



NEW ZEALAND
CUSTOMS SERVICE
TE MANA ĀRAI O AOTEAROA

**DIVERSITY, EQUITY
& INCLUSION PLAN
2024/25**

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This document outlines our progress towards our Inclusion and Diversity, Pay Gap, and Equity Goals over the last 12 months.

Although 2023/24 has been a challenging year with significant organisational change we have continued to make good progress towards achieving these.

We have a more diverse workforce

- increases in Māori, Asian, Pacific Peoples' and Middle Eastern, Latin America and Africa (MELAA) representation
- increases in the number of women, Māori, and Asian leaders
- the number of women, Māori and Asian leaders in acting/secondment roles remain above our target of 50%.

Our Pay Gaps have reduced

- our mean and median gender pay gaps have reduced
- we have achieved five out of six of the pay gap measures for Māori, Pacific, and Asian people.

Our Organisational Change Process meant that we have not progressed all our pay gap initiatives. It also meant that the percentage of women in senior leadership roles declined from 35.7% to 25.0% as a result of organisational structure changes to tier two and tier three management levels, with some positions previously at tier three moving to tier four. We now have 45.2% of our tier four leadership positions held by women, and they are well placed to move into tier three roles in the future.

Our Inclusion and Diversity Council and our employee-led networks continue to be active and play a key role in creating and supporting an inclusive workplace.

ORGANISATION OVERVIEW, CONTEXT AND COMMITMENT

Our aims are:

'We aim to make Customs a place where every voice is valued and that our workforce is inclusive, equitable, and diverse.'

'To ensure that all our people and those who join Customs have equal opportunities to develop and earn.'

- We do this work because it is the right thing to do, will lead to more fairness and equity in our workplace, and is aligned to our values.
- At Customs we want to eliminate pay gaps and play a positive role in the outcome of lifetime earnings for all staff.

**We do
what's right**

**We are
guardians**

**We value
people**

**We look
forward**

This work is connected to:

- Within Rautaki Mana Ārai- Customs Strategy 2023-2028, People is one of the four Strategic Priority Areas and inclusion, diversity and paying people fairly are key parts of this.
- Our Statement of Intent notes that building an inclusive and diverse workforce (which includes addressing pay gaps) is one of the responsibilities we focus on to ensure we have the right people, systems, and processes in place to ensure we operate effectively as an organisation and deliver our strategy.
- Our Inclusion and Diversity Strategy 2023-2026 has two focus areas: Inclusion and Gender, and Māori, and Ethnic Equity. Increasing diversity in Customs' workforce and eliminating pay gaps are key elements of this work.

BACKGROUND



- We want to foster an inclusive environment to attract and retain the best people regardless of gender, age, ethnicity, or background. We have a strong belief in fostering a culture of respect and inclusion so that people feel supported and valued and are able to do their best work. Narrowing pay gaps is one element of our commitment to making sure that equity and inclusivity are a core part of our culture.
- We know that an inclusive and diverse workforce leads to better decision making, leadership, problem solving, and operational outcomes. We have actions and measures in our [Strategy](#) that work towards achieving this, including gender and ethnicity representation targets for our workforce and leaders.
- We are committed to ensuring that everyone has equal opportunities for recruitment, development, and promotion. The right people for the right role based on merit. This is regardless of differences such as gender, ethnicity, age, disability, family status.
- We are equally focused on reducing our Māori and ethnic pay gaps and a number of our pay gaps initiatives and our I&D Strategy will assist in reducing these.
- They directly support **Te Pou Tokomanawa - Customs Māori Strategy** and are aligned with **Papa Pounamu** Priority Areas. Our Te Pou Tokomanawa strategy is the foundation of what we do and how we do it. We aim to build a strong culture where the principles of kotahitanga, kaitiakitanga and manaakitanga are woven through all our day-to-day activities.



BACKGROUND



- The strategy outlines a number of focus areas. The strategy most relevant to pay gaps is our commitment to building Māori Crown relationship capability across Customs through the broader public service Whāinga Amorangi work programme, and to support the revitalisation of te reo Māori through the Maihi Karauna strategy. We are also committed to our work being aligned to the guidance of Kia Toipoto.
- Our approach to reducing the Gender Pay Gap was developed in early 2018. In July 2018 we commissioned independent work by UMR Limited to inform our strategies.
- We engaged with our Unions and jointly developed the Gender Pay Action Plan 2018-2020 which was approved by the Customs Executive Board (CEB) and jointly launched in September 2018. The plan identified twenty-two foundation initiatives that are now embedded and contributing to equity, diversity and reducing pay gaps.
- The original plan, along with data and background references was published on Customs Intranet (The Longroom) and briefed to all business groups across our organisation in late 2018 and early 2019.
- We integrated our pay gaps work into the first Diversity and Inclusion Strategy and in 2021 we also broadened the focus from gender to pay gaps for women, Māori and ethnic groups, and again published it on the Longroom and Customs' external website.
- Our research and development of initiatives has been guided and informed by guidance from the Public Service Commission Te Kawa Mataaho (PSC) via their Kia Toipoto – Public Service Action Plan 2021 – 2024. We have used The Gender Pay Principles Ngā Mātāpono Utu Ira Tangata – to find out more information visit the [Public Service Commission website](#) and search “Kia Toipoto”.





INCLUSION

Cultural competence – effectively supporting our staff and the people who use our services

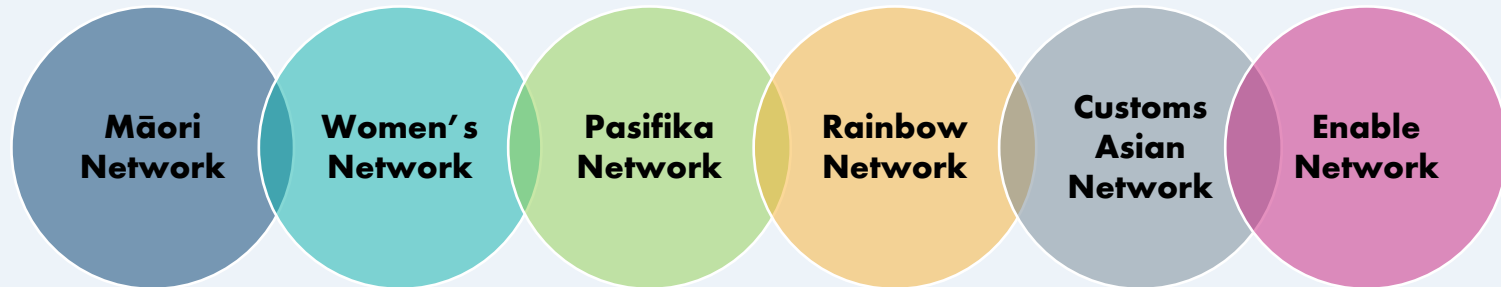
- Our work to build our Māori-Crown relations capability and our engagement with Māori communities is set out in Te Pou Tokomanawa.
- In addition, our Inclusion and Diversity Council has begun work to define what cultural competence means for Customs. This will support the development of resources and training to build cultural competence across a broad range of cultures.

Inclusive leadership – inclusion is the foundation for enabling equity and diversity

- To support our people leaders and foster an inclusive culture, all our leadership development programmes include learning about inclusive leadership. We also have 'Quick Guides' on our Intranet and performance expectations on inclusive leadership to help leaders embed inclusive practices.
- We have an eLearning module available to all staff on inclusive leadership. As part of our leadership programmes, we require participants to complete the eLearning module and then we have an in-person session to further their learning on it.
- We support employee-led networks – creating opportunities to help people build connections and have their voices heard.
- Employee-led networks play a key role in fostering inclusive workplaces. They contribute valuable advice to the development of policies and resources, organise events to promote awareness of cultural celebrations and language weeks, and support mentoring and development programmes.



- We have five established networks with the sixth, the Enable Network recently established:



- The Enable network, which is open to all Customs staff, represents the interests and needs of staff and their families living with mobility, neurodiversity, and other differently abled situations.
- We are building up a rōpū of people who have attended Rūmaki Reo - Total Immersion Te Reo Māori Programme. Attendees are supporting each other and improving the understanding of Te Ao Māori across Customs, as well as providing a valuable Māori perspective to a range of Customs initiatives.
- Each year we celebrate Te Wiki o Te Reo Māori and Matariki, providing opportunities to learn and practice Te Reo Māori, and grow our understanding of Te Ao Māori. This year's Te Wiki o Te Reo Māori involved the tamariki of our Customs whanau. Short videos of the tamariki speaking or singing in te reo Māori was a highlight.



DIVERSITY

- At 31 July 2024, the representation of women in Customs was 50.0% and in manager roles had risen by 0.9% to 35.8%.
- Our gender diversity goal is to increase the number of women in leadership by 1.5 percent per year to 38.5 percent by 2026.
- The diversity* in our workforce has increased over the last 12 months with a slight decrease in European representation offset by increases in Asian, Māori, Pacific Peoples' and MELAA representation.

Gender and Ethnicity	Workforce representation %		All Managers %	
	31 July 2023	31 July 2024	31 July 2023	31 July 2024
Men	49.8%	49.9%	65.1%	64.2%
Women	50.1%	50.0%	34.9%	35.8%
Prefer not to say	0.1%	0.1%	-	-
European	66.9%	66.0%	78.5%	80.5%
Māori	10.3%	10.6%	8.7%	9.0%
Asian	18.8%	19.1%	7.8%	8.6%
Pacific Peoples	11.9%	12.1%	8.2%	8.1%
Middle Eastern, Latin American, African	1.4%	1.7%	1.4%	1.4%
Other	4.4%	4.2%	6.8%	6.3%

* Customs does not currently capture data on other genders. Staff are able to self-identify three ethnicities. The percentages may add up to more than 100%. All three ethnicities are included in the data from June 2022

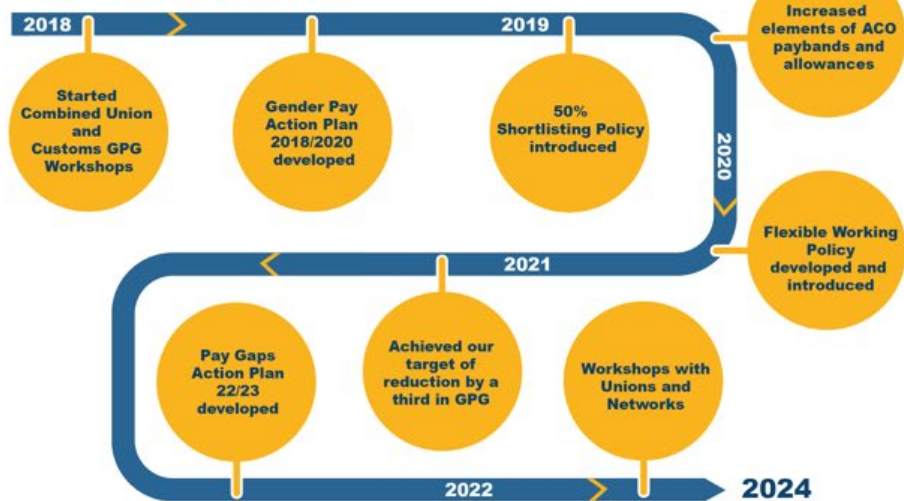
- Te Taunaki 2021 results for Customs provides our most recent indicative data on religion, languages, and mental health. This data is in Appendix A. A summary of actions from our Inclusion and Diversity strategy in the last 12 months and specific actions for 2025 is at Appendix A.
- A number of our Diversity initiatives cross over with our Pay Gaps and Equity initiatives in the section that follows.



PAY GAPS AND EQUITY

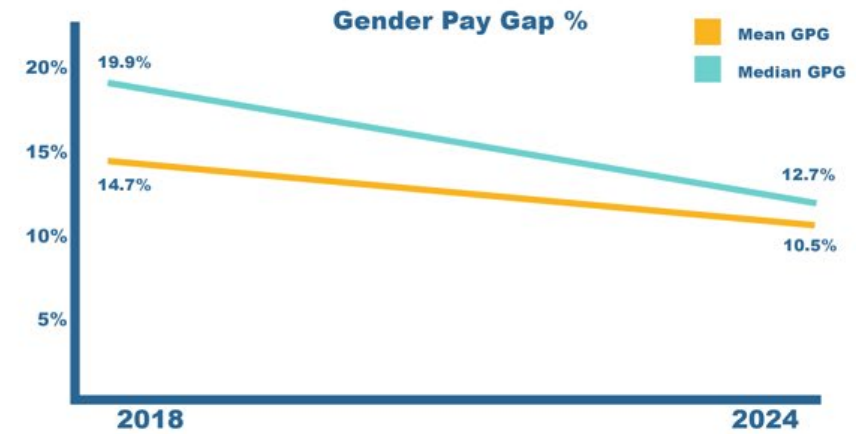
Customs Paygap Action Plan 2024/25

Where We've Come From...



Through 2018 to 2024* we have seen...

- Reductions in the high level measures of Gender Paygap (GPG)
- An increase of women in Acting and Secondment roles.
- Improvement in GPG across Paybands
- Reductions in Pay Gaps for Māori and Ethnic groups



Gender Paygap in Paybands 2023 - 2024*



Māori and Ethnic Paygap 2023 - 2024*



Our focus for 24/25

- Implement 24/25 initiatives delayed in the past year
- Work with DCE's and Group Managers to review how their group's gender and ethnicity representation across all levels could change
- Further reduce Pay gaps from July 24 levels by 2% by mid-2026

Union, Employee and Network Engagement

- We first engaged with our three unions (Customs Officers Association, PSA and Etū) early in April 2018, to discuss our research and potential approaches to reducing the Gender Pay Gap as part of our regular six weekly Forums. We worked closely with them to further develop the overall strategy and create detailed action plans.
- We continue to engage with Unions and more recently employee networks, to seek their guidance to develop and review initiatives and update our Action Plans.

Drivers of our Pay Gaps

- A significant reason for the size of our Gender, Māori, and ethnic pay gaps comes from our long tenure and history. Our larger (77.2%) operational workforce was primarily recruited at the lower ranks within the organisation and from them, grown its capability. Although we have long been committed to equal pay, like many public sector organisations, our recruitment and the senior levels of our organisation have had more men than women for many years and low numbers of Māori, Pacific, and Asian staff. This leads to managers and specialist pay bands contributing the most to the pay gaps with some small impacts from the most senior of the pay bands covered by the collective agreement (vertical segregation).
- We also have around 101 Assistant Customs Officers (ACO) representing 7.5% of all staff. This role attracts women due in part to the ability for some, to work part-time hours and as a result 65.3% are currently women. However, this role has the lowest pay band in our Operations groups.
- Within the smaller Corporate groups' workforce, in some areas we have more women than men in lower paid occupational groups and the opposite in some higher paid occupational groups (occupational segregation).
- The disproportionate representation of Pākehā within mostly senior pay bands, also has an impact on the mean pay gaps after each round of across-the-board percentage increases in salaries in previous years.

- Our research has identified historical differences in starting salaries and the impact of parental leave on later levels of earnings and the GPG. Our 'Like for Like' analyses and resulting changes has reduced the current impact of some of these differences on our people.
- Diversity has improved significantly in recent years, and at entry level, we now attract and select a more balanced mix of women and men and increasing numbers of Māori and ethnicities. As a result, over time, representation at all levels will change reducing the historical vertical segregation. Overall, 50.0% of our workforce are women, but more of our senior roles are occupied by men contributing significantly to the GPG. (See Leadership Levels - [slide 30](#))
- In 2021 and into 2022 the Maritime Group, temporarily set up during the pandemic to support the Maritime Border Order, increased significantly (20%) the numbers of staff within Operations employed on a fixed term basis. While relatively equal numbers of women and men joined the Maritime Group the inclusion of a large number of men in the lowest pay bands had a greater relative impact on the men's average salary. This contributed to significant reductions in the mean and median gender pay gaps in 2021 through to June 23 when the final group of these fixed term staff left.
- As expected, as the COVID risk reduced and these temporary staff left their fixed term employment, we saw increases in our pay gaps offsetting other improvements. We were able to offer around 50 staff from this workforce full time employment which has increased our Asian and Māori representation but similarly increased their pay gaps.

Our initiatives to close Pay Gaps

- We have five areas of focus for our initiatives that reflect the 'employee lifecycle' framework; recruitment, promotion, career development, pay and reporting. They were initially developed in conjunction with our Union partners in 2018. They were reviewed and updated following workshops with Union and Network members in 2022 and 2023.
- These initiatives are intended to increase our diversity and reduce the drivers of pay gaps outlined above. They are outlined in the slides following.
- There are currently 22 initiatives that we have in place, in progress or will be introduced in the next 12 months.
- There are also initiatives that have now been either implemented or are part of our business as usual and no longer appear in the list of current initiatives.

INITIATIVES FOR 2024/25



Reduce inequities and increase diversity through	Planned priority Actions for 2025	Progress to date	Success Indicators/Measures
Recruitment	Continue to use the Salary Comparator to inform fair and informed offers for starting salaries <u>and</u> those on promotion	In place	Quarterly compliance check, and frequency of salary revisions
	Recruiting processes to attract and select diverse candidates, reviewing other Agency approaches	In progress	% of women, Māori and ethnic staff in Customs and in leadership roles; gender mix through recruitment
	Continue to have at least 50% women on shortlists for all roles with widening the pool the first action, require DCE exception.	In place	100% compliance, no. of exemptions
	Develop 'bite size' recruitment advice videos to aid interview preparation and provide material for those seeking roles via the LMS	In place	Report on frequency of viewing relevant pages
	Improve staff understanding of recruitment process and improve capability to perform.	In place	Feedback from internal candidates at assessment centres
	Improve manager understanding of recruitment process responsibilities and improve capability to apply the process and make fair selection decisions	In place	Pre Briefings to Managers
	Educate and coach all our people on acting and secondment and how policy works within those processes	In progress	Continue to monitor and report on % of women, Māori and ethnicities in acting and secondment roles

INITIATIVES FOR 2024/25



Reduce inequities and increase diversity through	Planned priority Actions for 2025	Progress to date	Success Indicators/Measures
Promotion	Aid interview preparation and provide material for those seeking roles via the LMS	In place	Monitor frequency of viewing relevant pages
	Active encouragement for women, Māori and ethnicities to take up permanent and temporary leadership roles via development conversations and Career Development Board feedback	In place	% of women, Māori and ethnicities in temporary and permanent leadership roles
	Unconscious bias and gender pay material e.g. manager interview prep, salary comparator- for all leaders, recruitment panels.	In progress	% of leaders who have undertaken the training
Career development	Actively support specific development programmes e.g. Network mentoring programme, Women’s Network mentoring assistance.	In place	Participant self report measures; Mentoring programme Outcomes
	Publicise, make available leadership and other development programmes to those on Parental leave and those working part time.	In place	Nos. of PLWOP and part time staff on courses
	KPIs for Managers developing their staff are now in Inclusive Leadership Expectation.	In place	Manager oversight

INITIATIVES FOR 2024/25



Reduce inequities and increase diversity through	Planned priority Actions for 2025	Progress to date	Success Indicators/Measures
Career Development	All People Policies reviewed for inclusion and to remove bias in line with updated Kia Toipoto guidance in September 23.	In progress	Policies Reviewed
	Demystify the intent, process, and channels of Talent Management for all staff with a view to build overall trust and awareness. Conduct the workshop that has been developed for Leaders.	In progress	Review workshop outcomes
	Continue ‘Quietly Powerful leadership’ sessions for individuals and leaders and evaluate last year’s sessions. Consider an EOI process/secondments/acting to ensure both people are ready and really want to move into this space.	In progress	Nos. completing module
	Promote ‘Inclusive leadership’ sessions for all leaders. Continue to include in all leadership programmes.	In progress	Nos. completing module



**IN THE LAST
12 MONTHS**



Recruitment

- We monitored the starting salaries for men and women in the last 12 months and conducted similar analyses for Māori, Pacific peoples, and Asian staff as part of our research. For the 2023/24 year although more women (93) started at Customs than men (60) the analysis found the starting salaries across all the paybands were not statistically different.
- Similar analyses for Māori, Pacific peoples, and Asian staff also found no statistically significant differences.
- In 2021, using the guidance from the PSC on Person specifications, Job Descriptions and Recruitment processes, we developed a programme of initiatives for implementation over a two-year period. Over the last 12 months when Position Descriptions (PDs) are updated for a new recruitment process, they are reviewed against our updated PD template and inclusive language guidelines, before being advertised
- All selection panel members must have completed the unconscious bias training module within the 12 months prior to being on the panel.
- We have continued to use the PSC Remuneration Guidance and human resource practices when reviewing our policies. In the development/review of HR policies, our normal process includes consultation with the Inclusion and Diversity Council as well as Unions.
- A definition for merit, which mirrors the definition used by PSC is in use for recruitment process.

Performance and Pay

- As a regular part of the 2024 Performance Review process, we reviewed the proposed performance ratings and there were no significant gender or ethnicity bias in the performance ratings.
- We have conducted successive analyses of other areas where pay decisions involve discretion e.g., access to allowances, bonus incentives and in the last 12 months the differences between men and women have decreased. We have also seen a significant reduction in the GPG for total remuneration from 20.1% in June 20 down to 15.2% in June 24. (More detail in Appendix C)
- We completed “Like for Like” checks on Manager and Specialist Salaries in the last 12 months and adjusted accordingly.

Promotion and Career development

- Our Flexible Work policy was updated in 2023 and aligned with the PSC flexible-work-by-default guidance. An associated Hybrid Working Training Programme has been developed and implemented for people leaders.
- This provided an opportunity to reset expectations around how Flexible Work Arrangements work; the diverse types available, review periods, requirements in relation to the Employment Relations Act 2020 and opportunity to set clear parameters.
- As at the end of June 2024, 35% of all Customs staff have completed unconscious bias training (either attended a workshop online or face to face and/or completed an eLearning package).
- As part of the talent management process in November 2023, 46.9% of women were identified as High Potentials through the dynamic talent maps.



- We have developed and launched learning resources that aim to increase awareness and help staff understand how the Performance Review and Development (PRD) and talent processes can work effectively for staff in all stages of their career journey. The learning resources include:
 - an eLearning module that helps staff explore the processes and scenarios by following the journey of diverse personas.
 - a people leaders' follow-up workshop, designed to help leaders get the best out of these processes for their people.
- Our Women's Networks work has encouraged discussion, and thinking about career development and opportunities women can pursue through their mentoring programme. Recent comments from the programme are:

"I am so grateful to have my mentor, especially over a period where I am trying to progress, and being able to speak to her after knockbacks has been so great. We have talked about direction and aspirations, and I have been able to use feedback positively"

"Mentoring was initially something I saw as a way of "giving back" but I have also been inspired by my mentee. It has spurred me to think about my own development and overall has reinforced the power of connecting and supporting each other"

Reporting – Data Analysis and trends

- We have continued to improve our data analysis capability giving us a better understanding of the role staff joining and leaving, promotions and pay changes have each month on all our pay gaps. We have extended analyses this year to include the impact and those returning or going on parental leave or Leave without pay. We have continued analyses of pay gaps based on Total Remuneration.
- We have tracked monthly changes across the pay bands with higher pay gaps i.e., Managers and Specialists and C9 Band (Advisors, Team leaders and Chief Customs Officers).
- We report quarterly on progress and initiatives to the Customs Executive Board.
- We have examined Māori and Ethnic pay gaps within Functional Groups, and this will again be a focus for the coming year. (Appendix C)

Māori and ethnic pay gaps

- We report quarterly on Māori and ethnic pay gaps. The analyses still show the combined impact of both gender and ethnicity (intersectionality) on pay gaps (see slide 31).
- We have continued to provide input to the development of PSC guidance and our Action Plan continues to be recommended as one of a number for other agencies to review on certain topics.
- We have over the year separately shared information, again on our salary comparator, and data with a number of public sector agencies.

Observations in 2023/24

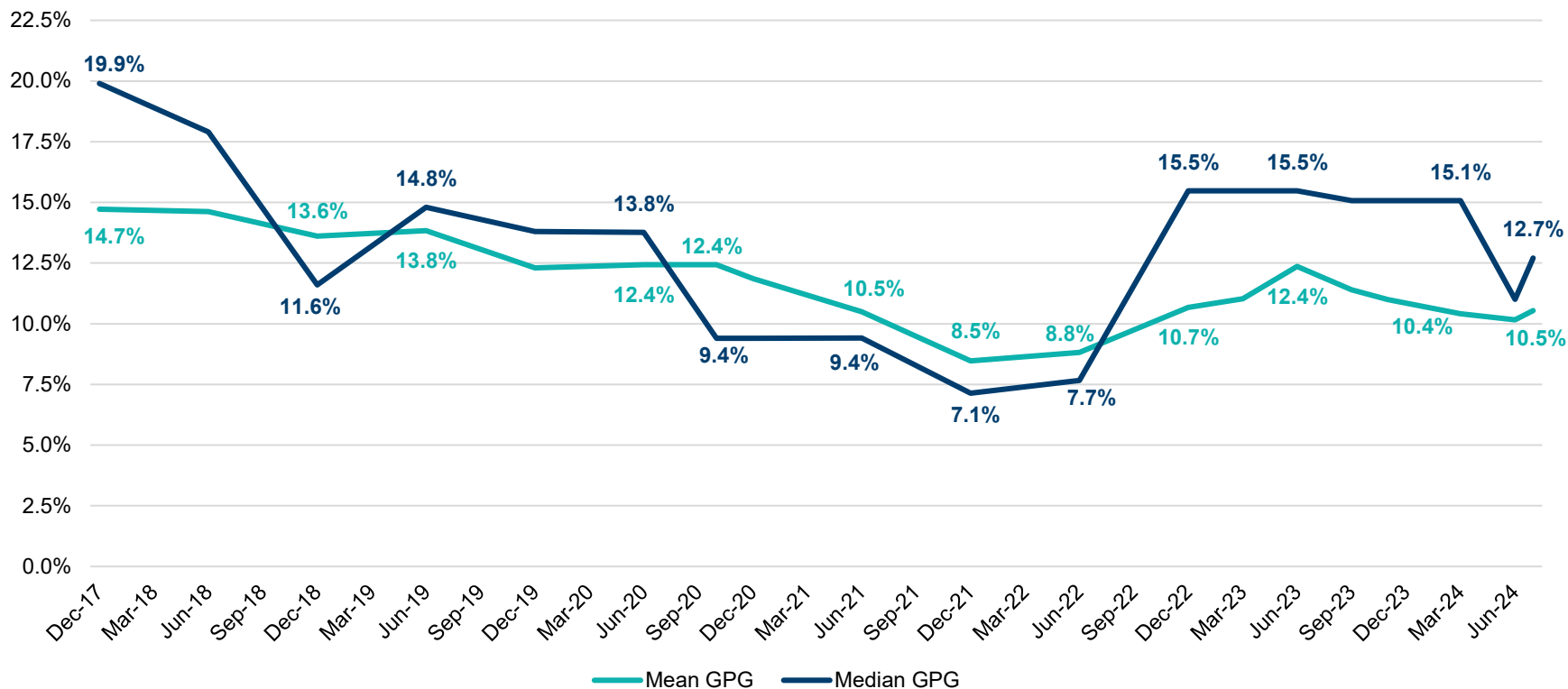
- During the first six months of 2024 Customs implemented an Organisational Change programme and changes to our structure and workforce. These changes were necessary to meet the Crown savings that were required of us and to manage the increasing cost pressures that we face over the next few years. Through these changes a total of 53 staff left due to redundancy.
- As part of this work, a temporary pause on external and internal recruitment was also put in place, which has meant that we have not progressed all our initiatives for further increasing representation of women, Māori, and ethnic groups.
- We continue to see the impact on the mean GPG of one-off actions such as the hiring or loss of a highly paid senior specialist and recognise the need for these to be overcome by other organisation wide initiatives.



MEASURES

- While our three high-level indicators (Mean and Median Gender Pay Gap (GPG) and Within Payband Mean Pay Gap) are important, we remain mindful that were we to focus only on those initiatives that might move the percentage down, we could lose focus of the Customs' objective which is: to ensure that all our people and those who have equal opportunities to develop and earn.
- There have been and will be fluctuations over time. Our focus is on the trends we see over time, both of which have reduced since 2017 (See chart).

Gender Pay Gap % - Mean and Median



Mean and Median Gender Pay Gap (GPG)

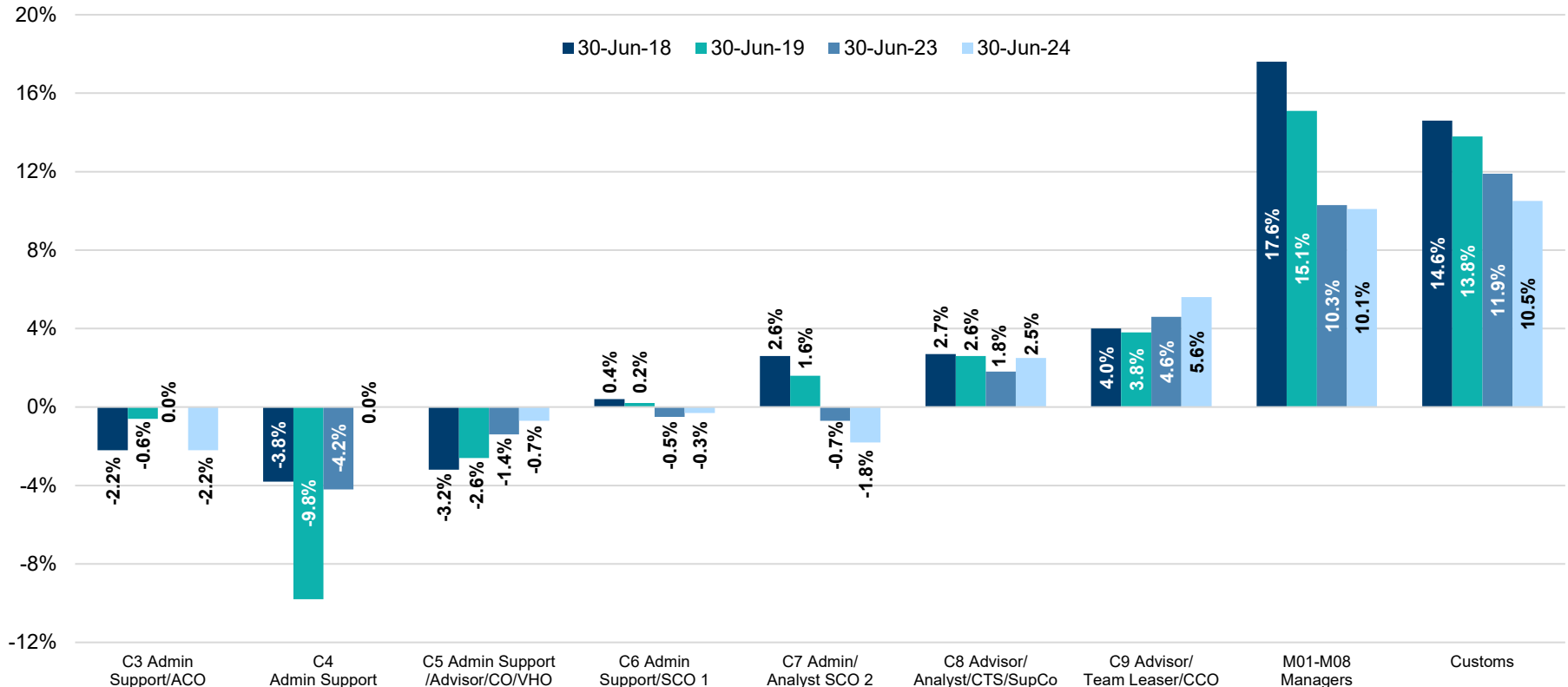
- We achieved the 2% reduction in the mean GPG goal required from October 2020 to 30 June 2024, with a reduction of 2.2% from 12.4% to 10.2%. The Public Service mean GPG as of June 24 was 6.1%.
- In the last 12 months the fall in the mean GPG was due to two factors. The men's average salary growth over the period was less than women's due to the salary levels of male staff joining and leaving Customs. The second factor was salary rises in the year were slightly higher for women.
- The Customs' mean GPG as at 31 July 24 was 10.5%, a decrease of 1.4% from 11.9% in July 23. The impact of 53 staff leaving as a result of redundancies from through Organisation Change process and changes to our structure over the 30 April 24 to 31 July 2024 period was separately examined. The redundancies contributed to a net increase overall of 0.15%, and just over half of the increase in the month to July 2024.
- Customs' median gender pay gap as at 31 July 24 was 12.7%, lower than the 2018 baseline, and when compared to 15.1% at July 23 reflects a fall of 2.4%. The Public Service mean GPG as of June 24 was 4.3%.
- However, while we are trending towards the pre covid October 2020 level of 9.4%, we have not yet reached it or the target of 2% reduction below that level i.e. 7.4%. The median is always the more volatile measure.
- The reduction in the men's median was impacted by the relative number of staff joining and leaving over the last 12 months. The main reason was more men left whose salary was above the men's median than joined over the period.

	31 March 2018	31 July 2024
Women Median Pay	\$58,268	\$76,623
Men Median Pay	\$70,996	\$87,772
Median Pay Gaps %	17.9%	12.7%

Pay Bands – Mean Gender Pay Gap

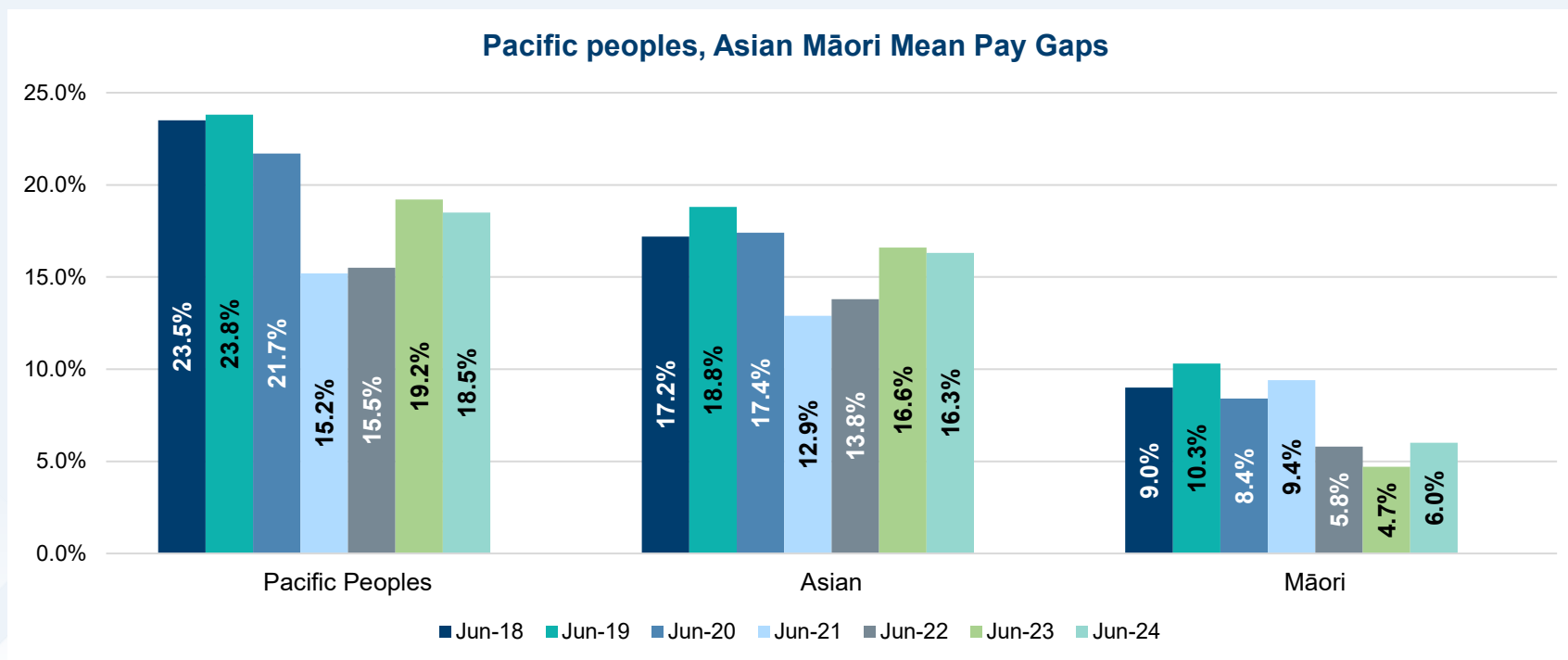
- Our third high level measure monitors mean GPG comparisons within each pay band. The bands where the GPG is below zero are those where the mean GPG is higher for women than men. Over the last 6 years there has been, some reduction across most of the bands that are above zero, except for C9 again in the last 12 months. (see Appendix C for more detail).
- We have focused particularly on achieving reductions in the Manager and Specialists (MO) and C9 bands using ‘Like for Like’ reviews of salaries and adjusting for all staff who are underpaid relative to others (based on role and performance).

Gender Pay Gap for each Pay Band over the last 6 years



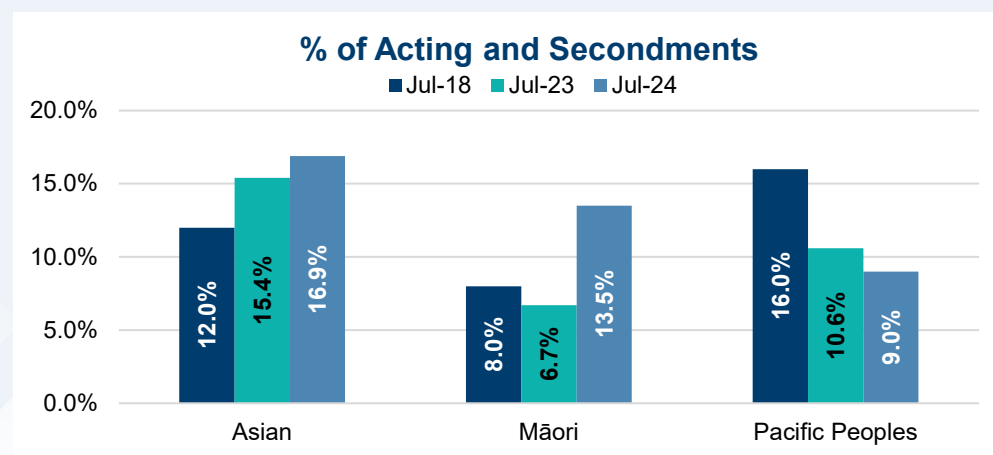
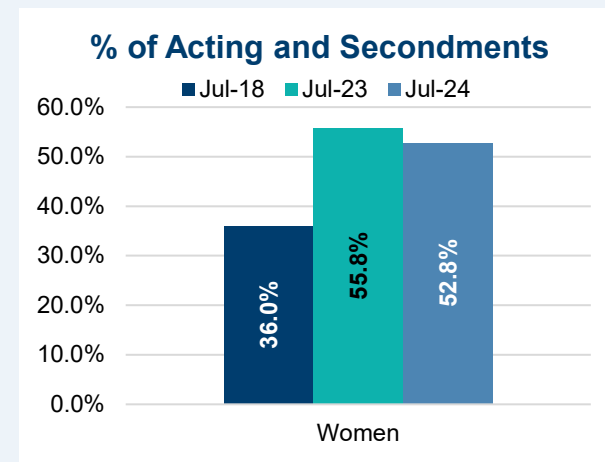
Māori and Ethnic Pay gaps

- Overall, there are reductions in the mean GPG since 2018. However, there are mixed outcomes within the last year. The movements, both positive and negative, in our mean pay gaps over the year have again been influenced by staff starting/leaving Customs below or above their respective ethnicity average salaries.
- What we do see is the average salaries for wāhine Māori have increased more than for ngā tane Māori in the last 12 months. What we also see are slightly higher increases for Pacific women than Pacific men.
- From July 2023 to July 2024 there was a 1.3% increase in the Māori Pay gap to 6.0% primarily due to a number of Māori staff joining Customs below their average salary.



Leadership Levels

- There are three second level metrics we are monitoring (% of women leaders, % who are acting and seconded and % Senior Leadership). They are important indicators of our development and leadership pipelines and give us an indication of how our initiatives are progressing. (see Diversity Section earlier)
- We recognise that acting in roles and secondments are critical opportunities to gain experience and confidence and are important precursors to applying for and having success in selection panels for leadership roles and higher salaries.
- The percentage of Women leaders¹ is 35.8% currently. This is an increase of 0.9% on the last 12 months. This is above the Inclusion and Diversity (I&D) Strategy target for December 2024 of 35.5% which is encouraging.
- While the percentage of women in acting or secondment roles is 52.8%, a decrease of 3.0% from 12 months ago, it has been trending up from 36.0% in 2018 when we first started monitoring. This currently exceeds our I&D strategy of 50% target for this goal.
- When we look at progress in Acting or Secondment Roles across Māori and ethnicities, from July 2018 to July 2024, we have seen inconsistent trends for Māori albeit a large increase in the last 12 months.
- We have seen increases for Asian staff in Acting or Secondment roles but reductions for Pacific Peoples. These findings illustrate the importance of the initiatives to encourage the take up of temporary roles to all and support to Networks and mentoring programmes.

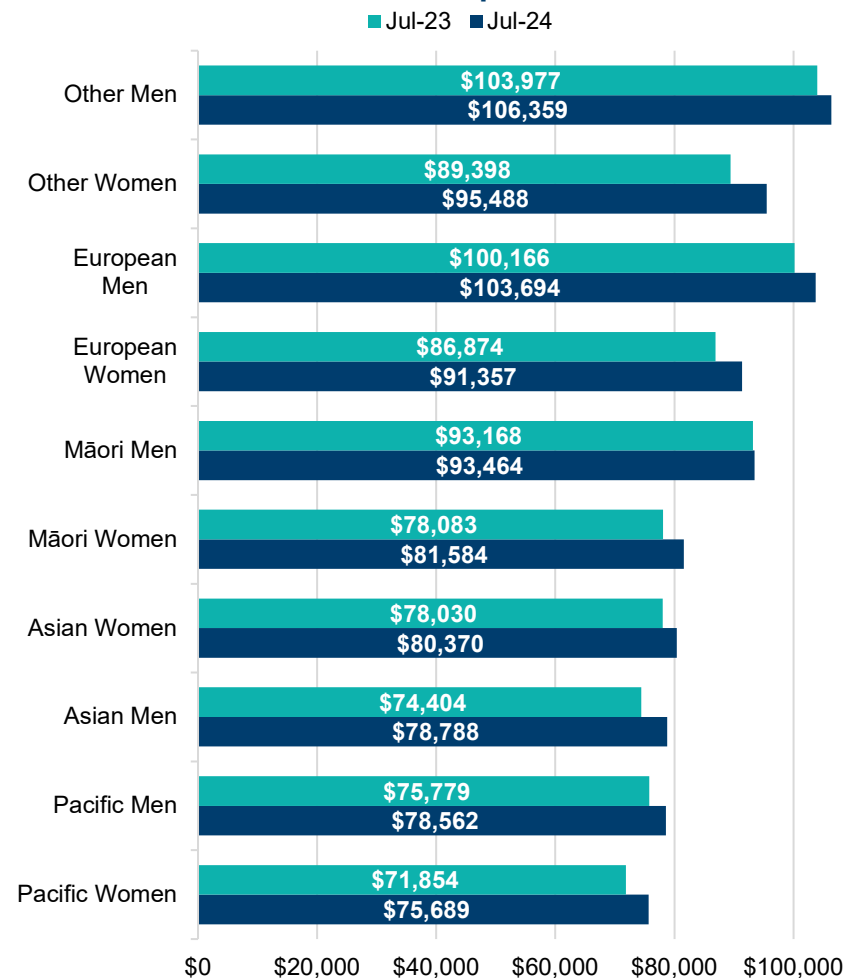


¹ Those with people reporting to them

Average Salaries – intersectionality of gender and ethnicity³

- There are differences in the salaries across all our ethnicities with Other⁴ Men having the highest average salary and Pacific Women the lowest.
- What is apparent is that Māori, Asian and Pacific People’s salaries are lower than the top three categories. Except for Asian Women, all women’s salaries are lower than men. Although in the last year Asian men’s salaries increased relative to Asian women.
- All averages have increased on last year, but their relative position remains the same. The increase for Pasifika women in the last 12 months was higher than Māori and Asian women but still lower than for European and Other women.
- What is encouraging is that that we had increases for Pasifika women (\$3,834 versus \$2,783 for Pasifika men) and Māori women (\$3,500 versus \$296 for Māori men). This was primarily due to the impact of staff joining and leaving:
 - there was one Pasifika woman that started Customs at a salary well above the Pasifika women’s average compared to its comparator.
 - of six Māori men leaving, three left above the Māori men’s average salary.

Average Salary by Gender, Māori and Ethnic Groups



³ The category MELAA (Middle Eastern, Latin America, Africa) was not included because the numbers are too small and may have created a risk to privacy to include

⁴ Other – the category allocated when the staff member identifies an ethnicity that is not one of the ethnicities shown in the chart.

Senior Leadership roles. (Tiers 2 and 3²)

- We are mindful of the Gender Balanced Leadership Public sector-milestone and the expectation that Agency levels are between 40 - 60% women. The percentage of women in senior leadership roles declined from 35.7% to 25.0% as a result of organisational structure changes to tier two and tier three management levels, with some positions previously at tier three moving to tier four. We now have 45.2% of women in tier four leadership positions, who will be well placed to move into tier three roles in the future.
- The plan to increase the representation in tiers two and three is the same approach that we are taking across all levels of the organisation to improve our diversity through the attraction, recruitment, promotion, and career development initiatives to increase the representation in our pipelines.

² Tier 2 and 3 leadership levels include the DCE's and those directly reporting to them.



SUMMARY

Summary

- We have made progress and are moving towards the diversity goals in our Inclusion and Diversity Strategy.
- Our Gender pay gaps have reduced in the last 12 months with our mean GPG meeting our goal in June 2024. There were also reductions in the median GPG, the Manager and Specialists paybands and 5 out of 6 measures for Māori, Pacific peoples, and Asian Pay Gaps.
- Our Organisational Change Process meant that we did not progress all our pay gap initiatives.

Actions for 2024/25

- Our actions for the next year are:
 - implement our 24/25 initiatives, focussing on any delayed this year.
 - review opportunities for gender and ethnicity representation change across all levels of the organisation with Group Managers and DCE's.
 - reduce mean pay gaps to achieve a 2% reduction by July 2026.



APPENDICES

APPENDIX A: INCLUSION AND DIVERSITY ACTIONS LAST 12 MONTHS



Inclusion			
Action area	Progress to date	Planned priority actions 2025	Success indicators
Strengthen cultural competence	Working group has been set up to define cultural competence for Customs.	Develop resources and education sessions. Regular promotion and personalised stories relevant to Customs.	Resources are published on the Longroom. Education sessions have been held to raise awareness. 60% of employees are aware of Customs definition of cultural competence.
	Draft definition has been written and has gone out for consultation.	Develop progress measures	Measures are in place and monitored. People leaders are aware of these measures and working towards them, e.g. supporting staff to attend education sessions, having conversations about cultural competence.
		Incorporate into all Leadership development Programmes, the Inclusive Leadership module.	Cultural competence is in all Inclusive Leadership modules. There is an increase in awareness of Customs definition of cultural competence.
Encourage and support employee-led networks (ELNs)	Network established for disabled and neurodivergent people – Enable@Customs.	Continue to work with networks to strengthen their connection and raise their profile.	Networks are thriving, active and engaged. They continue to be supported through funding, sponsorship of initiatives and freeing up staff to participate.

APPENDIX A: INCLUSION AND DIVERSITY ACTIONS LAST 12 MONTHS



Inclusion			
Action area	Progress to date	Planned priority actions 2025	Success indicators
Encourage and support employee-led networks (ELNs)	Networks receive funding, sponsorship, and support. They celebrate events to raise awareness and understanding of their network, e.g. language weeks, Diwali, International Women's Day, Matariki.	Strengthen the relationship between the networks and the I&D Council.	There is regular connection and conversations between these networks and the I&D Council, including a joint project.
	Activities to raise the profile of these networks , e.g. initiatives such as raising money for a good cause, career days, articles published on the Longroom.	Where possible, provide opportunities for the Networks to be more actively involved in activities as outlined.	Networks feel supported and free to participate in their initiatives and activities.
	These networks are included in peer reviewing and providing feedback of relevant documents, e.g. policies, resources, and training.	Identify where in the review process of policies, procedures, and other documents that feedback is sought and included.	Feedback is included.
Address bias and discrimination	<p>Virtual and in person unconscious knowledge and bias (UKB) training is provided for all staff throughout the year.</p> <p>As at 30 June 2024, 35% of all staff have completed the training.</p>	<p>Design an evaluation to measure effectiveness and transfer of skills.</p> <p>Implement evaluation, analyse results, provide recommendations.</p> <p>Where approved, implement recommendations.</p>	Undertake an evaluation of UKB and implement appropriate changes/recommendations.

APPENDIX A: INCLUSION AND DIVERSITY ACTIONS LAST 12 MONTHS



Inclusion			
Action area	Progress to date	Planned priority actions 2025	Success indicators
Address bias and discrimination	<p>Virtual and in person unconscious knowledge and bias (UKB) training is provided for all staff throughout the year.</p> <p>As at 30 June 2024, 35% of all staff have completed the training.</p>	<p>Design an evaluation to measure effectiveness and transfer of skills.</p> <p>Implement evaluation, analyse results, provide recommendations.</p> <p>Where approved, implement recommendations.</p>	<p>Undertake an evaluation of UKB and implement appropriate changes/recommendations.</p>
	<p>We expect all recruitment assessors/panel members to complete the UKB Selection Decisions eLearning if they haven't done so in the last 12 months.</p> <p>Customs upgraded the Applicant Tracking System for recording this information and only started reporting on it from 1st May 2024 so figures cannot be provided yet.</p>		<p>All recruitment assessors/panel members have completed the UKB Selections Decisions eLearning in the last 12 months.</p>
	<p>Customs Workplace Bullying, Harassment and Discrimination Guideline written, and education sessions held.</p>	<p>Education sessions will continue to be held periodically.</p>	
	<p>All position descriptions were reviewed to ensure inclusive language.</p>	<p>Guidance information is used to ensure inclusive language within new or revised position descriptions.</p>	

APPENDIX A: INCLUSION AND DIVERSITY ACTIONS LAST 12 MONTHS



Inclusion			
Action area	Progress to date	Planned priority actions 2025	Success indicators
Inclusive leadership	Recruitment process reviewed with Network Leads to ensure inclusivity.		
	Inclusive Leadership module is part of each Leadership Development Programme held annually. As at 30 June 2024, 24% of our people leaders had completed inclusive leadership training.	Evaluate effectiveness of Inclusive Leadership modules.	Evaluation shows a transfer of knowledge and skills in the workplace.
	Resources are being developed to understand a diverse range of people. e.g. Rainbow community, differently abled people, neurodivergent people.	Resources are shared with managers through education sessions.	Resources developed and shared Managers find the resources useful.
	We are building a rōpū of people who have attended Rūmaki Reo - Total Immersion Te Reo Māori Programme. As of 30 June 2024, four staff have attended with a fifth one completing it in 2024. Attendees are supporting each other and improving the understanding of Te Ao Māori as well as providing a valuable Māori perspective to a range of Customs initiatives.	Supporting a staff member to attend this programme in 2025.	Under development

APPENDIX A: INCLUSION AND DIVERSITY ACTIONS LAST 12 MONTHS



Inclusion			
Action area	Progress to date	Planned priority actions 2025	Success indicators
Māori participation in action and monitoring	Employee Lead Networks, including the Māori Network were involved in the development and review of new Pay Gap and Diversity initiatives and updates to the initiatives will be shared with them.	Engage with the Māori network	Feedback received

APPENDIX A: INCLUSION AND DIVERSITY ACTIONS LAST 12 MONTHS



The trends over time of our gender equity and ethnic diversity goals outlined in our 2023-2026 Inclusion and Diversity strategy are reported each quarter. The data from December 2018 is used as our baseline.

Diversity			
Action area	Progress to date	Planned priority actions 2025	Success indicators
Fostering diverse leadership	The Quietly Powerful Leadership Programme (QPLP) held for quieter employees to help develop them into leadership roles.	Evaluate effectiveness of the programme. Analyse results and provide recommendations and implementation plan.	Understanding of effectiveness of QPLP. An increase in participants being promoted, seconded, or acting in more senior roles.
	Northern Customs Women’s Network (NCWN) mentoring programme completed its third year. Results show significant success during this period with 18 of the 47 mentees being promoted, and others having acting and secondment opportunities and interviews for a new roles.	The NCWN Mentoring Programme will continue in 2025. Mentors are being sought in the last quarter of 2024.	Evaluations show continued success with this programme, including increased opportunities for promotions, secondments, and acting roles.
	A working group from the employee led networks has been set up to design a Customs Employee Led Network Mentoring Programme. They are using the NCWN mentoring programme framework and lessons learned to help do this.	Pilot Customs Employee Led Network Mentoring Programme. Evaluate the programme.	A pilot Customs Employee Led Network Mentoring Programme has been held. The results of the evaluations show a successful programme.
	As at 30 July 2024, 52.8% of people appointed in secondment or acting-up roles were women. See more detail at para. 88.	Continue work to maintain our representation of women at or above the 2026 target of 50%.	We reach our target. Acting and Secondment opportunities are pathways to leadership roles.

APPENDIX A: INCLUSION AND DIVERSITY ACTIONS LAST 12 MONTHS



Diversity			
Action area	Progress to date	Planned priority actions 2025	Success indicators
Fostering diverse leadership	As part of the last talent management process in November 2023, 46.9% of women are High Potentials on the dynamic talent map.	Continue working towards 2026 target of 50% of staff identified as High Potential are women.	We reach our target and increased representation of women in leadership roles.
Flexible work by default	Hybrid working was added to the Customs Flexible Work Policy. Education sessions were held on hybrid work. As at 30 June 2024 41% of people leaders had completed this course.	Review the Flexible Work Policy in line with updated guidance from PSC. Education sessions will continue to be held periodically.	Flexible Work Policy is a user-friendly document that provides effective guidance.

APPENDIX A: INCLUSION AND DIVERSITY ACTIONS LAST 12 MONTHS



Indicative Results from Te Taunaki 2021	
Disabled employees	6.2%
Members of Rainbow communities	
Intersex	0.5%
Transgender	0.7%
Gay	2.2%
Lesbian	2.0%
Bisexual	2.5%
Religion	
No Religion	50.9%
Christian	38.6%
Other Religions, Beliefs and Philosophies	4.6%
Hinduism	1.8%
Buddhism	1.1%
Islam	1.0%
Spiritualism ad New Age Religions	0.7%
Māori Religions, Beliefs and Philosophies	1.1%
Languages	
English	99.5%
Te Reo Māori	3.0%
Samoan	2.3%
Sign Language	0.5%
Other Language	14.4%
Mental health conditions longer than 6 months	15.3%

Te Taunaki 2021 results for Customs provides our most recent indicative data on religion, languages, and mental health

APPENDIX B: GENDER PAY GAP CALCULATIONS



- Our calculations are aligned with the Organisational gender pay gaps – measurement and analysis guidelines¹ provided by PSC and Statistics NZ.
- We use full-time equivalent (FTE) instead of hourly pay to calculate a gender pay gap i.e., those working part time have their salaries annualised.
- We include the following pay elements in our analysis.
 - Income includes salary payment, in lieu of benefits, equalisation (allowance paid on top of base salary to maintain payments at a previous level for a defined period, and which abates as the base salary increases).
 - Other payments paid hourly not included: flexibility allowances, market allowance.
- Those seconded within the organisation have only their base pay included in the calculations and without any higher duties pay included.
- Note: More detail on our drivers of pay gaps and more detail on Tenure, Age, Functional Groups, and Total remuneration Gaps can be obtained by making direct contact with Scott Rennie: Chief Advisor Workforce Planning, email: [Scott Rennie](mailto:Scott.Rennie)

¹ Stats NZ (2018). *Organisational gender pay gaps: Measurement and analysis guidelines*. Retrieved from www.stats.govt.nz.

Gender Pay Gap Calculations

Calculation of Average or Mean Gender Pay Gap

(Average of all men's salaries – Average of all women's salaries) / Average of all men's salaries = % Gender Pay Gap

Median = middle value

(Median of all men's salaries – Median of all women's salaries) / Median of all men's salaries = % Gender Pay Gap

Māori and Ethnic Pay Gap Calculations

Māori Pay Gap (Māori to non-Māori): The difference between the average salary for non-Māori employees and the average salary of Māori employees, are expressed as a percentage of the average salary of non-Māori employees.

$$(\text{Average Salary}^{\text{Non-Māori}} - \text{Average Salary}^{\text{Māori}}) / \text{Average Salary}^{\text{Non-Māori}} \times 100$$

Asian Pay Gap (Asian to non-Asian): The difference between the average salary for non-Asian employees and the average salary of Asian employees, are expressed as a percentage of the average salary of non-Asian employees.

$$(\text{Average Salary}^{\text{Non-Asian}} - \text{Average Salary}^{\text{Asian}}) / \text{Average Salary}^{\text{Non-Asian}} \times 100$$