work. Once a provider has been confirmed and the project has started, we estimate it will take approximately 12 months to complete.

Policy work and potential legislative response

- 16 MBIE and the Ministry for Women are scoping longer-term policy work, which will be jointly led by MBIE and the Ministry for Women. This work is likely to involve assessing the policy considerations recommended by the Education and Workforce Committee in its report into pay transparency as part of the exploration of a full pay transparency regime, including considering a legislative response.
- 17 9(2)(f)(iv) 


Pay transparency advisory group

- 18 The Ministry for Women and MBIE are preparing advice on the formation of an advisory group to support this work. We will be providing you with further advice on the scope of this group, and potential members (including the potential for a subgroup of the National Advisory Council on the Employment of Women), in early August.
- 19 The Ministry for Women will lead the initial development of the advisory group, with support from MBIE.

Next steps

- 20 The Ministry for Women and MBIE are preparing further advice for you and Minister Radhakrishnan on the pay transparency work programme, including a confirmation of timeframes, final key messages and resourcing, and will be providing you with this advice on 11 August 2022.
- 21 We recommend you and Minister Radhakrishnan meet again after this advice has been provided to confirm the details of the work programme and discuss next steps.

9(2)(a)



Deborah Malcolm
Director, Policy

Hon Jan Tinetti
Minister for Women

Hon Priyanca Radhakrishnan
Associate Minister for Workplace Relations and Safety

AIDE MEMOIRE: Pay Transparency work programme

Date:	11 November 2022	Priority:	Medium
Security classification:	In Confidence	Reference:	MW AM 22-23 0151
Proactive Release:	This document will be considered for proactive release within 3 months		
Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Deborah Malcolm	Deputy Secretary Policy	9(2)(a)	
Riripeti Reedy	Manager Policy, Ministry for Women	9(2)(a)	✓

Purpose

1. This paper provides you with an overview of the work programme for pay transparency (refer Appendix One), which covers:
 - the development of policy on pay transparency (jointly led by Manatū Wāhine Ministry for Women (the Ministry) and the Ministry of Business, Innovation, and Employment (MBIE))
 - the Wage data project -- using the Integrated Data Infrastructure (commissioned by the Ministry)
 - the development of a public engagement strategy.
2. The paper also outlines the role of the National Advisory Council on the Employment of Women (NACEW) to provide advice and feedback on the pay transparency policy papers to officials and lead targeted sector engagement.

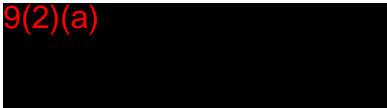
IN CONFIDENCE

3. You can use this paper to inform your joint Minister's meeting on 16 November 2022 and the meeting with the National Advisory Council on the Employment of Women on 21 November 2022.

Next steps

4. We ask that we discuss any issues arising from this paper with you at the next official meeting.

9(2)(a)

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Deborah Malcolm

Deputy Secretary Policy

IN CONFIDENCE

Appendix One: Outline of the work programme for pay transparency

Context

1. On 19 October 2022, the Cabinet Social Wellbeing Committee (SWC):
 - noted that the National Advisory Council for the Employment of Women has agreed to act as an advisory group for the development of a pay transparency regime
 - agreed that policy development of a pay transparency regime commence, and that a public engagement strategy be developed alongside [SWC-22-MIN-0174 refers]:
2. This paper provides you with an overview of the work programme for pay transparency, which covers:
 - the development of policy on pay transparency (jointly led by Manatū Wāhine Ministry for Women (the Ministry) and the Ministry of Business, Innovation, and Employment (MBIE).
 - the Wage data project -- using the Integrated Data Infrastructure. (commissioned by the Ministry)
 - the development of a public engagement strategy.
3. The paper also outlines the role of the National Advisory Council on the Employment of Women (NACEW) to provide advice and feedback on the pay transparency policy papers to officials and lead targeted sector engagement.

Development of the policy work on pay transparency (jointly led by Manatū Wāhine and MBIE)

4. Manatū Wāhine the Ministry for Women and MBIE have started work to address policy work on a pay transparency regime.
5. We will take into consideration the recommendations of the Education and Workforce Committee inquiry on pay transparency and the Human Rights Commission Pacific pay gap inquiry, as well as other groups such as Mind the Gap.
6. As outlined in previous advice (BRF 2223-0994/ 22-23 0089 refers), we will provide Ministers with advice on the different components of a pay transparency regime including addressing:
 - which businesses a regime could apply to in Aotearoa
 - what a regime could measure
 - what reporting requirements should be required

IN CONFIDENCE

- what monitoring, compliance and enforcement arrangements would be needed
 - what the implementation settings would need to be.
7. The first policy paper will be developed by the end of November and sent to NACEW for their feedback. The paper will focus on the broad approach to addressing pay transparency including:
- a refined problem definition
 - the objectives of a pay transparency regime
 - potential policy options (including legislative and non-legislative approaches)
8. It will set the basis for the specific components outlined above by seeking decisions on the objectives and legislative approach. The paper will be provided to you by Thursday 15 December.
9. You will receive these papers for consideration over the year. The timeline for each step in the policy process was provided to you in the joint Ministry/MBIE Briefing (BRF 2223-0994/ 22-23 0089) 'Pay transparency – Indicative timeframe for policy and legislative process: policy process' (refer Annex 1).
10. Ministry and MBIE are planning to lead the development of different papers, so there is the possibility that these could be developed simultaneously by agencies which could positively impact on the proposed time frame.
11. NACEW will receive a copy of each policy paper. We will test the policy options with NACEW (see NACEW's role noted below) and compile their feedback.
12. Once we have gone through NACEW's feedback, we will indicate to Ministers which options NACEW prefers as part of officials' advice on particular aspects of the regime. We will then finalise the policy options for Ministers arising from each policy paper. We will use this process for each policy paper. NACEW will also be able to provide separate advice as necessary.
13. We are also identifying a list of experts that we can call on for advice and feedback to support the policy work programme, and will provide you with a copy of this list once completed.
14. As part of the policy development process and with your agreement, officials will provide Ministers with material to update SWC on a regular basis as policy decisions are made.

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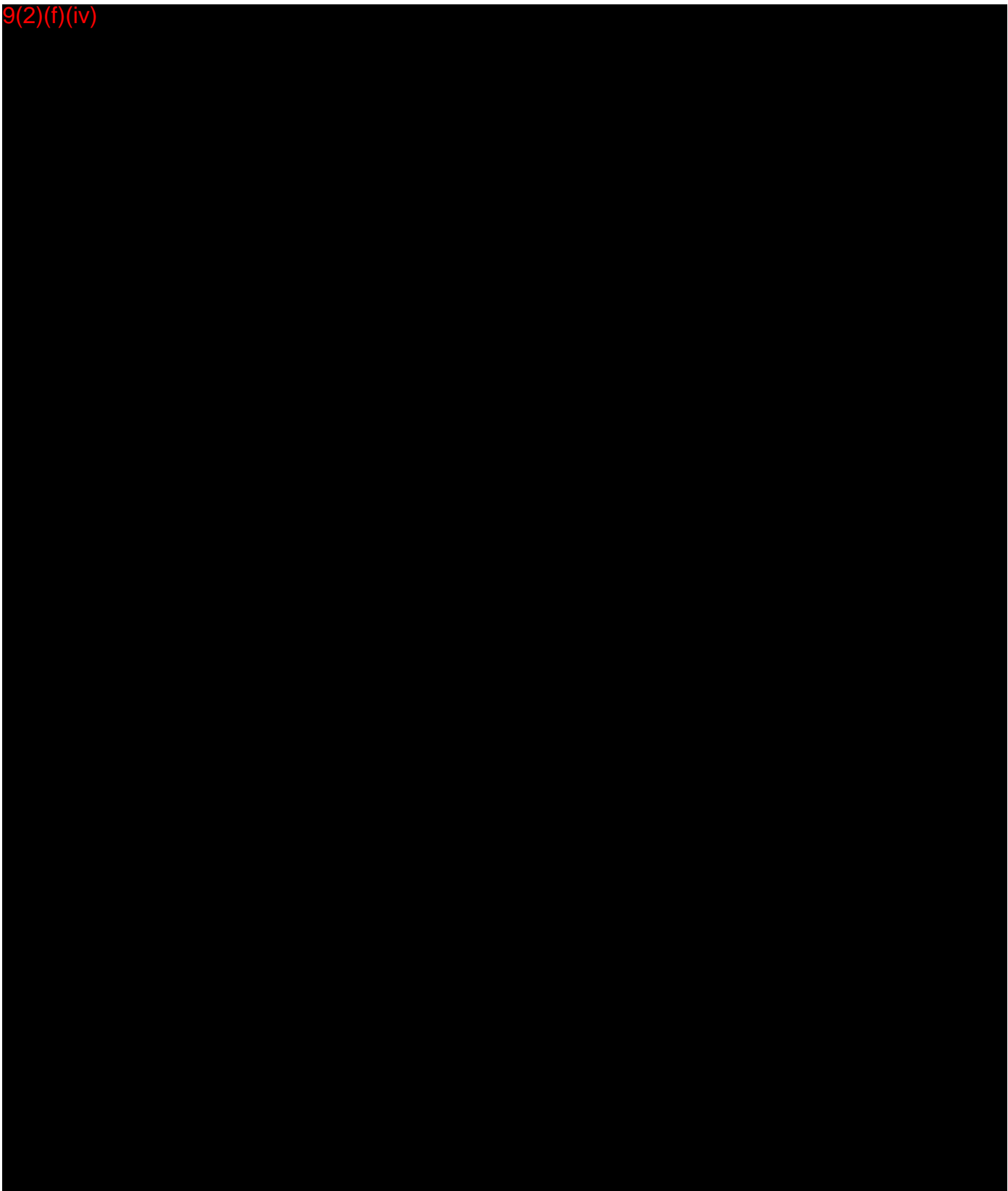
Data project – using the Integrated Data Infrastructure (led by Manatū Wāhine)

15. A frequent concern raised by the private sector is the administrative burden of identifying pay gaps within workplaces – usage of the Integrated Data Infrastructure (IDI) could assist small-to-medium enterprises (SMEs) in particular in identifying their gaps.
16. Providing the business sector with a labour market-level overview of gender and ethnic pay gaps would serve as a key driver to enable the business sector to clearly see where there are problems.
17. The Ministry for Women is undertaking a research project to utilise the IDI to show a labour market overview of pay difference, to identify and promote potential pathways to reduce pay inequality.
18. The provision of IDI data insights will be a valuable first step in the Government’s pay transparency work programme by highlighting the issue and supporting businesses to take first steps towards addressing their pay gaps. 9(2)(g)(i)
19. The Ministry has contracted the Auckland University of Technology (AUT) to carry out this work, the result of which will be the development of a data tool that identifies gender and ethnic pay gaps and their drivers at a sector level.
20. AUT has established the proposed methodology and incorporated feedback from the Ministry and steering group members 9(2)(a)

AUT is now analysing IDI wage data

21. AUT has used data from the New Zealand Income Survey (NZIS: annual supplement to the Household Labour Force Survey) to estimate pay gaps over time by gender and ethnicity, both in aggregate and by industry, as well as by gender-ethnicity (intersectional) groups in aggregate.
22. Pay is measured using total hourly earnings. Each pooled sample is restricted to those people aged between 16 and 64 years who are paid employees with positive hourly earnings, dropping the top and bottom one percent of the earnings distribution. These estimated pay gaps have then been subjected to statistical analysis to determine what proportion of the gaps can be explained by individual, household, regional, educational and job-related factors (including the type of job, length of tenure, full-time versus part-time work, etc.), and what proportion cannot be explained by these factors.

IN CONFIDENCE



The role of the National Advisory Council of the Employment of Women

25. You have indicated that the National Advisory Council on the Employment of Women (NACEW) will provide the role of national advisory group on pay transparency in Aotearoa New Zealand. NACEW members are already well-versed on issues to do with pay transparency including the gender pay gap.

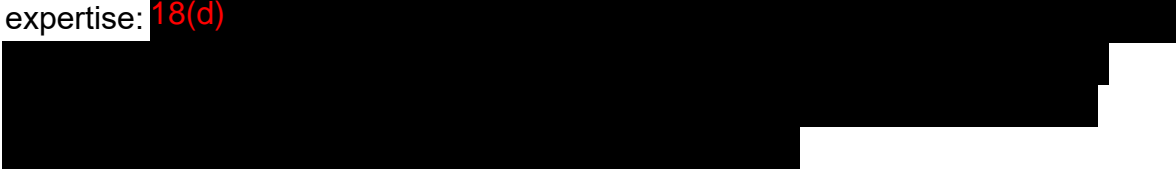
IN CONFIDENCE

26. NACEW's role will be to provide advice and feedback on policy papers to officials who will indicate to Ministers which options NACEW prefers as part of officials' advice on particular aspects of the regime, as well as lead targeted sector engagement. We have drafted a letter for you that outlines NACEW's role on pay transparency for your meeting with NACEW on 21 November 2022 (refer Annex 2).
27. We note that the Cabinet paper proposing the reappointment of existing NACEW members and the appointment of new members of NACEW will be presented to the Appointments and Honours Cabinet Committee on 14 December 2022.
28. Following this, we will provide you with a revised letter of expectation for you to send to NACEW members appointed to the new term.

Advice/feedback on the development of policy paper

29. NACEW will provide advice to joint Ministers via meetings and feedback on policy papers (noted above)
30. NACEW will hold four meetings a year (refer to the 2022 Terms of Reference). Pay transparency will be a standing item on the agenda. NACEW can also meet outside the four meetings year to discuss pay transparency policy papers as required.

Targeted sector engagement on pay transparency

31. NACEW members are influential leaders in their sectors and can use their wide networks to lead targeted sector engagement. The Ministry and MBIE will support NACEW to undertake targeted engagement.
32. NACEW will meet with its ten partner agencies as required to draw on their expertise: 18(d)

33. The Ministry will arrange the first meeting in February 2023. NACEW will also work with its partner agencies to engage with the communities they represent.
34. NACEW members will engage with the wider business, unions and community sectors as well as experts on pay transparency as required (refer Annex 3 for examples of the sectors NACEW will engage with).
35. This engagement will be part of the wider Engagement Strategy (due in December 2022), and will be guided by a set of engagement principles and key messages.

IN CONFIDENCE

36. There will be a range of available engagement options for NACEW to use e.g. one on one conversations, interviews, and group interview (all available in person or on line) and questionnaire/surveys.
37. In engaging with sector leaders and organisations, NACEW could discuss the key policy issues and test if existing tools and resources could be used in the business sector to address pay transparency eg Kia Toipoto, the Public Service Action Plan 2021-24 [2021-2024 Kia Toipoto | Public Service Pay Gaps Action Plan and supporting guidance: https://www.publicservice.govt.nz/system/public-service-people/pay-gaps-and-pay-equity/kia-toipoto/](https://www.publicservice.govt.nz/system/public-service-people/pay-gaps-and-pay-equity/kia-toipoto/)

IN CONFIDENCE



Hon Jan Tinetti, Minister for Women

Hon Priyanca Radhakrishnan, Associate Minister for Workplace Relations and Safety

BRIEFING: NACEW's role in pay transparency

Date:	16 September 2022	Priority:	Medium
Security classification:	In Confidence	Reference:	MW BR 22-23 0089 MBIE 2223-0994
Deadline:	16 September 2022		
Proactive Release:	This document will not be considered for proactive release		

Contacts			
Name	Position	Contact	1 st Contact
<i>Ministry for Women</i>			
Deborah Malcolm	Director Policy	9(2)(a)	✓
<i>Ministry of Business, Innovation and Employment</i>			
Beth Goodwin	Manager, Employment Relations Policy	9(2)(a)	✓
Charlotte de Feijter	Principal Policy Analyst, Employment Relations Policy	9(2)(a)	

Minister's office to complete	<input type="checkbox"/> Approved	<input type="checkbox"/> Declined
	<input type="checkbox"/> Noted	<input type="checkbox"/> Needs change
	<input type="checkbox"/> Seen	<input type="checkbox"/> Overtaken by events
	<input type="checkbox"/> See Minister's notes	<input type="checkbox"/> Withdrawn
Comments:		

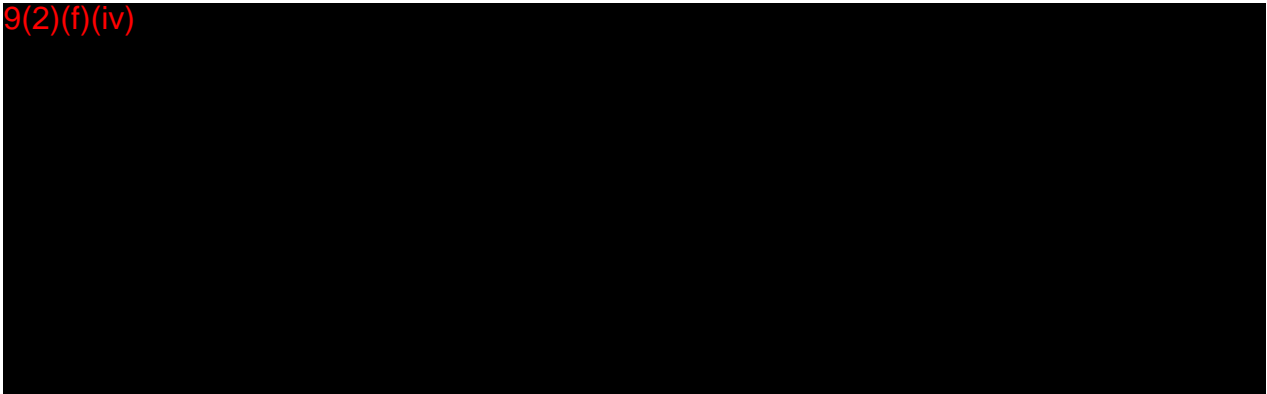
Purpose

- 1 This briefing provides you with advice on the National Advisory Council on the Employment of Women (NACEW)'s role in the policy development process for pay transparency, and their upcoming appointments process.

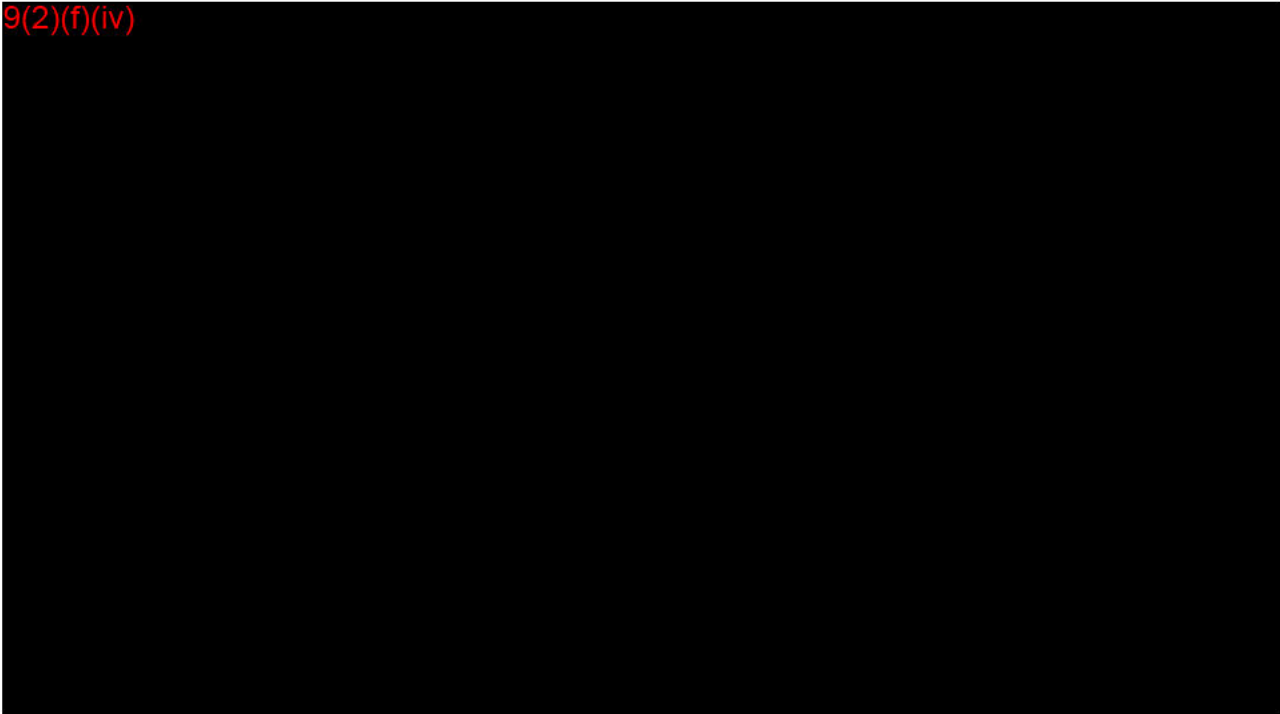
Recommendations

- 2 The Ministry for Women and the Ministry of Business, Innovation and Employment recommend that you:
 - 1 **Agree** to direct the National Advisory Council on the Employment of Women (NACEW) to act as an advisory group for the development of a pay transparency regime **YES/ NO**
 - 2 **Agree** that NACEW's role will be to provide feedback on pay transparency policy issues and officials would indicate to Ministers which options NACEW prefers as part of officials' advice on particular aspects of the regime **YES/ NO**
 - 3 **Note** that NACEW will support the Ministry for Women and the Ministry for Business, Innovation and Employment's engagement with the business sector on pay transparency and that a detailed engagement plan will be developed by the end of September 2022 **NOTED**
 - 4 **Agree** that you will use your letter of expectation to provide details on NACEW's role as an advisory group on pay transparency, as set out in recommendation 2 **YES/ NO**
 - 5 **Agree** that pay transparency will be a standing agenda item for NACEW's four formal meetings each year and that NACEW will hold additional pay transparency meetings as needed to provide feedback on specific issues and policy options **YES/ NO**
 - 6 **Agree** that NACEW will engage with its partner organisations and other identified individuals and groups with expertise on pay transparency as required **YES/ NO**

9(2)(f)(iv)

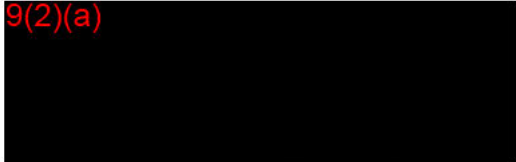


9(2)(f)(iv)



11 **Agree** to forward the briefing to Hon Michael Wood, Minister YES / NO
for Workplace Relations and Safety.

9(2)(a)



Deborah Malcolm
Director, Policy
Ministry for Women

15 / 9 / 2022

9(2)(a)



Beth Goodwin
Manager, Employment Relations Policy
Ministry for Business, Innovation and
Employment

15 / 9 / 2022

Hon Jan Tinetti
Minister for Women



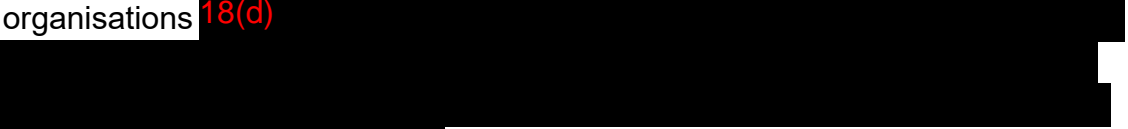
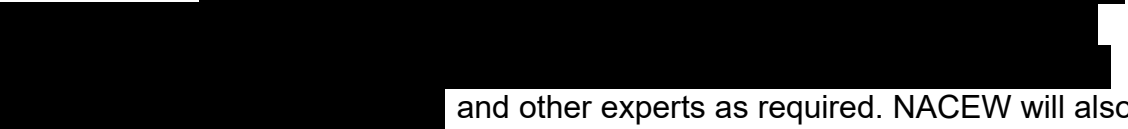
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Hon Priyanca Radhakrishnan

Associate Minister for Workplace
Relations and Safety

___ / ___ / 2022

National Advisory Council on the Employment of Women (NACEW)'s role in the development of a pay transparency regime

- 3 Manatū Wāhine Ministry for Women (the Ministry) and the Ministry of Business, Innovation and Employment (MBIE) provided you with a briefing, *Report back on options to progress pay transparency*, which noted that there were options for the membership and role for a pay transparency advisory group (refer MW 22-23 0026, MBIE 2223-0378).
- 4 The Minister for Women has indicated that the National Advisory Council on the Employment of Women (NACEW) should act as the advisory group for a pay transparency regime. We recommend that NACEW's role would be to provide feedback on policy proposals as they are developed by the Ministry and MBIE. Officials will indicate NACEW's preferences and feedback on particular aspects of the pay transparency regime when providing advice to Ministers.
- 5 We understand you have also indicated NACEW's role to support this work will not be as a 'Government working group'. That style of group provides its own recommendations to the Government for the Government to respond to (ie the Fair Pay Agreements Working Group and Screen Industry Working Group model).
- 6 We will provide you with a briefing next week on a timeline for the policy ⁹⁽²⁾  to develop a pay transparency regime (MBIE briefing ^(f)  number 2223-0993 and Ministry briefing number MW BR 22-23 0090). The timeframe includes the key times where NACEW will provide its feedback on policy issues. ^(ive)
- 7 Based on their sector knowledge and expertise, NACEW will support the Ministry and MBIE's engagement with the business sector on the details of the pay transparency regulatory regime. A detailed engagement plan will be developed by the end of September 2022.
- 8 With your agreement, NACEW will draw on the expertise of their partner organisations ^{18(d)}   and other experts as required. NACEW will also engage with other identified individuals and groups with expertise on pay transparency as required.

Letter of expectation

- 9 Instead of making changes to NACEW's Terms of Reference (attached as Appendix One) to include their role on pay transparency, we recommend that

the annual letter of expectation from the Minister for Women to NACEW provide details on NACEW's role as an advisory group on pay transparency (as set out in paragraph 3-5 above).

- 10 We will draft a letter for you to send to NACEW as soon as new members are appointed. The letter could cover, for example NACEW's role in relation to:
- the policy development process for a pay transparency regime and how their feedback will be conveyed to Ministers
 - supporting the Ministry for Women and MBIE's engagement with the business sector on pay transparency
 - engaging and working with their partner organisations and other experts on pay transparency
 - confidentiality requirements for the work on pay transparency.

NACEW meetings

- 11 NACEW holds four formal meetings a year. We propose that pay transparency is included as a standing agenda item. This would enable officials to provide regular updates and proposals to NACEW and receive feedback at set times during the year as the work progresses. NACEW could also hold additional pay transparency meetings as needed to provide feedback on specific issues and policy options.
- 12 NACEW can also play a role in the information and education aspect of the pay transparency work programme by supporting engagement with the business sector to adapt and develop information and education resources on pay transparency. We note that budget funding maybe required if new resources are developed.
- 13 As noted above, NACEW will also engage with partner organisations and other experts that represent a range of interests and backgrounds that provide key perspectives for this work. For example, 9(2)(a) from AUT who is leading the pay transparency wage data IDI project.

NACEW membership and appointment process

NACEW membership

- 14 NACEW members are already well-versed on issues to do with pay transparency including the gender pay gap. NACEW members are appointed on the basis of their expertise and sector knowledge. The Minister for Women can alter or reconstitute NACEW to ensure it meets her needs.

- 15 With the recent revision of the NACEW ToR, there are now up to 10 NACEW members. This consists of eight members and two contributing partner organisations, whose representatives are approved by the Minister for Women (the New Zealand Council of Trade Unions (NZCTU) and BusinessNZ).

18(d)



- 21 All members of NACEW and the Chair are appointed for a term of up to three years. This provides you with an opportunity to select candidates that can support your work on implementing pay transparency.

18(d)



NACEW appointment process

- 23 On 8 July 2022 the Ministry provided advice to the Minister for Women on the NACEW appointment process (refer MW 21-22 0362). The briefing outlined a proposed appointment process and timeframes. We have now adjusted the process and timeframes slightly to allow new NACEW appointments to focus on candidates with pay transparency expertise.

- 24 We have also developed appointment principles and selection criteria to guide the call for nominations and shortlisting of candidates (refer Appendix 4). The principles and selection criteria aim to ensure that new NACEW members have a high level of expertise in relation to pay transparency and that NACEW as a whole is able to provide specific technical advice and diverse perspectives on the development of a pay transparency programme.


Expertise needed for pay transparency

9(2)(g)(i)

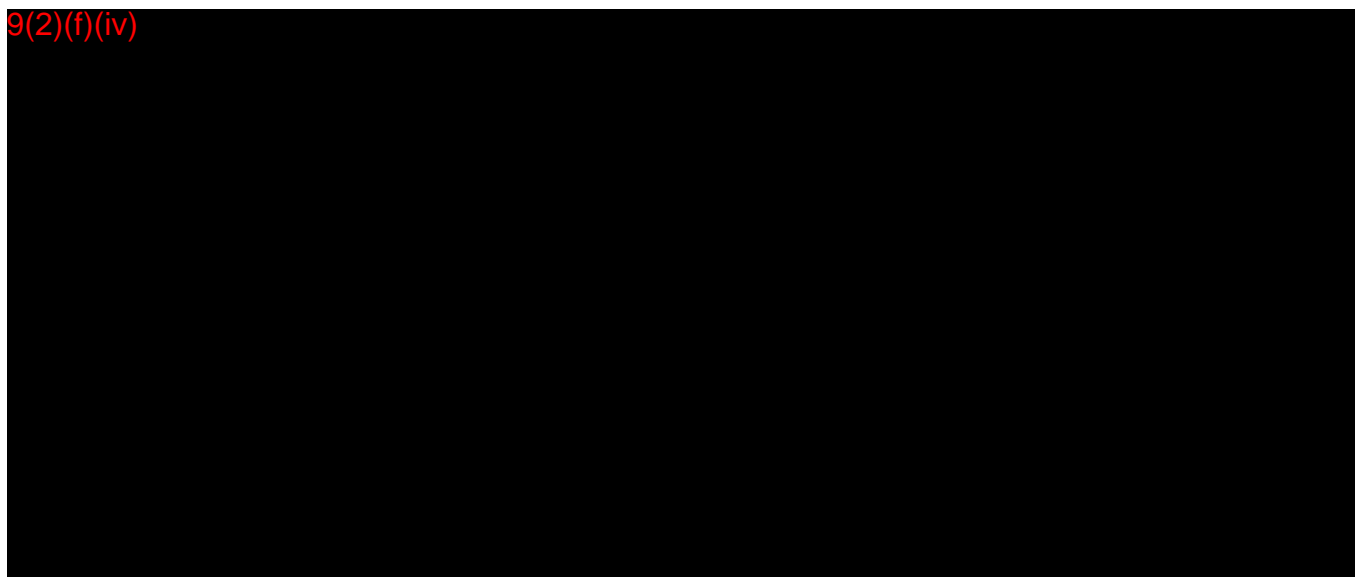
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- 26 We will also draw on the expertise of partner organisations and others as needed. NACEW members can reach out to their networks for additional advice on a case-by-case basis.

9(2)(g)(i)

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9(2)(f)(iv)

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9(2)(f)(iv)

Next steps

- 33 We will begin the process for identifying the new NACEW candidates with pay transparency expertise, and provide you with a shortlist of candidates for your consideration on Thursday 27 October.
- 34 We will provide you with information for your on-line meeting with NACEW on 26 October 2022 from 12 noon to 12.30pm.

Appendices

18(d)

18(d)

Appendix Three: Appointment process and timeframes.

9(2)(f)(iv)

Appendix Three Appointment principles and selection criteria

Appointment principles

- 1 Ensure that NACEW can fulfil its purpose and functions, as described in the Terms of Reference (2022). Members need to be able to constructively and actively participate during meetings and as requested between meetings.
- 2 Ensure that NACEW has a high level of expertise in relation to pay transparency from diverse perspectives, and is able to provide specific technical advice on the development of a pay transparency programme.
- 3 Ensure that membership is diverse, with a focus on improving outcomes for women who are disadvantaged in the labour market.
- 4 Ensure that membership is able to draw on mātauranga Māori, te ao Māori and Te Tiriti o Waitangi.
- 5 Take into account the individual skills and experience of candidates and the overall make up of NACEW.

Selection criteria

- 6 It is essential that candidates have a high level of expertise (knowledge, experience and networks) relating to pay transparency, and the ability to provide specific technical advice on the development of a pay transparency regime.
- 7 We are seeking candidates with the following expertise or representation: union, large business, Māori, Pacific NGO, ethnic communities, human rights, small business, remuneration / human resources / payroll, data, knowledge of reporting/directors' duties, academic/subject matter expert.
- 8 We are seeking candidates who have experience at Chair or Chief Executive level or equivalent.
- 9 It is desirable that candidates also have some of the following:
 - Strategic thinking, a track record of results, and a focus on outcomes.
 - Well-developed skills and experience in board or committee work.
 - Connections and networks related to the employment of women; and demonstrated judgement and ability to work with and influence a range of people.
 - Knowledge of mātauranga Māori, te ao Māori values and Te Tiriti of Waitangi.
 - Ability to bring a specific perspective (for example Māori, Pacific, ethnic, rural, older, younger, disability, sole parent, business, LGBTIA+).

Example table

Expertise needed for pay transparency	Expertise on NACEW	Expertise in NACEW partner organisations
Union	✓	
Large business	✓	
Māori	✓	✓
Pacific	✓	✓
NGO		✓
Ethnic communities		✓
Human Rights		✓
Small business		
Remuneration / Human Resources / Payroll		
Data		
Knowledge of reporting/directors' duties		
Academic/subject matter expert		

Selection criteria matrix

The table below provides an example of how we may apply the selection criteria to shortlist candidates.

Name of candidate	Essential		Desirable				
	Pay transparency expertise and ability to provide specific technical advice	Perspective Eg union, large business, Māori, Pacific NGO, ethnic communities, human rights, small business, remuneration / human resources / payroll, data, knowledge of reporting/directors duties, academic/subject matter expert.	Strategic thinking, record of results, focus on outcomes	Board or committee experience	Networks and ability to influence a range of people	Knowledge of mātauranga and te ao Māori values and Te Tiriti of Waitangi	Diverse perspectives Eg Māori, Pacific, ethnic, rural, older, younger, disability, sole parent, business, LGBTIA+
Example	✓	Note/list	✓	x	✓	✓	Note/list
Example	2	Note/list	1	0	1	2	Note/list

This could use a tick or cross to indicate whether a candidate does or does not have the desired knowledge/experience

OR

a numbering system to indicate level of knowledge/experience (eg 0 = no knowledge/experience; 1 = some; 2 = a lot).

We could also add weightings to some criteria.



Hon Jan Tinetti, Minister for Women

**Hon Priyanca Radhakrishnan, Associate Minister for Workplace
Relations and Safety**

**BRIEFING: REPORT BACK ON OPTIONS TO PROGRESS PAY
TRANSPARENCY**

Date:	11 August 2022	Priority:	Medium
Security classification:	In Confidence	Reference:	MW 22-23 0026 MBIE 2223-0378
Deadline:	11 August 2022		
Proactive Release:	This document will be considered for proactive release within 3 months		

Contacts				
Name	Position	Contact	1 st Contact	
<i>Ministry for Women</i>				
Deborah Malcolm	Director, Policy	9(2)(a)	✓	
Sophie Maher	Senior Policy Analyst			
<i>Ministry of Business, Innovation and Employment</i>				
Beth Goodwin	Manager, Employment Relations Policy			✓
Charlotte de Feijter	Principal Policy Analyst, Employment Relations Policy			

Minister's office to complete	<input type="checkbox"/> Approved	<input type="checkbox"/> Declined
	<input type="checkbox"/> Noted	<input type="checkbox"/> Needs change
	<input type="checkbox"/> Seen	<input type="checkbox"/> Overtaken by events
	<input type="checkbox"/> See Minister's notes	<input type="checkbox"/> Withdrawn
Comments:		

Purpose

- 1 This paper provides you with an update on the Government's work on pay transparency, including more detailed options for progressing the work and key messages and Q&As for any media and public enquiries.
- 2 We have engaged with Te Puni Kōkiri, the Ministry for Pacific People, the Ministry for Ethnic Communities and Te Kawa Mataaho Public Service Commission in the development of this paper, to reflect our intention to take an intersectional and inclusive approach to the pay transparency work programme.
- 3 The paper includes a range of initiatives which we have structured into three tiers of options below: you could either choose a sole option to inform the scope of the work programme, or begin with a smaller option and gradually expand the work programme over time.

Table 1: Tiers of options to progress pay transparency

Option 1
<p>Only those initiatives which could be immediately progressed out of existing funding and resourcing:</p> <ul style="list-style-type: none"> • Disseminating existing key messages and resources on pay transparency to the private sector, with minimal re-packaging for a business audience • Carrying out research using the Integrated Data Infrastructure, to gain sector-level insights into pay gaps
Option 2
<p>Initiatives which could be immediately progressed out of existing funding and resourcing, and those which would require new budget funding:</p> <ul style="list-style-type: none"> • Development of new information and education initiatives, including the creation of new tools and resources and a potential awareness campaign 9(2)(f)(iv) • Carrying out research using the Integrated Data Infrastructure, to gain sector-level insights into pay gaps • The formation of an Advisory Group to provide expert feedback on the development of new tools and resources
Option 3
<p>A full range of initiatives, including those which could be progressed dependent on the prioritisation of pay transparency within the Workplace Relations and Safety portfolio:</p> <ul style="list-style-type: none"> • Development of new information and education initiatives, including the creation of new tools and resources and a potential awareness campaign (would require new budget funding) • Carrying out research using the Integrated Data Infrastructure, to gain sector-level insights into pay gaps

- 9(2)(f)(iv)

(this would not be able to begin until resourcing has been confirmed by MBIE; Ministry for Women could carry out some initial policy work in the interim which could then feed into the full policy process)

- The formation of an Advisory Group to provide expert feedback on policy development

Recommendations

4 The Ministry for Women and the Ministry of Business, Innovation and Employment recommend that you:

- Note** that the Ministry for Women and the Ministry of Business, Innovation and Employment were directed to provide further advice on the development of a work programme for pay transparency

YES NO
- Note** that the Government published its response to the Education and Workforce Committee briefing into pay transparency on 28 June 2022

YES NO
- Note** that in its response, the Government agreed to investigate whether a full pay transparency regime would be beneficial, and accepted in principle to consider the Select Committee's recommendation to incorporate the policy considerations outlined by the Select Committee into the work programme on pay transparency

YES NO
- Note** that there are three options to progress the work programme on pay transparency, based on the level of funding and resourcing you wish to commit, outlined at **Table 1** above;

YES NO
- Discuss** these options with officials and then agree which option to progress

YES NO
- Agree** to the dissemination of existing tools and key messages to the private sector, via key partners, to support pay gap reporting, and for officials to begin discussions now with key leaders in the business sector to support this work

YES NO

7 **Note** that work on the development of new tools and resources to support pay gap reporting in the private sector cannot be progressed out of baseline funding

YES NO

9(2)(f)(iv)

9 **Note** that the Ministry for Women is progressing work with the Auckland University of Technology utilising the Integrated Data Infrastructure to provide a data tool that identifies gender and ethnic pay gaps and their drivers at a sector level

YES NO

10 **Agree** to the establishment of an advisory group to support the pay transparency work programme

YES NO

11 **Note** that the Ministry for Women, in consultation with MBIE, will provide you with further advice on membership, terms of reference and the potential approaches to an advisory group including:

- a an advisory group comprised of members of the National Advisory Council for the Employment of Women, and additional members selected on the basis of their relevant expertise in relation to gender and ethnic pay issues and pay transparency; **OR**
- b including pay transparency as a standing item on the agenda for the National Advisory Council for the Employment of Women

YES NO

9(2)(f)(iv)

13 **Note** that the Ministry for Women, in consultation with MBIE, will provide you with further advice on information and education initiatives, an update on the Integrated Data Infrastructure research project, and an advisory group in September 2022

YES NO

- 14 **Agree** to the key messages on pay transparency attached to this paper as **Appendix 1** YES NO
- 15 **Discuss** the issues included in the meeting agenda attached to this paper as **Appendix 3** with officials YES NO
- 16 **Forward** this briefing to the Minister for Workplace Relations and Safety YES NO

9(2)(a)

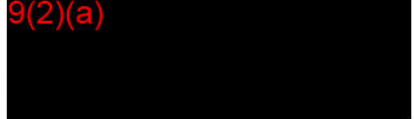

Deborah Malcolm
**Director, Policy
 Ministry for Women**

____ / ____ / 2022



Hon Jan Tinetti
Minister for Women

__14__ / __08__ / 2022

9(2)(a)


Beth Goodwin
**Manager, Employment Relations Policy
 Ministry for Business, Innovation and
 Employment**

____ / ____ / 2022

Hon Priyanca Radhakrishnan

**Associate Minister for Workplace
 Relations and Safety**

____ / ____ / 2022

Context

- 5 On 2 May 2022 Minister Tinetti met with Minister Wood to discuss the potential approach to the pay transparency work programme.
- 6 Minister Tinetti and Minister Wood directed officials from the Ministry for Women and the Ministry of Business, Innovation and Employment (MBIE) to provide further advice on:
 - a. an information and education campaign;
 - b. utilising the integrated data infrastructure;
 - c. the formation of an Advisory Group to provide expert input; and

9(2)(f)(iv)
- 7 The Government has provided its response to the Education and Workforce Select Committee report on pay transparency, which indicates the Government is considering these approaches and will be able to provide greater clarity in the coming months.
- 8 The Government, in its response, agreed to investigate whether a full pay transparency regime would be beneficial, as part of a range of other initiatives, to reducing the gender pay gap. The Government also accepted in principle to consider the recommendation of the Select Committee to incorporate the policy considerations outlined by the Committee into the work programme on pay transparency.
- 9 Pay transparency has been identified as an immediate action in Te Mahere Whai Mahi Wāhine Women's Employment Action Plan, under the first success area of ensuring that women are financially secure. Closing gender and ethnic pay gaps is also an action in Te Mahere Whai Mahi Wāhine and a number of other Employment Action Plans, including Te Mahere Whai Mahi Māori Employment Action Plan and the Former Refugees, Recent Migrants and Ethnic Communities Employment Action Plan.
- 10 You both met on 19 July 2022 to discuss the proposed pay transparency work programme, timeframes and resourcing, and the establishment of an advisory group.
- 11 You also discussed a set of draft key messages on pay transparency that could be used to respond to any public questions regarding the Government's action on pay transparency. A finalised set of these key messages is attached as **Appendix 1**.

Overview of the work programme and expected timeframes

- 12 We consider that the primary objective in introducing pay transparency measures in Aotearoa New Zealand would be to make employers aware of gender and ethnic pay gaps within their firm and across their sector, and to incentivise

employers to address these pay gaps. Supporting firms to identify and publish their pay gaps, and to implement measures to reduce these gaps where applicable, would form an important part of the Government’s wider work on gender pay equity and improving women’s labour market outcomes, as well as labour market outcomes for Māori, Pacific people, and other ethnic minorities in New Zealand.

- 13** There is a scaled range of potential approaches to pay transparency measures, from voluntary reporting by firms with the support of government in the form of tools and resources, to mandatory reporting measures in the form of legislation. Beyond pay gap reporting, there are also options to support firms in addressing their pay gaps, ranging from supporting businesses to develop their own action plans through to mandated measures such as requiring salaries to be posted in job advertisements, or requiring firms to produce an action plan where they uncover a pay gap.
- 14** This paper provides detail on options that MBIE and the Ministry for Women are able to progress in the short term (6-12 months) out of existing baselines, including adapting existing tools and key messages on pay transparency for the private sector and carrying out research using the Integrated Data Infrastructure.
- 15** The paper also gives an indication of where further work may be done in the longer-term (12-24 months), including developing new, fit-for-purpose information and education initiatives (subject to funding) and carrying out analysis of the Select Committee’s recommended policy considerations to inform the development of a legislative or regulatory response to pay transparency.

Table 2: Overview of initiatives, timeframes, and resourcing required

Initiative	Timeframe	Further info to be provided	Available resource	Lead agency
Work with key sector partners on ways to disseminate existing tools and key messages on pay transparency to the private sector	9(2)(f)(iv)	Paper to be provided in September	Able to be met out of baseline	Ministry for Women with support from MBIE
Developing new tools and resources, as well as an awareness campaign, to support pay gap reporting in the private sector	9(2)(f)(iv)	9(2)(f)(iv)		Ministry for Women with support from MBIE
Utilising the Integrated Data Infrastructure to provide a data tool that identifies gender and ethnic pay gaps and	9(2)(f)(iv)	First update to be provided in September	Able to be met out of baseline	Ministry for Women

Initiative	Timeframe	Further info to be provided	Available resource	Lead agency
their drivers at a sector level				
Establishing an Advisory Group for pay transparency	9(2)(f)(iv)	Paper to be provided in September	Able to be met out of baseline	Ministry for Women with support from MBIE
Carrying out policy analysis for a pay transparency regime	9(2)(f)(iv)	9(2)(f)(iv)		MBIE and Ministry for Women (Ministry for Women could begin some policy work now; MBIE would be dependent on resourcing)
Carrying out a legislative process for a pay transparency regime	12 months	9(2)(f)(iv)		MBIE with support from Ministry for Women

16 If all of the above initiatives were resourced and implemented, this would represent the most comprehensive approach to pay transparency (option 3 as outlined in Table 1 above). However, the work programme can also be scaled to deliver only those initiatives for which there is existing resourcing and funding, which would be less effective than the exploration and implementation of a full regime but is still likely to have a benefit.

Information and education initiatives

17 Minister Wood and Minister Tinetti have previously indicated that their immediate priority was for the Ministry for Women and MBIE to begin work on information and education initiatives with the private sector. Developing and disseminating key messages on pay transparency, alongside partners in the private sector, would increase awareness of issues relating to gender or ethnic pay gaps and provide people and businesses with the tools and resources to, for example, measure pay gaps, assess the drivers of any pay gaps, and develop action plans.

18 9(2)(f)(iv)

9(2)(f)(iv)

- 19** The Government can also utilise existing tools, such as those developed by Te Kawa Mataaho Public Service Commission as part of their work on the public sector pay gap, and the Ministry for Women’s ‘What’s My Gender Pay Gap?’ tool, and test whether these are suitable or require re development to support the business sector in this area.
- 20** While we are able to disseminate key messages and existing tools and resources now, information and education initiatives will be most effective if we are able to develop new, fit-for-purpose resources over the longer term alongside the business sector to ensure maximum buy-in.
- 21** Overseas examples across the OECD of information and education initiatives to consider for a longer-term campaign include:
- e. Workshops or consultations, primarily aimed at affected employers.
 - f. Digital tools to help companies calculate or analyse their gender pay gaps.
 - g. Broad public awareness campaigns, such as Equal Pay Days.¹
 - h. Award schemes to promote best practice amongst companies.
 - i. Training courses to heads of small-to-medium enterprises (SMEs) to help them calculate their pay gap and set up corrective measures where necessary.
- 22** Publicly available and easily accessible online tools, such as gender pay gap calculators, can also help mitigate against concerns that pay reporting and auditing obligations are a large administrative burden placed upon affected companies, particularly smaller ones.

23 9(2)(f)(iv)

¹ Days dedicated to raising awareness of the gender pay gap in a range of countries including Australia and the United Kingdom. Equal Pay Days are often held on a date that represents the number of additional days into a new financial year women had to work in order to earn the same as men in the previous year.

24 9(2)(f)(iv)

25 Should you agree, the Ministry for Women can begin discussions now with key leaders in the business sector through our existing networks, and can start to develop a plan to disseminate key messages and existing resources. We will provide you with a further paper, including an update on this work and further detail, in September 2022.

Utilising the Integrated Data Infrastructure

26 A frequent concern raised by the private sector is the administrative burden of identifying pay gaps within workplaces – usage of the Integrated Data Infrastructure (IDI) could assist SMEs in particular in identifying their gaps. Providing the business sector with a labour market-level overview of gender and ethnic pay gaps would serve as a key driver to enable the business sector to clearly see where there are problems.

27 The Ministry for Women is undertaking a research project, out of our existing research budget for the 2022/23 financial year, to utilise the IDI to show a labour market overview of pay difference, to identify and promote potential pathways to reduce pay inequality. The Ministry has contracted the Auckland University of Technology (AUT) to carry out this work, the result of which will be the development of a data tool that identifies gender and ethnic pay gaps and their drivers at a sector level.

28 Utilising the IDI would operate in tandem with the development of new information and education tools and resources to assist workplaces and sectors in identifying their pay gaps.

29 9(2)(f)(iv)

30 Combined with the provision of some key messages, and support from networks such as the Champions for Change, the provision of IDI data insights will be a valuable first step in the Government's pay transparency work programme by highlighting the issue and supporting businesses to take first steps towards addressing their pay gaps. 9(2)(f)(iv)

9(2)(f)(iv)

Options for expert advice to support the work programme

Formation of an Advisory Group

- 32** The first option for expert input to support the pay transparency work programme is the formation of a Pay Transparency Advisory Group to provide advice and feedback on the development of a pay transparency regime, and the development of information and education initiatives.
- 33** We consider that an Advisory Group could provide valuable insights from the perspective of groups such as businesses, unions, and particular population groups such as Māori, Pacific and ethnic communities, and disabled people. The group would be set up and supported by MBIE and the Ministry for Women to provide feedback during the policy development process and test proposals for new initiatives as part of the education and information campaign, and any potential policy and legislative responses.
- 34** We have previously discussed using a sub-committee of the National Advisory Council on the Employment of Women (NACEW), with the addition of other members with relevant expertise as needed, and consider that this would be a useful way to proceed. NACEW members are already well-versed in issues surround the gender pay gap and also represent a range of interests and backgrounds, including members representing the New Zealand Council of Trade Unions and Business New Zealand, both of which are key perspectives for this work.

35 The additional benefit of using a sub-group of NACEW as a basis for the group would be that the Ministry for Women is already resourced to coordinate meetings. The draft Terms of Reference for the Advisory Group, attached as **Appendix 2**, draws from both the existing NACEW terms of reference, and models such as the Modern Slavery Leadership Advisory Group.

36 9(2)(f)(iv)

37 We would engage with the Advisory Group on strategic questions, test potential options, and seek their feedback and insights as to how options would work on the ground, particularly regarding new co-designed information and education initiatives.

38 We would intend to take an open and transparent approach with members of the Advisory Group, which would be managed through confidentiality agreements.

39 Should you agree to this approach, we will prepare a further paper in September outlining the membership of the sub-NACEW advisory group, and provide a finalised Terms of Reference for the group.

Including pay transparency as a standing item on NACEW's agenda

40 An alternative to forming a separate Advisory Group would be to include pay transparency as a standing item on NACEW's agenda. NACEW meet approximately four times a year, and including pay transparency as a standing item would enable officials to provide regular updates to NACEW, and receive feedback at set times during the year as the work progresses.

41 A sub group of NACEW could also meet outside the formal NACEW meetings on an informal basis to consider and provide advice on specific issues or questions on pay transparency that are identified by Ministers and/or officials. To address the expertise required to test ideas and proposals relating to pay transparency information and education and policy initiatives, the sub group of NACEW could invite experts 9(2)(a) to meetings to discuss these specific issues as required.

42 This approach would require less administrative oversight from officials, as it could be incorporated into our existing secretariat duties for NACEW.

We will provide you with further advice on the advisory group in September 2022

43 The Ministry for Women, in consultation with MBIE, will prepare a paper in September 2022 providing further advice on the two above approaches and recommending which one to progress. The paper will outline the proposed membership for either approach and provide a finalised Terms of Reference for the group. A draft Terms of Reference for the approach involving a sub-group of NACEW (plus additional members) is attached as Appendix 2. We will provide

further advice in the September paper about how to indicate NACEW's role in relation to the pay transparency work if the approach for pay transparency to be a standing item on the NACEW agenda was progressed.

Policy work and potential legislative responses

- 44** You have indicated that you are interested in further policy work on a pay transparency regime, 9(2)(f)(iv) [REDACTED], supported by an Advisory Group.
- 45** In order to provide advice on which policy option to progress, we will develop a problem definition, and objectives which will guide the development of a suitable pay transparency response for New Zealand. We would develop our advice in line with the requirements of a Regulatory Impact Assessment (RIA) which will be required for any Cabinet decisions on a regulatory option. The RIA would set out the costs and benefits of specific regulatory and non-regulatory options and assess how well they would address the identified problems and objectives, including whether the benefits of intervention would outweigh the costs.
- 46** At a high level, the problem to be addressed is that pay gaps exist for different communities which puts those communities at an economic disadvantage and contributes to reduced lifetime earnings (see briefing *Pay transparency: Potential approaches to progressing the work*, MBIE 2122-3316/MW 21-22 0280). There are also little to no current incentives for firms or sectors to address pay gaps.

9(2)(f)(iv)



9(2)(f)(iv)

Investigating whether a full pay transparency regime would be beneficial

48 The Government has agreed to investigate whether a full pay transparency regime would be beneficial. This could be done as part of a RIA process where the costs and benefits of regulatory and non-regulatory options would be considered alongside each other.

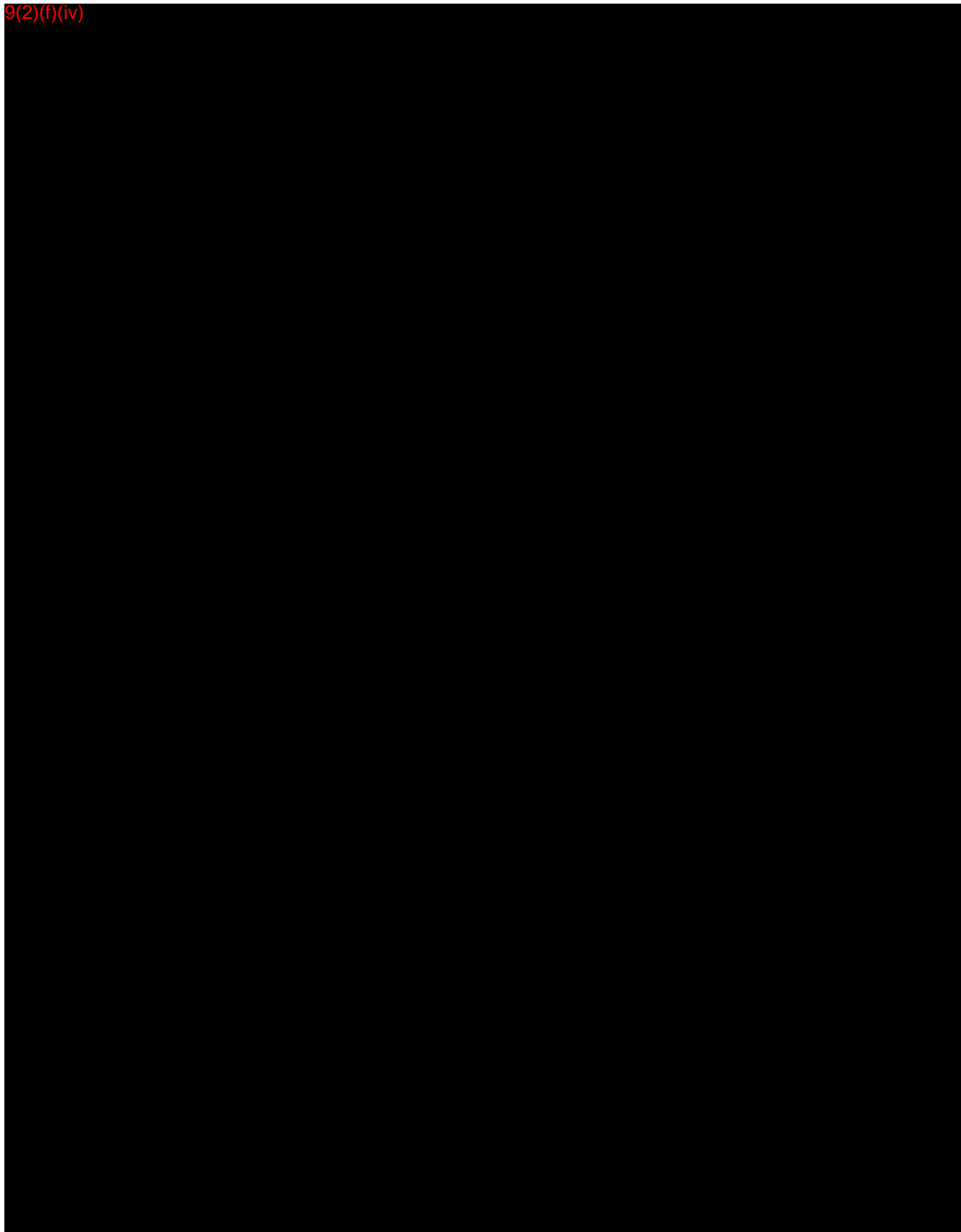
49 There are a number of policy issues that would need to be worked through to design a pay transparency regime, such as:

- j. the objective/s of such a regime
- k. the size of businesses that a pay transparency regime would apply to
- l. the type of information businesses would be required to publish
- m. where businesses would be required to publish information
- n. an enforcement regime.

50 The Government, in its response to the Education and Workforce Committee, agreed in principle to consider the Committee's recommendation to incorporate their policy considerations into the work programme on pay transparency. The policy considerations listed in the Committee's report are largely the types of issues that we would expect to analyse as part of designing a full pay transparency regime.

51 9(2)(f)(iv) [REDACTED] During different stages of the process we would test ideas and proposal with the Advisory Group to get their feedback and use their expertise to inform the design of the regime. 9(2)(f)(iv) [REDACTED]

52 The timeframe for MBIE to start the policy process will depend on the priority of pay transparency within the Workplace Relations and Safety portfolio.



59 MBIE can provide you with a more detailed breakdown of the timeframe and process for either policy approach. The timeframe for when this work can start will depend on the priority of pay transparency within the Workplace Relations and Safety portfolio.

Next steps

- 60 Should you agree to the recommendations in this paper, the Ministry for Women, in consultation with MBIE will begin immediate work on updating and disseminating existing tools and resources on pay transparency to the private sector.
- 61 We expect that AUT's work using the IDI will begin within the next month, and we will provide you with an update once this work is underway.
- 62 Should you agree to the establishment of an Advisory Group, we will provide you with a further paper confirming the scope, membership and terms of reference of this group by the end of September.
- 63 We also recommend you both meet to discuss the recommendations in this paper. An annotated agenda for this meeting is attached as **Appendix 3**.

Appendices

9(2)(g)(i)

18(a)

Appendix 3: Annotated meeting agenda

Appendix 3: Annotated agenda for meeting with officials


HON JAN TINETTI – MINISTER FOR WOMEN

HON PRIYANCA RADHAKRISHNAN – ASSOCIATE MINISTER FOR
WORKPLACE RELATIONS AND SAFETY

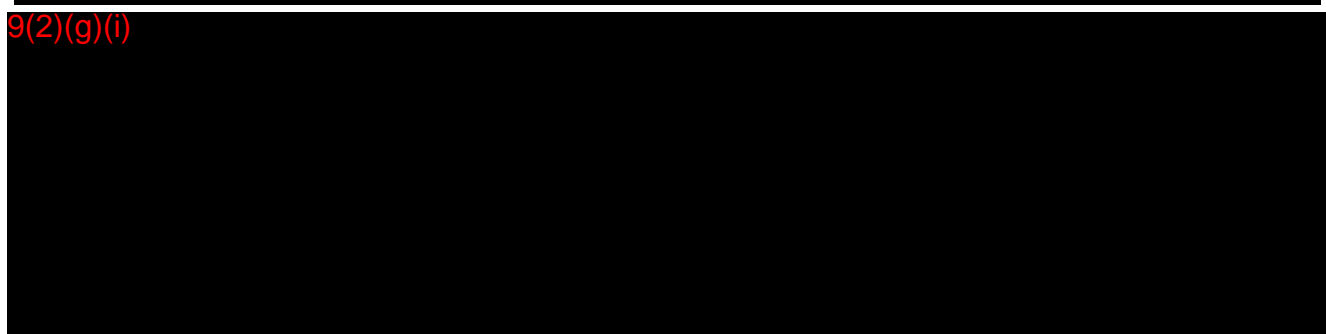
PAY TRANSPARENCY: [TITLE]

[DATE – TBC]

9(2)(f)(iv)



9(2)(g)(i)



9(2)(g)(i)

Item 2: Options for expert advice to support the pay transparency work programme

- If you agree to the formation of an Advisory Group, the Ministry for Women, in consultation with MBIE, will provide advice in September on the advisory group including recommendations on the approach, terms of reference and membership, and an agenda for the first meeting of the advisory group.
- The briefing suggests using a sub-committee of the National Advisory Council on the Employment of Women (NACEW) for the advisory group, as well as additional members with relevant expertise. The confirmation of membership could be aligned with the process to update members of NACEW in November.
- The briefing also attaches a draft terms of reference at Appendix Two for your feedback.
- Alternatively, pay transparency could simply be added as a standing item to the existing NACEW agenda, with a subgroup of NACEW to meet informally between meetings and invite further attendees.

9(2)(g)(i)

Item 3: Policy work on pay transparency

- The briefing sets out potential objectives for the work on pay transparency including:
 - incentivise firms to address pay gaps
 - improve the general accessibility of pay information with the aim of:
 - incentivising firms to address pay gaps
 - supporting people to identify equal pay issues

- improve discrete issues relating to pay information in recruitment and sharing pay information.

- 9(2)(f)(iv)

- The timeframe for when MBIE can begin the policy work depends on the priority of pay transparency within the Workplace Relations and Safety portfolio.

9(2)(g)(i)

Item 4: Key messages for pay transparency

- The briefing sets out key messages and reactive Q&As to use for media and public enquiries at Appendix One.

Questions for Ministers:

Do you have any feedback on the key messages and reactive Q&As?

Hon Jan Tinetti

Minister for Women

AIDE MEMOIRE: NACEW update: appointments and pay transparency

Date:	25 October 2022	Priority:	Low
Security classification:	In Confidence	Reference:	MW 22-23 0124
Proactive Release:	This document will not be considered for proactive release.		
Contact	Deborah Malcolm, Director Policy, 9(2)(a) [REDACTED]		

Purpose

1. This aide memoire provides:
 - an update on the National Advisory Council on the Employment of Women (NACEW) appointment process.
 - a draft letter of expectation for NACEW members, including expectation on NACEW's involvement in pay transparency.
 - an indication of NACEW's role in the policy development and targeted engagement on pay transparency.
 - an indication of what will be on the NACEW meeting agenda for November.
2. We ask that you forward a copy of the aide memoire to Minister Radhakrishnan for her consideration.

NACEW appointment process

3. Manatū Wāhine Ministry for Women (the Ministry) has invited nominations from:
 - your Ministerial colleagues, via your office.
 - the Ministry of Business, Innovation and Employment (MBIE), Te Puni Kōkiri, Ministry for Pacific Peoples, Whaikaha Ministry of Disabled People, Ministry for Ethnic Communities, and the Public Service Commission.
 - the Ministry's nominations database.
 - the Ministry's website.

- NACEW members who are being reappointed.
4. We indicated that we are seeking candidates who have a high level of business sector knowledge and expertise and an in depth understanding of pay transparency and gender and ethnic pay gap issues.
 5. To date we have received approximately 37 nominations.
 6. We asked for nominations to be provided by 13 October 2022, but some are still being sent in. 9(2)(g)(i)
[REDACTED]
 7. We will provide you with a first list of candidates by 28 October which will be divided by suggested candidates for further consideration (i.e. call for expression of interest and CVs) and candidates not being recommended for further consideration.
 8. The next step is for the Ministry to then review the nominations of the candidates for further consideration and provide you with a shortlist of candidates. We will include a short biography for each candidate outlining their skill base as well as indicating who nominated them.
 9. Should you require it, we can also provide you with the complete list of candidates, which would include those candidates we consider not suitable for appointment to NACEW.
 10. We had previously indicated that we would provide a shortlist by 27 October 2022. However because of the delays in agencies providing nominations, we expect to have this list to you by 17 November 2022.

Experts list

11. We are also compiling a list of experts that could provide technical expertise on pay transparency, as well as non-government agencies that could assist NACEW on targeted engagement. 9(2)(f)(iv)
[REDACTED]

Draft letter of expectation

12. A draft letter of expectation is attached in Appendix One. The letter will be finalised and sent to NACEW members when their appointments are confirmed.
13. This letter covers your expectation of NACEW members over the next year including reference to the advice and support they will provide you and Minister Radhakrishnan on pay transparency.

NACEW's role in policy development and engagement

14. NACEW's role will be two-fold: policy development and targeted sector engagement.

Policy development.

15. Officials will provide NACEW with policy papers on pay transparency to consider. NACEW will provide advice and feedback on issues, including:

- what the objectives of a pay transparency regime are
- what reporting requirements a pay transparency regime could measure
- who a pay transparency regime could apply to
- what monitoring, compliance and enforcement arrangements are needed
- what implementation support is required.

16. NACEW will meet with its partner organisations and experts on pay transparency and the gender and ethnic pay gaps to seek advice and discuss issues as part of the policy development process. NACEW will also meet with Auckland University of Technology (AUT) to discuss provisional results of the wage data Integrated Data Infrastructure (IDI) project as results are released.

17. Officials will indicate to Ministers which options NACEW prefers as part of officials' advice on particular aspects of the regime.

Targeted sector engagement

18. NACEW will lead targeted sector engagement. NACEW members are influential leaders in their sectors and can use their wide networks to lead targeted sector engagement and influence change.

19. The Ministry for Women, in consultation with MBIE, will develop a targeted engagement plan for NACEW for discussion at its meeting in November.

November NACEW meeting

20. Pay transparency will be the key agenda item for NACEW's meeting on 21 November 2022. The meeting is online from 9.00am to 11.00am, and you have agreed to attend from 9.00am to 9.30am. We have suggested that you invite Minister Radhakrishnan to this meeting.

21. We will provide NACEW members with the key briefings on pay transparency as background to this work (for example MW 22-23 0323, MW 22-23 0026 and MW 21- 22 0280) and a draft targeted engagement plan.

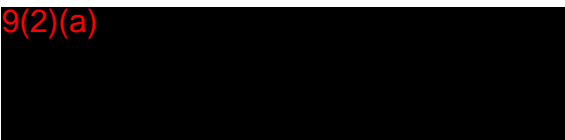
22. We suggest you discuss your expectation of NACEW as the national advisory group on pay transparency, their role in policy development and targeted sector engagement, how this process will work, and seek their comments on the proposed way forward for this work programme.

23. 9(2)(f)(iv)

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24. We will provide you with an agenda and talking points on 15 November 2022 (MW 22- 23 0121 refers).

9(2)(a)

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Deborah Malcolm
Director Policy

