DIVERSITY, EQUITY AND INCLUSION ROADMAP

November 2022

Inland Revenue
Te Tari Taake

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Introduction from Peter Mersi

Commissioner of Te Tari Taake Inland Revenue

Te Tari Taake Inland Revenue is committed to building an inclusive workplace free from inequalities, where everyone feels valued, respected and supported to reach their full potential and do a great job. This Diversity, Equity and Inclusion Roadmap builds on our actions since 2018, as we seek to further reduce the gender pay gap, understand and start to address ethnic pay gaps and continue to increase diversity across our workplace.

Pay Gaps at Te Tari Taake Inland Revenue

We are continuing to make a positive shift year on year with our gender pay gap, which has moved from 20.6% in 2016 to 16.7% in 2022. Our analysis shows there is minimal difference in gender pay within roles.

However, representation is driving pay gaps at Te Tari Taake Inland Revenue – both for gender and ethnicity. There is a larger proportion of women, Māori, Pasifika and Asian people in lower paid roles and a smaller proportion of people from ethnically diverse backgrounds in higher paid senior roles.

Current ethnicity pay gaps are 10.8% for Māori, 14.7% for Pasifika and 11.8% for Asian people. However, ethnicity pay gaps for women are significantly higher with a pay gap of 25% for Māori wāhine and 28% (the largest average pay gap) for Pasifika wāhine.

We have seen a continued increase in representation for women in senior leadership roles with 57% female representation - a 9% increase since 2021 and a 31% increase since 2016. But there is more work to do for ethnic representation, with senior management having just 4% representation for Māori, Pasifika and Asian people in these roles.

These figures highlight the importance of continuing to invest in people practices which support increasing representation across both gender and ethnicity to gain greater diversity across all levels of our organisation and reduce pay gaps.

Taking action

In this new Roadmap we have outlined a range of actions, building on our past work and based around our three diversity and inclusion goals of an inclusive workplace, a diverse workforce, and leadership and accountability.

Among these actions is work to help us to understand experiences and barriers to development and career progression for Māori and Pasifika Peoples at Te Tari Taake Inland Revenue and establish a plan to effectively address these.

In 2021 we launched a refreshed flexible working policy which takes a principles-based approach to flexibility. This has helped create a shift in culture in terms of access to flexible working arrangements that are built around individual, team, and organisational needs and we continue to embed this.

Through 'Te Pou o te Tangata' we are developing a new set of behaviours, supported by a te ao Māori approach, to help everyone understand what it means to be part of Te Tari Taake Inland Revenue, whatever their background or role within the organisation.

As part of our Whanake performance approach, our leaders recognise that our workforce is diverse, with people having unique backgrounds and individual perspectives. Leaders will be supported in their conversations to help people achieve in ways which work for them, through tailored coaching and development.

We also recognise the importance of understanding and sharing what makes Te Tari Taake Inland Revenue a great place to work so we can attract the best people from all backgrounds. We will also continue to educate our people and remove bias in our recruitment processes.

Our people-led networks are active in making our organisation more inclusive and have contributed to significant initiatives, such as our accreditation with the Rainbow Tick, as well as providing an active voice for groups of diverse staff.

Looking ahead

All of this work not only contributes to a more inclusive and diverse Te Tari Taake Inland Revenue but also aligns with the direction set by Papa Pounamu and strengthens the diversity and inclusion work programme for the whole of the Public Service. We have a busy and varied programme of actions to deliver this year, all of which I am confident will help Te Tari Taake Inland Revenue continue to close our gender and ethnic pay gaps and achieve positive outcomes for everyone.

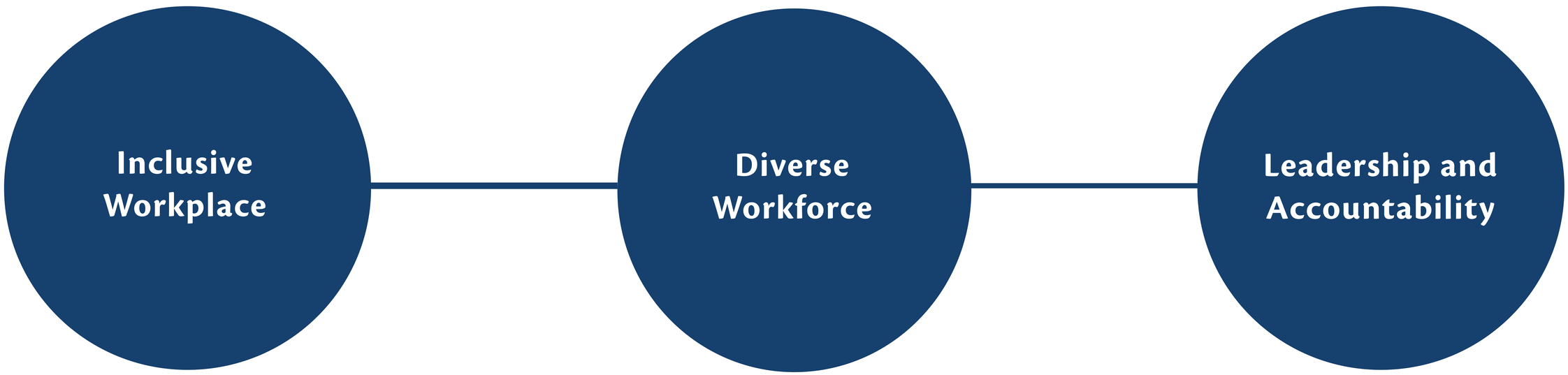
Setting the scene

Setting the scene

A strategic approach to diversity and inclusion

Inland Revenue is committed to building an inclusive workplace free from inequalities, where all our people are valued, respected, and feel supported to reach their full potential.

Our approach to diversity and inclusion is based around our three diversity and inclusion strategic goals:



These goals are supported and reinforced through our focused work on gender and ethnicity pay gaps. They are aligned with the direction set by Papa Pounamu, which sets the diversity and inclusion work programme for the wider Public Service, with guidance from Te Kawa Mataaho | Public Service Commission.

The foundations of our diversity and inclusion programme

Our Diversity and Inclusion Strategic Roadmap was created in 2018 and reinforced our commitment through the creation of our three diversity and inclusion goals. The first Pay Gaps Action Plan focused on gender pay gaps. From 2020 we started to incorporate data related to ethnicity pay gaps and actions to support a shift in ethnic representation into our programme of work.

Our previous Pay Gaps Action Plans focused on five foundational areas:

1. People analytics and insights: regularly measure and publish progress.
2. Attraction: attract a diverse pool of applicants to roles at Inland Revenue.
3. Selection: ensure our candidate selection processes are free from bias.
4. Career and pay: supporting our people's career development.
5. Whānau friendly: building a more flexible, whānau-friendly workplace.

This years' roadmap continues to build on the work that has been done across these five foundational areas. They also reflect more broadly the importance of the Papa Pounamu's five priority areas of focus that continue to create meaningful change for our people:

Hautūtanga Ngākau Tuwhera - Inclusive leadership

Te āheinga ā-ahurea - Cultural competencey

Te Urupare I te Mariu - Addressing bias

Te whakawhanaungatanga - Building relationships

Ngā tūhononga e kōkiritia ana e ngā kaimahi - Employee led networks

The actions in the 2022/23 Diversity, Equity and Inclusion Roadmap are built around our three diversity and inclusion goals.

We will create a safe and open working environment where all our people feel able to grow and do their best work without fear of embarrassment or retaliation.

We will break down barriers to inclusion, and celebrate, retain, develop, and attract a truly diverse workforce that is representative of the communities we serve.

We will actively demonstrate our commitment to an inclusive culture through our leadership, and we will hold ourselves accountable for our progress.

Our people practices are centred around he tāngata | our people.

Our capability-based approach recognises that skills, knowledge, experience, and attitudes are all important elements of how we work and that everyone brings their own unique backgrounds. Capability is not only built through work experience, but through personal lives and lived experiences.

Whanake, our performance approach, is the framework that supports constructive kōrero between our people and their leaders. Whanake relies on leaders having good conversations and getting to know their people and what their unique needs and aspirations are. These work together to provide support and development that works for them.

Leadership team conversations about talent enable visibility of the capability and aspirations of our people (which have been identified through Whanake conversations), so development opportunities can be identified across teams, business groups, the organisation or cross-agency.

This year, we will continue to embed and evolve these people practices and ensure they are working effectively. Leaders will support their people with the right conversations, and leadership teams will create space to have career and talent conversations about their people.

Te Pou o te Tangata, our organisational behaviours, supports our people practices. These have been co-designed with our people and describe the way we work at Inland Revenue. Learning will be provided to support these ways of working, including for leaders to help them reinforce and role model the behaviours.

These practices, together with learning about unconscious bias, tools and workforce representation data, helps leaders make inclusive decisions when supporting the development of their team and recruiting new people.

Setting the scene
Pay Gaps

Overall, at Inland Revenue, the average pay of tāne | men is higher than that of wāhine | women across all ethnicities, except European women.

This is also reflected in the respective pay gaps for other groups, with Pasifika women having the largest average pay gap, followed closely by Middle Eastern, Latin American and African people MELAA, Māori and Asian women.

The data we currently have relating to our disabled people and our Rainbow community is limited. We will consider how we can continue to improve this data over the next 12 months.

Pay gaps are calculated by comparing the average salaries of people identifying with a group and the average salaries of everyone else who has declared a gender or an ethnicity.

Average pay and pay gaps, however, do not explain the full story. The information and the graphs below help provide a more in depth understanding of what is driving Inland Revenue's pay gaps.

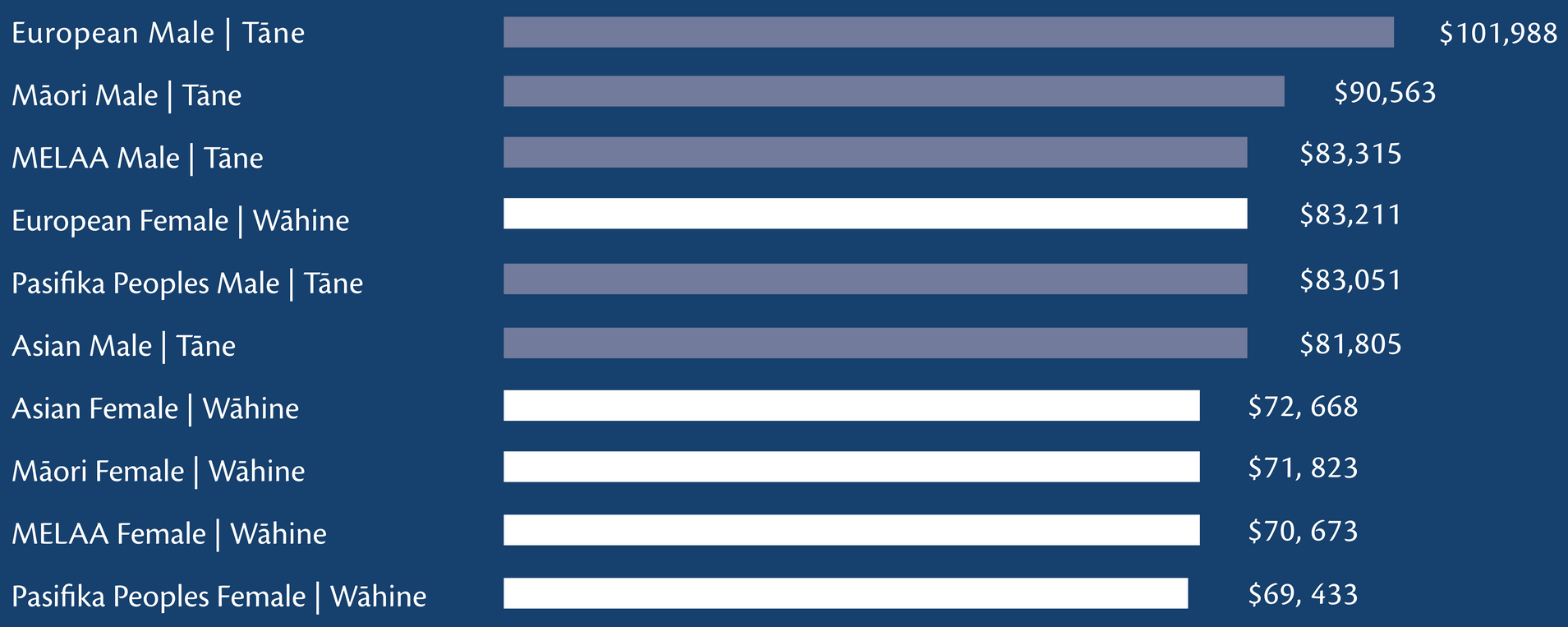
Gender Pay Gap

The current average gender pay gap is 16.7% as at November 2022.

- The analysis done shows that there is minimal like-for-like gender pay differences within roles.

- The gender pay gap is driven by representation the:
  - high proportion of women at lower paying roles (for example: Customer Service Officers) and
  - low proportion of women at higher paying roles in the organisation.

Average pay by gender and ethnicity



Ethnicity Pay Gaps

The current ethnicity pay gaps are 10.8% for Māori, 14.7% for Pasifika and 11.8% for Asian

- The pay gaps are significantly higher for women – with a pay gap of 25% for Māori wāhine and 28% (the largest average pay gap) for Pasifika women.

- Representation is the primary reason for pay gaps for Māori, Pasifika, Asian and other ethnicities at Inland Revenue.

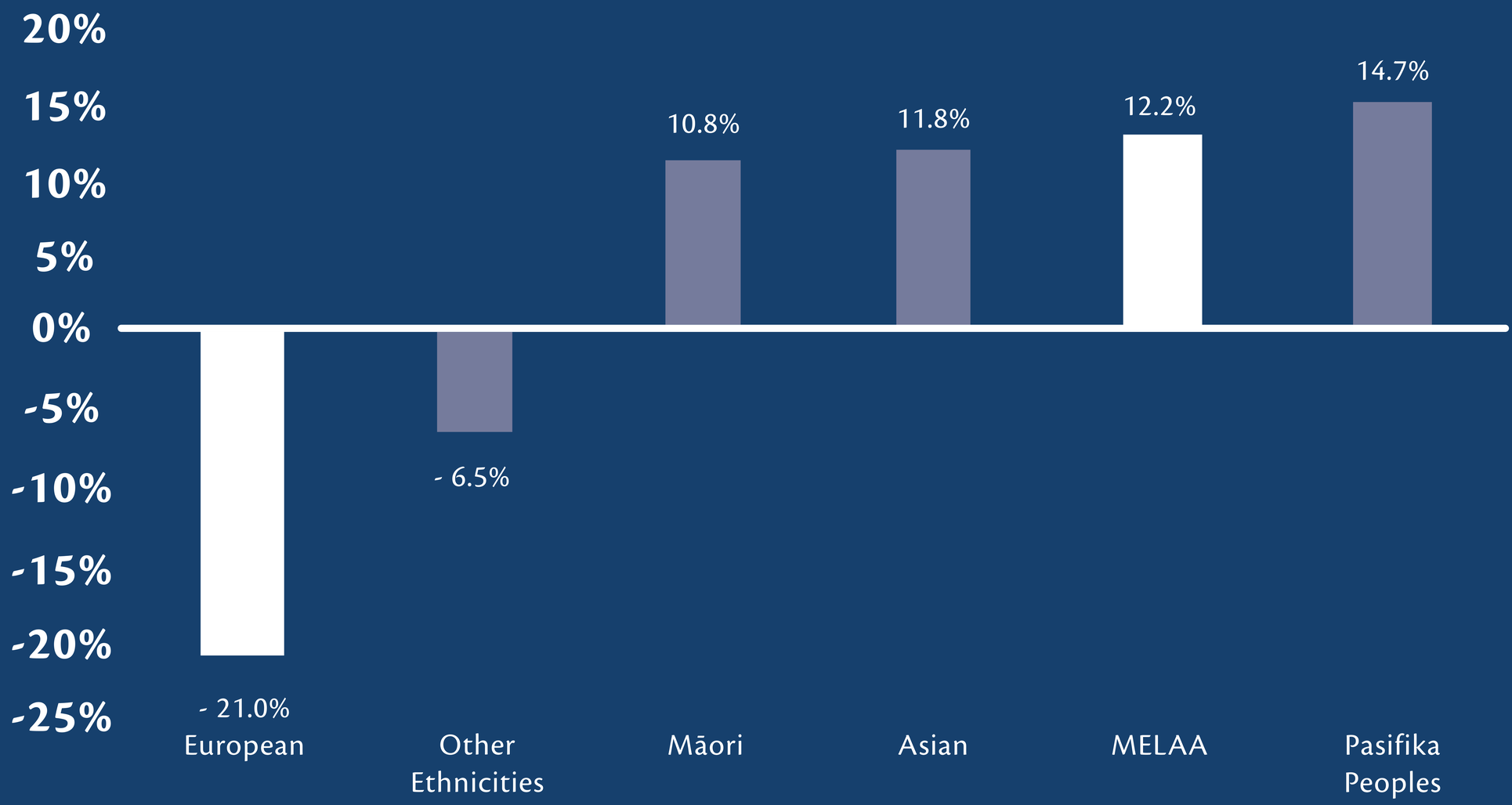
- As with gender, a large proportion of Māori, Pasifika and Asian people are in lower paid roles. A smaller proportion are in higher paid roles.

- Initial analysis of pay gaps within roles, indicates that there is minimal like-for-like pay differences based on ethnicity within roles.

- We will continue to review within role analysis as the population shifts to ensure no pay gaps are created.

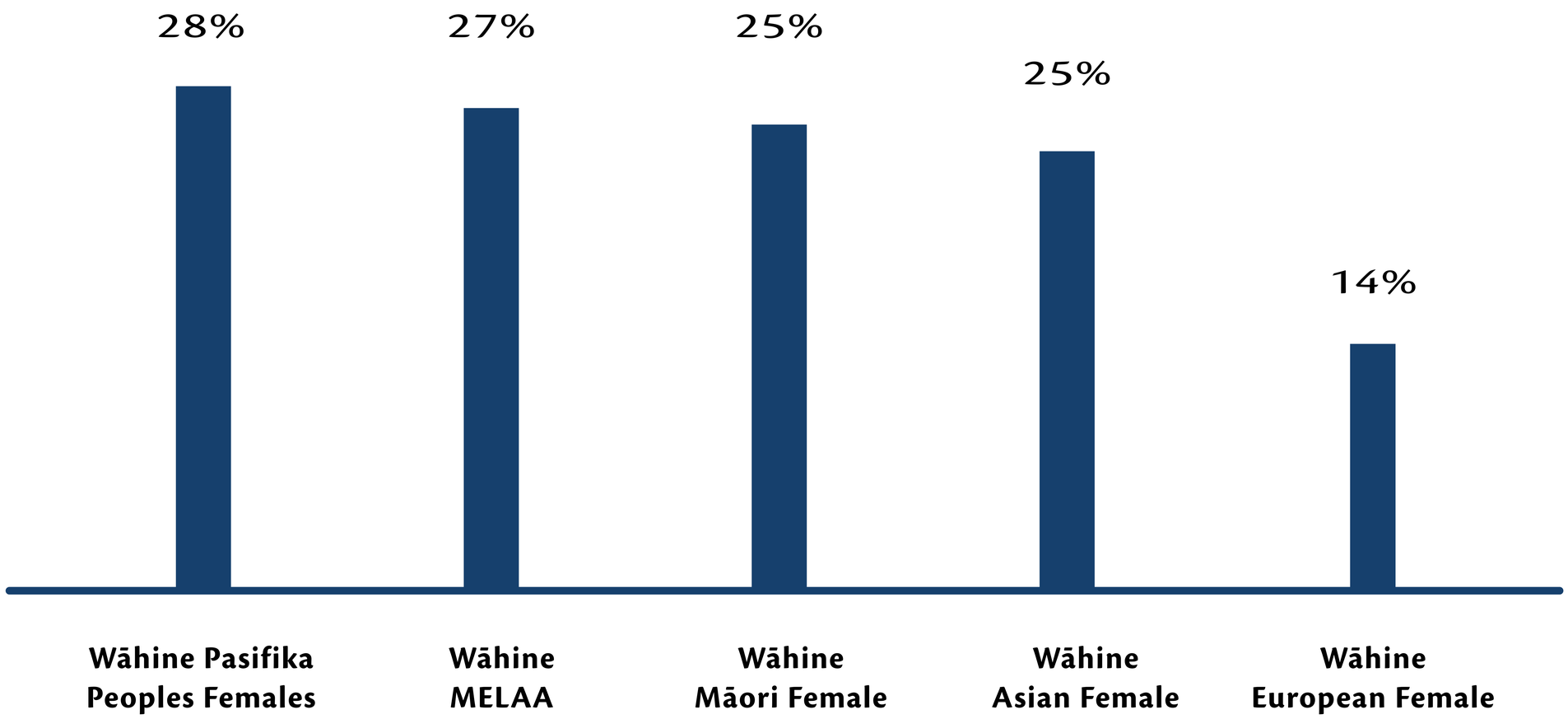
Note: Not all pay bands at Inland Revenue have enough comparators of each ethnicity to be able to do comparative pay gap analysis for all pay bands and ethnicity.

This graph shows the average pay gaps by ethnicity



Calculation note: Māori and ethnic pay gaps are calculated as the difference between the average salary for an ethnic group and the average salary of all those not in that ethnic group, expressed as a percentage of the average salary of those not in the ethnic group.

The graph below shows that pay gaps are highest for females



Calculation note: the calculation for pay gaps for woman by ethnicity is done by comparing the average pay for ALL men with that of the average pay of the women in the specific ethnicity group. This ensures that gender pay gaps by ethnicity are calculated on the same basis as the overall gender pay gap and are therefore comparable.

Setting the scene
Representation

The drivers of our pay gaps relate to representation. This means that although Inland Revenue has diversity within its front line and lower paid roles, the level of diverse representation reduces when moving up to higher paid, more senior, or influential roles.

Three key areas of our work programme that support a positive shift in representation over time.

These are also supported by the actions that help to make Inland Revenue more inclusive for everyone.

Career development – supporting and enabling our people to build fulfilling careers at Inland Revenue. This will help people within IR to develop capability and to successfully move to more senior higher paid roles,
and roles of influence.

Talent attraction – thinking about how we attract diverse candidates to want to apply to work at Inland Revenue, at all levels.

Talent selection – supporting candidates to put their best foot forward, and also supporting leaders to make non-biased decisions, and reinforcing the leader's role in accepting and engaging candidates from their own set of diverse values and worldviews.

The representation areas where we have a clear opportunity to create significant positive change are:

- Representation of women in non-people leader roles with pay between $112,000 and $162,000. These are generally higher-level technical roles.

- Increase in Māori joining Inland Revenue across the board. Currently there is 12.2% Māori representation, the New Zealand working population is 16.5% Māori.

- Increased Māori in leadership roles – in particular Team Lead and Senior Leadership with a focus on Māori wāhine.

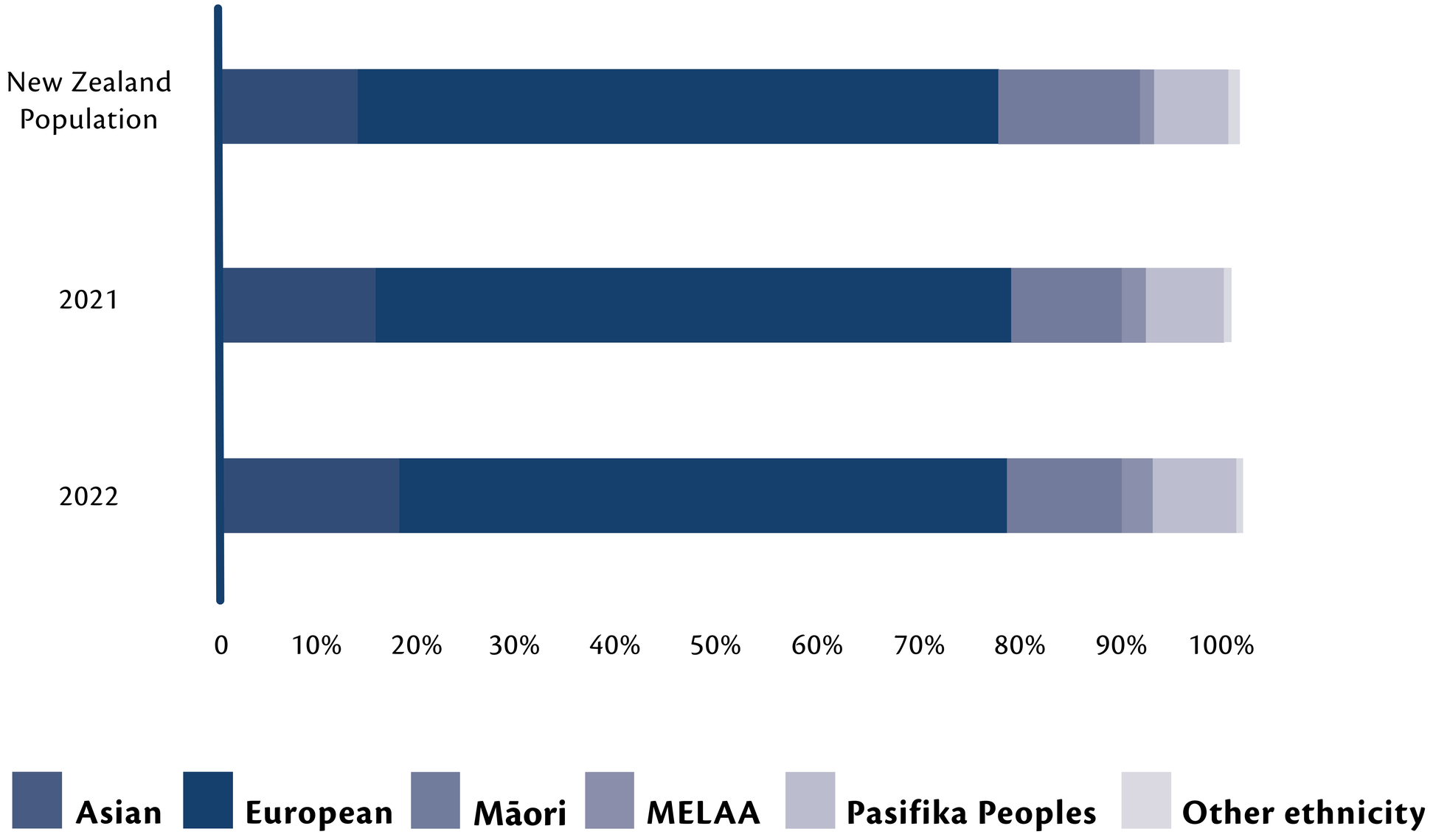
- Increased Māori representation across higher level/higher paid technical roles - particular focus on Māori wāhine.

- Increased representation of Pasifika Peoples in all levels of people leadership.

- Increased representation of Pasifika Peoples across higher level/higher paid technical roles.

- Increased Asian representation across all levels of leadership

Representation in New Zealand working population and Inland Revenue



New Zealand working population by ethnicity, compared to IR ethnicity representation in 2021 and 2022.

Engaging with our people

Our Diversity, Ethnicity and Inclusion roadmap responds to the insights we have gathered from he tāngata | our people and wraps those insights with tangible actions, with the intent of bringing meaningful change for our diverse people.

Our journey to develop this roadmap, has been supported through engagement with our three unions, PSA, Taxpro and NUPE, along with our people networks: Whānau Māori, Tagata Pasifika, Wāhine Tūhono (Womens Network), He Toa Takitini (Rainbow Network), Diversability Network and Multicultural Network, and a range of other business group representatives and stakeholders.

In addition, we are engaging in kōrero | discussions in partnership, while following tikanga (Māori protocols), with Māori and Pasifika Peoples.

This will create an environment for our people to be open and honest about their lived experiences, enabling us to better understand the barriers and personal experiences that our people have faced in terms of their career progression and development at Inland Revenue.

Acknowledging the unique position of Māori as tangata whenua and Te Tiriti o Waitangi | Treaty of Waitangi partners and doing this mahi in partnership, is about creating a mana enhancing experience that will build mutual trust and respect.

This partnership engagement is included as a part of our road map actions and will inform what our plan and next steps will be.

Our Roadmap actions 2022/23

Our 2022-23 Diversity, Equity, and Inclusion Roadmap actions

Goal 1: Inclusive workplace

Focus area	Actions	Some specific milestones/deliverables
Progress work to create workplaces that are modern and fit for purpose, accessible and consider the diverse needs of our people.	• Our property guidance considers the diverse needs of our people up front and is reflected in supporting documents. • All property projects, including renewal of leases, front of house upgrades and building refreshes have a key consideration of options to accommodate the diverse needs of our people. This includes accessibility needs wherever practicable. • Integrating Māori protocols whenever entering into a new build, vacating floors/buildings and taonga.	**Q4 2022** Upgrade lighting across our property portfolio to more 'wellbeing friendly' LED lighting. **Q1 2023** New fitout for our Greymouth office and furniture refreshes in Garnett Avenue and Russley Road.

Supporting our people networks, to continue to empower their members to lead. Leverage their knowledge and experiences to evolve our people practices and raise awareness of our diverse people and what matters to them.	• Our people networks are recognised as a way to develop and grow capability, through clear resources and guidance. • We have a communications approach that enables network activities and events to be shared across Inland Revenue. • Our people are free to become part of a people network, and they are given the time and support to achieve the networks' goals. • Amplify the voice of our people networks in people processes and initiatives to help gather and understand diverse perspectives. • On-going support for network leads in terms of creating plans and connecting to the wider outcomes for diversity and inclusion and how they contribute to this. • Networks support and promote opportunities and programmes for their members. • Whānau Māori Networks are recognised as part of a wider whānau with their own autonomy/tino rangatiratanga.	**Q1 2023** Guidance for leaders and people to support understanding about how joining a people network can develop capability and how leaders can support their people in networks. **Q2 2023** Network plans are finalised.

Provide opportunities to learn – formal learning through programmes such as Te Arapiki, Rainbow learning and unconscious bias, but also informal learning through for example: language weeks, sharing with others through communications, Yammer posts etc.	• We will share formal learning – that helps our people to understand more about our diverse communities at Inland Revenue and continue to monitor mandatory learning. • Our revised induction will include learning about our diverse cultures and the importance of an inclusive work environment. • Support learning through considering updates to people processes and tools that help to embed a potentially different way of doing things.	**Q4 2022** Unconscious bias learning is updated and provided for all new starters. **Q2 2023** Transformed induction delivered.
Reinforce our approach to flexible working through ongoing communication and discussion about what's working and what opportunities there are, as well as continuing to remove barriers to flexible working.	• On-going communication to reinforce the intention of the policy and approach. • Consideration of how our Collective Agreements reflect flexibility for our people. • Create workspaces that support different ways of working, connection and collaboration and the evolution of location flexibility.	**Q4 2022** Flexible working communication campaign phase 1 completed. **Q4 2022** Collective Bargaining commences.

Deliver outcomes and learnings from Te Pou o te Tangata engagement for our people.	• New induction that includes learning to support the outcomes of how we work at Inland Revenue. • A new learning approach that supports diverse ways of learning, helping our people to learn in a way that works best for them. • Take a culturally thematic approach to weaving Māori concepts into our behavioural approach.	**Q4 2022** Descriptors of how we work at Inland Revenue are finalised. **Q2 2023** Transformed Organisational Induction is completed.
Take actions to address opportunities identified through Rainbow Tick Re-accreditation Report.	• Provide information, resources and learning that explains what we expect at Inland Revenue. • Help leaders to create a safe and welcoming work environment that supports understanding of Rainbow diversity. • Promotion and visibility of what it means to be an ally and how allyship can enable the safety and wellbeing of Rainbow community members, particularly in homogenous environments or smaller work communities.	**Q1-Q4 2023** Resources are added to Inclusive Leadership each quarter. Promote awareness through communications and work in partnership with Rainbow Network.

Continue actions to improve the digital accessibility of content, products and tools that our people use and engage with.	• Supporting the Diversability Network to strengthen their role; sourcing learning to lift digital accessibility capability at a general and specialist level. • Exploring actions that enable the requirements set out in our procurement process and guidance to be carried through the contract lifecycle or enforced on receipt of goods/services. • Reviewing approach to audit and remediate accessibility of technology platforms.	**Q1 2023** Confirm refreshed action plan for digital accessibility.

Goal 2: Diverse Workforce

Focus area	Actions	Some specific milestones/deliverables
Work to understand experiences and barriers to development and career progression for Māori and Pasifika Peoples at Inland Revenue and establish a plan to effectively address these.	• Be purposeful in creating opportunities to have on-going kōrero with our Māori and Pasifika Peoples, to build relationships and start sharing experiences. • Identify in partnership where opportunities are and work together to create solutions that provide equitable outcomes for Māori and Pasifika Peoples.	**Q4 2023** Understand barriers and have a plan in place to work through and address.
Talent conversations are happening at all levels of leadership. These, areinclusive and reinforce our need to increase representation for woman, Māori, Pasifika Peoples and other ethnicities across leadership and higher paid/more senior level roles..	• Support leadership teams to navigate the Talent Management 'system', through tools, on-going kōrero, and facilitated sessions. • Provide business group representation summaries/pictures to create visibility of opportunities to create a more diverse workforce. • Explore ways to support leaders to value the benefits of diversity of thought, ideas, and cultural competency as something that is needed to improve business performance.	**Q4 2022** Resource for leaders to understand the Talent Management process and the link to effective Whanake conversations.

Continue to understand, measure, and evolve our Employee Value Proposition (EVP), and leverage this to continue to attract more diverse talent into Inland Revenue.	• Continue to run our People Experience Pulse (PXPulse) and introduce more moments that matter, including candidate experience and new starter experience. • Monitor our current Employee Value Proposition (EVP), and evolve as our people experience evolves. • Adapt and develop marketing campaigns to continue to ensure that what we promote is based on what our people are reflecting as our strengths.	**Q4 2022** Joining IR experience survey launched **Q1 2023** IR candidate experience survey launched
Recruitment sourcing targets diverse talent (internally and externally) and that hiring leaders and our Talent Acquisition team are having deliberate conversations about the type of capability they need, including cultural capability.	• Leverage job boards and non-traditional sourcing channels to encourage more diverse talent to apply for roles. • Create guidance for leaders to support them through the recruitment process, to understand their role, and the importance of diversity. • Our internal people are supported to put their 'best foot forward' in the recruitment process. • Our Talent Acquisition team has the right conversations up front about sourcing, what is needed and includes questions relating to hiring leaders' current representation in the business group/team.	**Q4 2022** Internal recruitment space is updated. **Q1 2023** Career coaching resource is available for internal candidates.

Continue to embed our capability-based approach and ensure the people capabilities reflect our ways of working.	• Update material, internal spaces, resource material to provide more context about our capability-based approach and the mechanisms that reinforce this. • Update the 12 people capabilities to incorporate Te Arapiki as well as the outcomes from Te Pou o te Tangata.	**Q3 2023** Review and update of people capabilities is completed and reflected in online content.
Recruitment selection processes removes bias from the systems, and all leaders understand their own bias and how to mitigate these.	• End to end recruitment process is mapped to determine where bias might occur, and steps are taken to mitigate these. • Supporting material for leaders documents the recruitment process and provides guidance to ensure that mitigations are in place (for example panel numbers and make up, decisions are made based on a range of factors). • All hiring leaders have unconscious bias training. • Support leaders to understand, accept and be prepared to engage candidates from their set of diverse values and worldviews. • Learning material and tools include cultural awareness and understanding.	**Q4 2022** Hiring leaders' guidance and decision-making tools and resources available for leaders.

The system that delivers the end-to-end recruitment process is designed around the candidate experience and acknowledges the diverse needs of candidates.	• Recruitment and secondment policies updated. • Refresh of offer letters. • New system processes designed.	**Q2 2023** New recruitment and onboarding system changes delivered.
Starting salaries for both internal and external applicants are based on capability, and bias is not a factor.	• Tools and calculator to determine the starting salaries with gender and ethnicity lens is used by Talent Acquisition Team, and forms part of the discussion with hiring leaders. • Support for hiring leaders to be able to understand the capability that candidates bring to the role and how to reflect this in starting salaries.	
Workforce Planning helps leaders to understand and plan for the capability they will need in the future.	• Completing a stock take to identify the current maturity of workforce planning at Inland Revenue. • Identify any resourcing gaps, and critical dependencies. • Increasing our analytics capability with a Data Integrated Platform (DIP) that integrates people, finance, and property data to provide scenario forecasts to plan from. This capability will be piloted with Customer and Compliance Services. • Workforce planning helps leaders to understand and plan for the capability they will need in the future.	**Q4 2022** Deliver Tranche 1 of Workforce Planning analytics capability. Develop business group action plans on activities to increase maturity in workforce planning.

Goal 3: Leadership and Accountability

Focus area	Actions	Some specific milestones/deliverables
All leaders continue to reinforce the importance of diversity and inclusion initiatives and goals. All leaders are working to build their own capability and understanding and can effectively role model inclusive practices and behaviours.	• Linked to Te Pou o te Tangata. • Leaders need to call out behaviours that aren't inclusive and role model the right behaviours. • Initiatives consider and reflect the role of the leader as part of the delivery, with tangible communications and actions where possible. • Consider ways to enable leaders to learn together and build capability in the areas of understanding racial equity and institutional racism; for example, aspects of New Zealand history and the Treaty of Waitangi; worldview knowledge; Tikanga/kawa; te reo Māori and Engagement with Māori.	**Q4 2022** New leadership approach/model developed to support learning (From Te Pou o te Tangata).

Continue to focus on building inclusive leaders, through adding resources and materials to the inclusive leaders' hub to support decision making and inclusive practices.	• Share tools, resources, and research to help leaders understanding of what it means to be an inclusive leader. • Create practical job aids and conversation starters that can help leaders navigate people practices and have effective Whanake conversations. • Make spaces for leaders easy to find and integrated – including People Leaders Space, Health, Safety and Wellbeing material for leaders and inclusive leaders hub.	**Q4 2022** Re-vamped People Leaders Space goes live. **Q1-Q4 2023** Resources are added to Inclusive Leadership hub each quarter, promoted through a communications campaign.
Continue to embed and evolve Whanake and our capability-based approach.	• Support leaders understanding of the importance of being holistic and getting to know your people. • Ongoing discussions and sharing of how to have effective Whanake conversations. • Review and refresh people capabilities to align with Te Pou o te Tangata descriptors.	**Q4 2022** Updated guidance to support leaders with Whanake conversations is in place. **Q3 2023** Refresh of people capability detail.

Deliver outcomes and learnings from Te Pou o te Tangata engagement for leaders.	• Leadership Development that supports te Pou o Te Tangata - How we do things at IR. • Reinforce the responsibility of leaders to role model inclusive practices and the behaviours we want to see.	**Q3 2023** Leadership development content is created.
Tools to support leaders to navigate the recruitment processes – includes hiring leaders guide, creating a positive candidate experience etc.	• Hiring leaders' guidance – covering expectations of leaders throughout the recruitment process. • Reinforcing learning through unconscious bias training.	**Q4 2022** Internal recruitment space (including supporting tools and resources) is created and available for leaders to use.
Support leaders to lead effective 'hybrid' teams, and to make decisions in terms of flexible working.	• Provide clear communications, tools and actions relating to embedding flexible working. • Leverage Te Kawa Mataaho Public Service Commission hybrid working guidance to help leaders take a team-based approach to making flexible working arrangements work effectively.	**Q1 2023** Supporting tools and guidance are developed and are available for use.

Using data and Insights

Data from across a range of sources – both quantitative and qualitative is used to inform our focus areas, and to help measure our progress in terms of representation and pay gaps, as well as understand how our people are feeling about their experience of working at Inland Revenue.

Having access to rich data also helps our leaders to understand their own business group representation pictures and, in term, make informed decisions about their people.

Over the next 12 months, we are looking tocontinue to utilise data to inform progress and support decisions, but also looking to continue to evolve and grow the data that we use and how we use it.

• Increasing our data collection and analysis with regards to disabled people and Rainbow communities to ensure Inland Revenue creates an inclusive and fair environment in which all our people can thrive.

• Expanding our analytics focus areas with regards to diversity and inclusion to reduce any negative impacts in all areas of the employee lifecycle.

• Introducing career mobility analysis to understand how staff move within Inland Revenue and how this contributes or inhibits career and development advancement for wāhine and for Māori, Pasifika Peoples and Asian.

• Introducing more “moments that matter” surveys and analysis including the candidate survey and onboarding surveys to ensure that our processes are fair and inclusive and result in a positive experience from first points of contact with our staff and candidates.

• Broadening our analysis to include data related to organisational networks, working patterns, and leadership to understand how these impact diversity and inclusion, and pay gap outcomes.

Communicating our story

Sharing our progress and what we are doing as an organisation, to help us achieve our diversity and inclusion goals, is an integral part of our work. Over the next 12 months we will:

Share stories and examples using inclusive language where everyone can see themselves represented.

Provide communication support for our People Networks, to share events and activities and raise awareness of our diverse people and networks at Inland Revenue.

Create and raise awareness and understanding of work that is happening to support our D&I goals across a range of platforms for both leaders and our people. This includes ensuring that material on our internal communications platforms is easy to find and access.

Showcase stories from our people to celebrate inclusion in action and give visibility of what great looks like.

Continue to leverage real time opportunities to create awareness and change.

Publish and share our Roadmap both internally and externally, and be visible about our progress and next steps.

2018-2022 Our focus to date

Where have we come from - key focus and summary of actions to date

Our people data and analytics have evolved to inform our focus and progress, and is visible and transparent.

1. Analysis of a range of data sources have enabled a good understanding of the drivers of Inland Revenue's pay gaps for wāhine, Māori, Pasifika Peoples, and other ethnicities.

2. Analysis across our human resource processes across the employee lifecycle has been undertaken to identify risk points for potential bias.

3. Develop and publish our People Dashboards internally. These contain demographic data reflective of our gender and ethnic pay gaps as well as turnover and hire rate data.

4. Made a shift to providing business group level representation data and insights for leadership teams and started considering how to use as part of decisions relating to their workforce and to track changes in representation.

5. Our Active Listening approach has continued to provide opportunities for our people to share what matters to them through our People Experience Pulse Survey (PXPulse). This helps to understand where our strengths are, and where we have opportunities to create a better work experience for our people.

6. We have reviewed and updated our exit survey to better understand our opportunities and the drivers of people who leave Inland Revenue.

Our talent acquisition approach uses a broad range of mechanisms to target and attract diverse talent to join Inland Revenue.

1

Leverage what we know matters to our people via our People Experience Pulse Survey through advertising and attraction campaign for our frontline roles, to attract diverse talent into the organisation.

2

Use targeted job boards and agencies, including targeting Pasifika and Māori candidates and a roundup of vacancies to Work Bridge, to create visibility of open vacancies in less traditionally used recruitment channels and advertising mediums.

3

Work with external partners to create a more inclusive approach to attraction, through the use of gender-neutral language, in our job titles, descriptions and job adverts and showcasing our Employee Value Proposition (EVP).

We aim to select people based on capability and have been focusing on mitigating bias from our selection processes and hiring leaders decision making.

In 2015, we committed to being a capability-based organisation. This means we source, recruit, develop and deploy people based on skills, knowledge, experience, and attitudes. Inland Revenue's people capabilities recognise the value of transferrable skills and experience – including those that are gained outside of day-to-day mahi.

We are continuing to embed the capability-based approach, acknowledging that there is still more work to do to support leaders to lead in a way that supports capability-based development and improve understanding in terms of selection.

Current end-to-end recruitment processes have been reviewed for potential points of bias, with on-going work underway for a new recruitment and selection tool that will help create a more candidate centric experience and to remove the potential for bias in the process.

All Inland Revenue people including hiring leaders are required to complete Unconscious Bias training, with recruitment and selection guidance embedding the learning for hiring leaders through clear roles, responsibilities and supporting actions.

Interview questions have been revised and are clearer and more understandable by both internal and external candidates – although, more work is still to be done to help all candidates understand capability based recruitment.

Interview panels are of mixed gender and interview outcomes are monitored using documented panel summaries.

Potential for bias in our pay systems is mitigated and we continue to minimise bias in decisions relating to pay.

In 2018, we introduced a new pay approach and continued to embed it over 2019. Both our banded and graded pay structures mitigate bias by removing the role of a single leader in pay decisions. Both pay approaches prioritise larger increases for those paid lower in the pay range.

1. Since 2017, all employees on, or returning from, parental leave receive a remuneration review.

2. A calculator is incorporated into the spreadsheet for Graded Remuneration Structure (GRS) Calibration – this includes visibility of how changes in remuneration would impact on pay gap (gender and ethnic) for business groups, and business partners have a dedicated person to support this process.

3. A tool/calculator has been created to provide data related to salary based on roles, business group etc – for both gender and ethnicity. This is designed for the Talent Acquisition Team to provide guidance for hiring leaders.

4. All of our people, Including leaders, are required to complete unconscious bias learning.

Creating a workplace where people feel free to bring their whole selves to work, feel supported and included for who they are.

- There has been a focus on supporting our Rainbow community through our people network which helped us to achieve reaccreditation of the Rainbow Tick. This has included reviewing existing policies and practices with a Rainbow lens, communications and sharing of personal experiences of trans and non-binary staff to showcase a positive and supported environment for people. Creation of a transitioning at work guide, and an update to our anti-discrimination and harassment policy, to include specific references to gender identity.

- Our people networks are supported and valued and have continued to raise awareness about different cultures and different diverse needs and perspectives. We have started developing guidance for leaders about how they can support their people who are in our people networks, as well as understanding how involvement can provide valuable development opportunities.

We aim to provide development opportunities for all of our people and recognise the unique career aspirations of individuals.

Our people practices – including our performance approach, Whanake, are designed to recognise that our workforce is diverse, with unique backgrounds and individual perspectives. Whanake is built around getting to know our people and supporting them to achieve in a way that works for them, through tailored coaching and development.

An on-going focus has been on embedding these core people practices, through continued discussion, support, and tools.

Capability based roles guidance has been created to provide guidance relating to the use of our type of capability-based roles and clarifies the intent of how movements within and between roles should work for different types of capability based roles broad, specialist and enterprise.

Talent conversations have started to happen across our senior leadership team, and in some capacity in business groups. Ensuring effective talent conversations are critical to providing cross business group, and cross-agency development opportunities to support broader career progression for our people.

We have started exploring how to leverage career development opportunities through external programmes – (Rangatahi Māori emerging leaders programme, Pasifika Mentoring programme, Te Aratiatia leadership programme, Ria McBride Public Service Award) – both to ensure our people have the opportunity to be considered for these, but how to provide support and other development opportunities for those unsuccessful in their application for these programmes.

Creating a whānau friendly working environment that enables flexibility and a work place that's supportive of diverse needs.

Our refreshed flexible working policy, which takes a principles-based approach to flexibility, was launched in 2021 and has helped create a shift in culture in terms of access to flexible working arrangements that are built around individual, team, and organisational needs. The initial launch included guidelines to provide clarity around flexible working practices – such as working from home and a hub for tools and resources

• Since 2021, we have been working to embed and mature our flexible working practice and create a flexible by default approach through communications and supporting leaders to make inclusive, non-biased decisions. More work is still to be done to create an effective hybrid working environment and a truly 'give and take' way of working.

• Our workplace tools and technology now allow the majority of our people to connect and work effectively no matter when, when or how they work. With the addition of tools, like Urunga, which help to enable more flexibility of location for our voice channel people and on-going review to embed and remove barriers to flexible working.

• We have continued to consider options for creating more whānau friendly, accessible office spaces and have taken opportunities to upgrade the front of house in a number of sites.

• Our property programme works directly with our Diversibility Network to continue to focus on physical accessibility and takes into account practical considerations for our disabled people

• All Inland Revenue offices are equipped with spaces for parents/child feeding, reflection/prayer, and wellness.

• A revised process has been developed that makes it easy for our people to request equipment that they need to support them to be successful at work.

• On-going focus on digital accessibility and digital tools, with the continuation of the Digital Accessibility Working group to oversee continued capability uplift across the organisation. Tapping into the Diversability Network as required to raise awareness and the A11y group.

Measuring progress

Measuring progress

Changes in representation takes time. We have a significant level of diversity in our front line, lower paid roles, so it is likely that we may not see a full closure of our average pay gaps. However, the actions in our roadmap since 2018 have been designed to create, build on and embed the foundations for meaningful change through our people programmes and policies. Then to support the foundations with a focus on the way we behave and the decisions we make, both as leaders and as employees at Inland Revenue.

Through the actions detailed in our roadmap we should see the diversity of our workforce more evenly spread and our representation picture change.

Over time we should expect to see:

• An increase in the percentage of wāhine in technical segments and technical leadership roles.

• An increase in Māori representation in senior, more influential positions - both people and technical leadership.

• An increase in Pasifika representation in senior, more influential positions - both people and technical leadership.

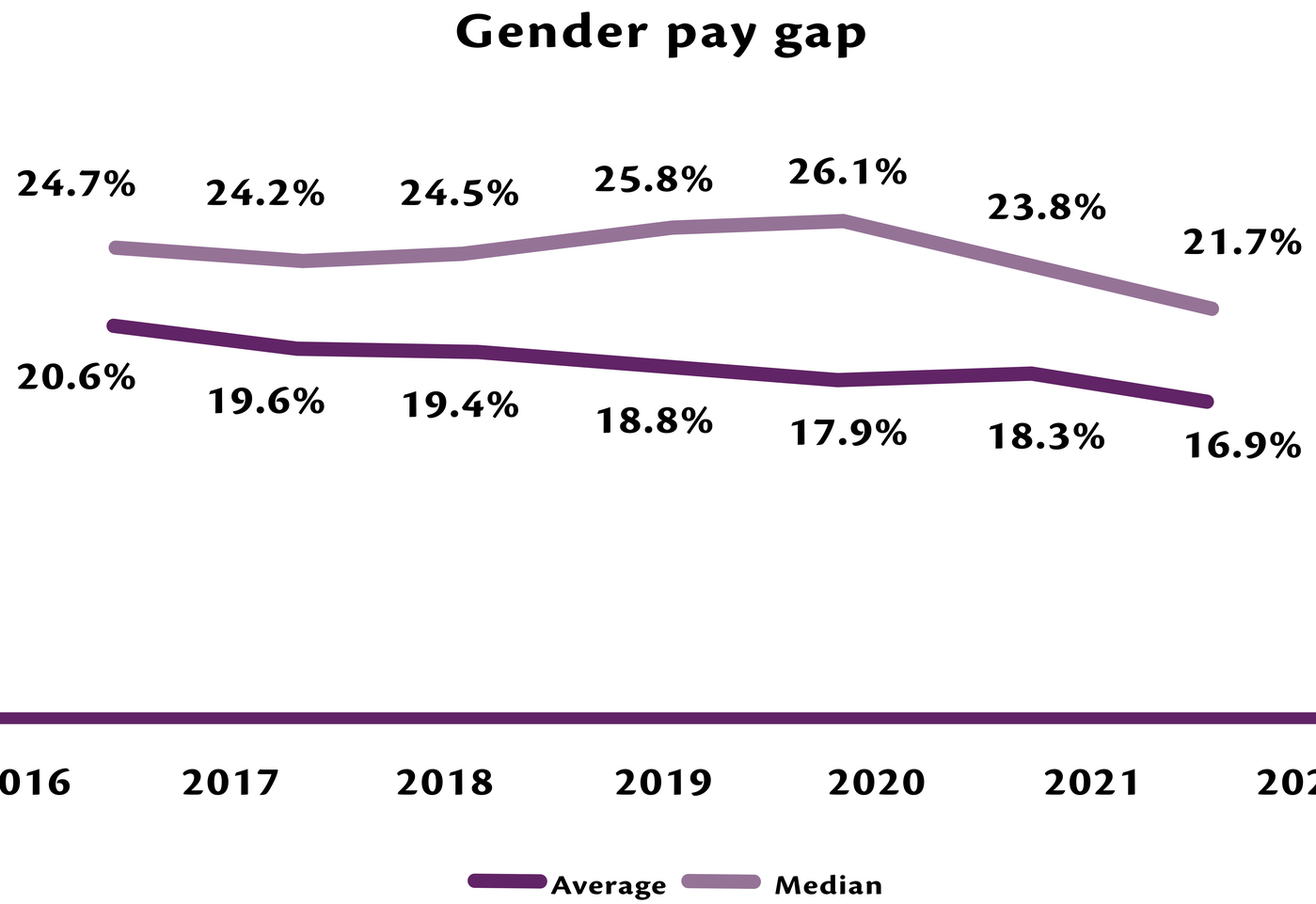
• An increase in representation across other ethnicities – including Asian, and Middle Eastern, Latin American and African (MELAA).

• An increase in the percentage of people in both staff and leadership roles working in flexible ways (for example location, hours of work).

• Continuation of the majority of our people responding positively in surveys about their experience of inclusion.

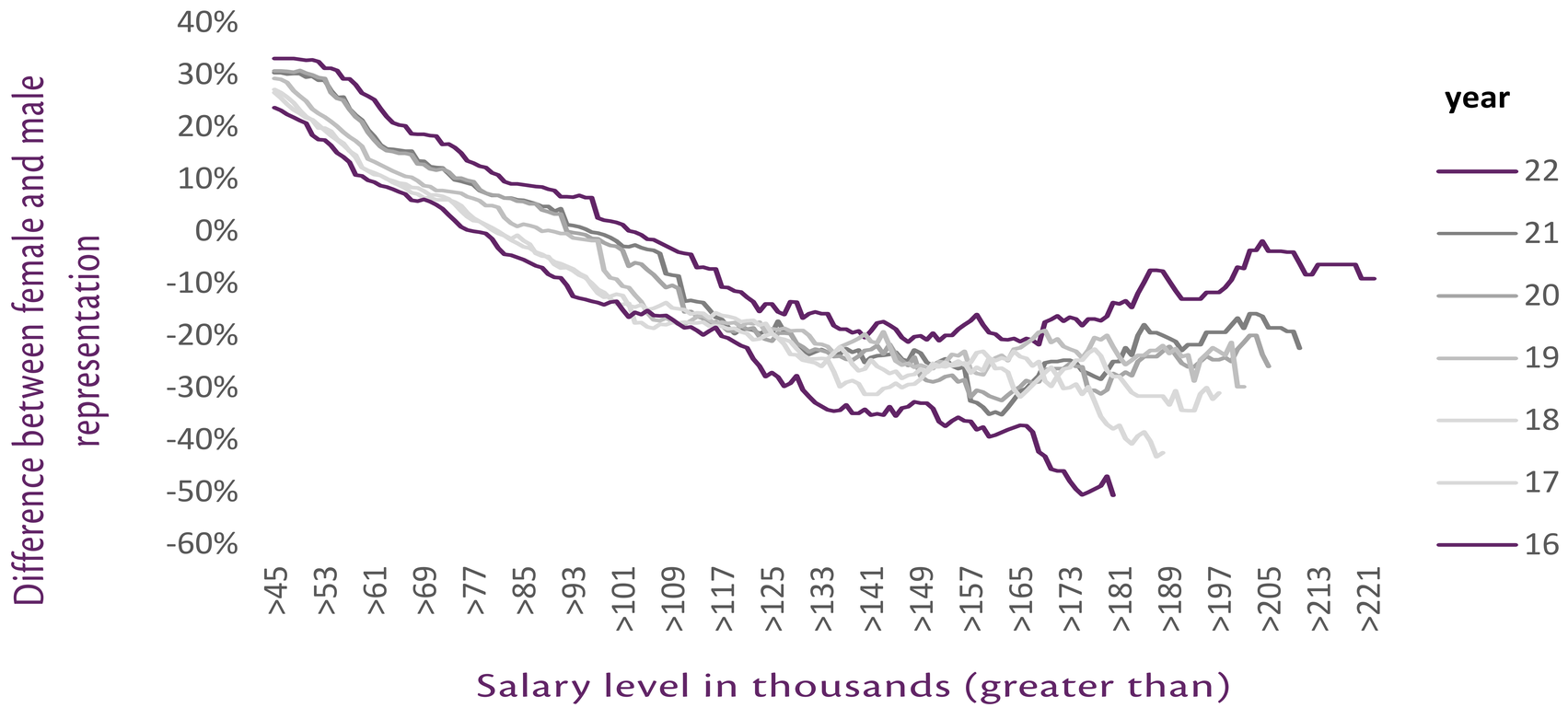
How quickly we can increase representation is dependent on multiple factors: the external market; a brand that is attractive to a diverse range of people; our turnover and tenure - which determines how often vacancies arise; and the decisions leaders make when recruiting or supporting the career development of their people.

Gender - what progress have we made?



- Our Gender Pay Gap at the time of publishing this report is 16.7%.
- This is a decrease of 3.7% since 2016 and 1.4% since 2021.
- The pay gap change is impacted by concurrent increases in female representation in lower paid roles.

Female representation across pay levels



- Female representation has been increasing year-on-year across Inland Revenue.

- Most noted shift in representation is in roles above $162K where we have now achieved gender balance.

- There is an opportunity to focus on roles with pay between $112,000 and $162,000 where representation progress has been slower.

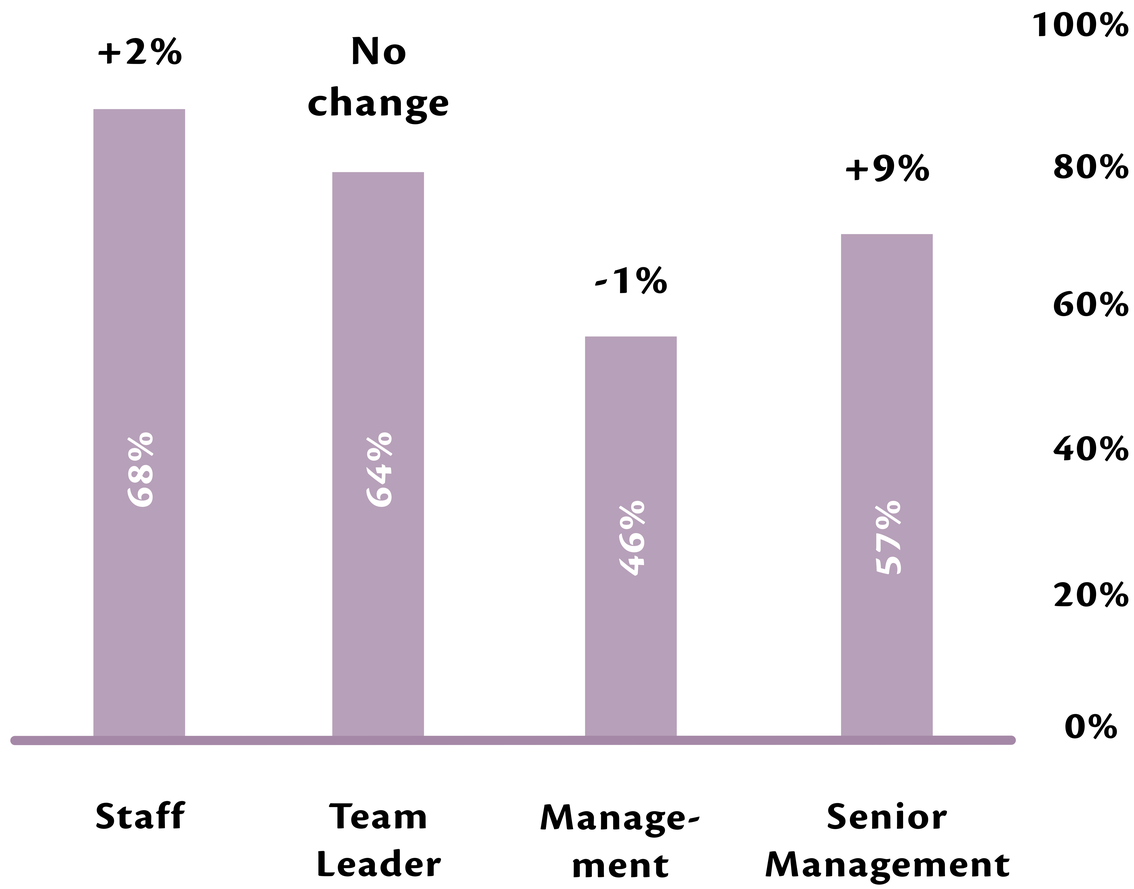
- Based on the percentage of females in leadership roles, the opportunity sits within higher paid technical roles and higher level of roles. For example, Technical Specialist Level 2 and 3.

Female representation changes sinces 2021 by level

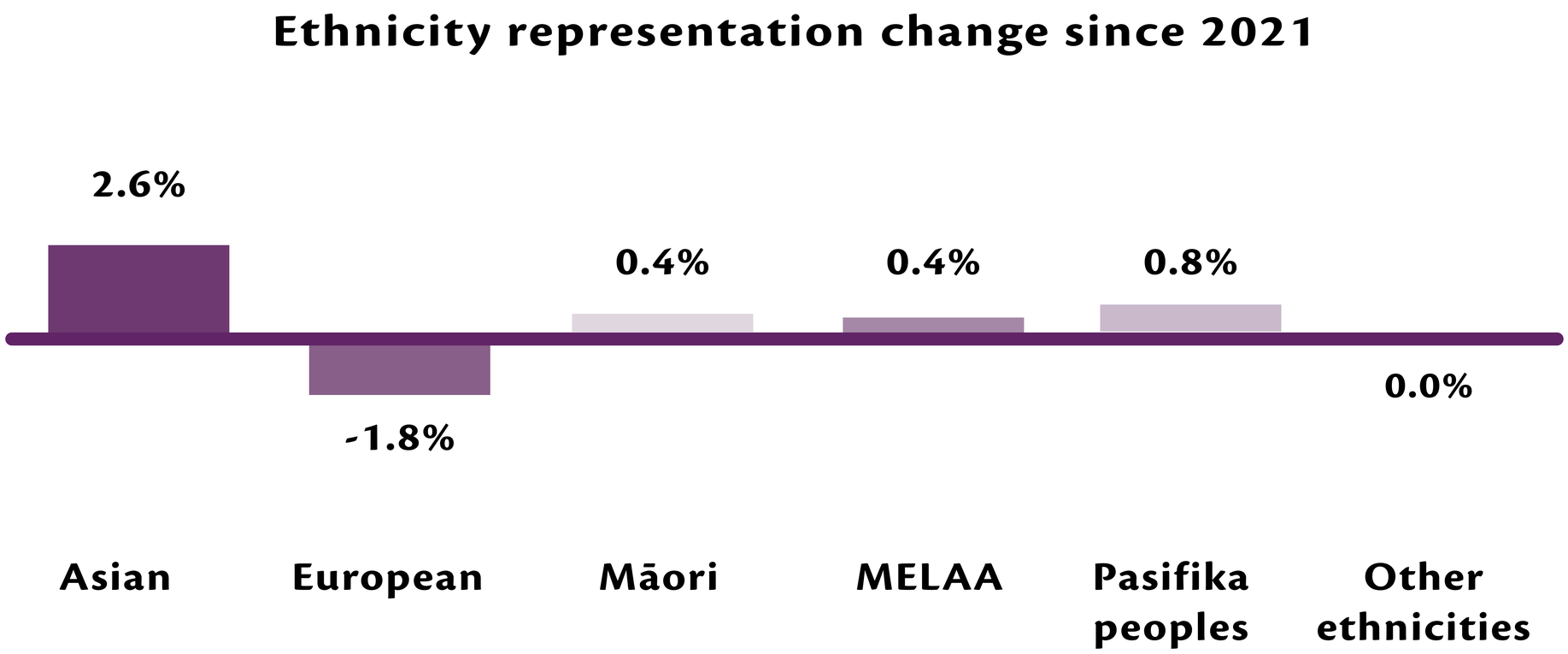
- There has been a continued increase in representation in senior leadership roles with 57% female representation. This is a 9% increase since 2021 and a 31% increase since 2016.

- Small increases in the number of female staff – showing 68% of our people in non-leadership roles being female.

- Mid-management has the lowest female representation at 46%.



Ethnicity - what progress have we made?

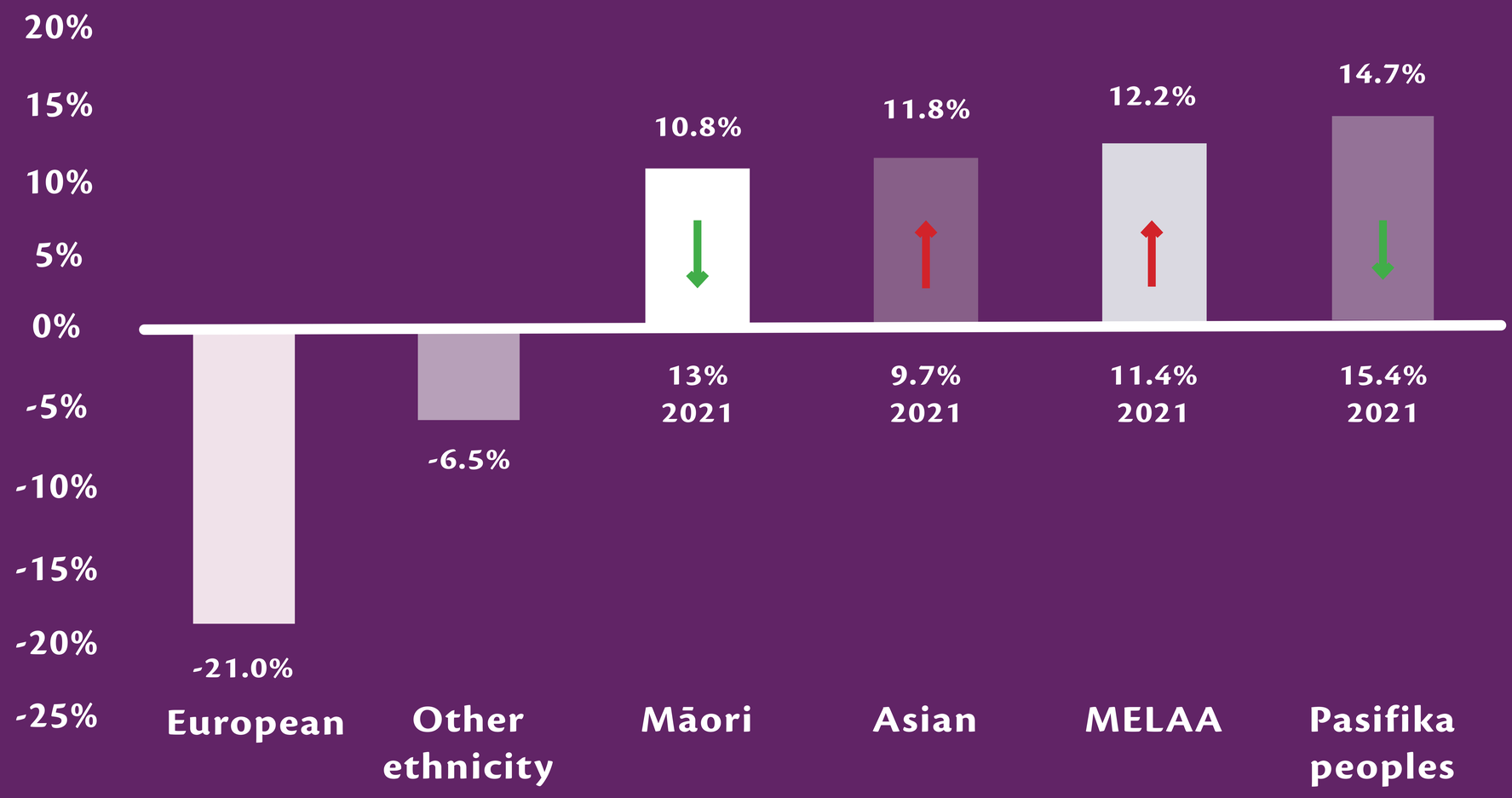


- There has been a very small increase in representation across Inland Revenue since 2021 for Māori, Pasifika peoples, Asian and Middle Eastern, Latin American, and African (MELAA).

- Increasing overall representation supports our goals of creating a more diverse Inland Revenue, but does not reflect a change in diversity at higher paid or more influential roles.

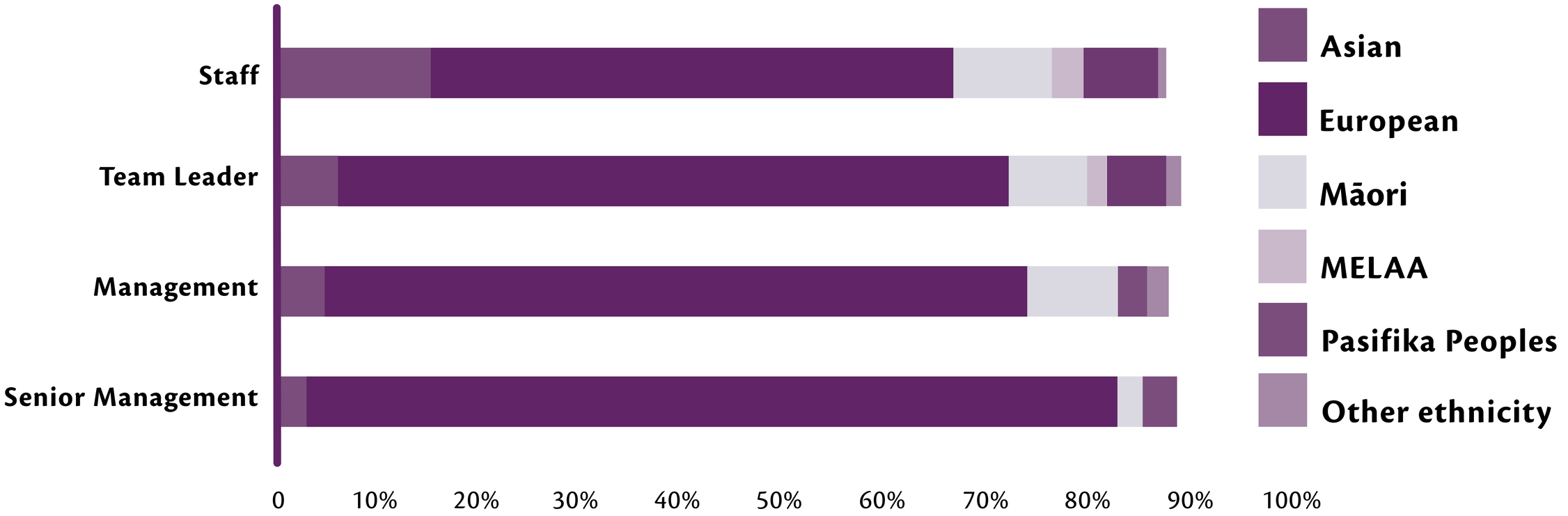
- There has been a reduction in European representation of -1.8% since 2021.

Change in ethnicity pay gaps since 2021



- There has been a reduction in pay gaps for Māori and Pasifika - 2.2% and 0.7% respectively
- There has been an increase in the pay gaps for Asian and MELAA people.
- MELAA make up a very small number of our people (110 employees) so changes in this population can have a big impact on the pay gaps.
- The increased pay gap for our Asian people is 2.1%.

Ethnicity representation by level



• Our leadership at all levels is disproportionately European. This becomes more prevalent in senior leadership roles.

• Currently Senior Management has just 4% representation for Māori, Pasifika and Asian.

• The Māori working population of New Zealand makes up 16.5%, at Inland Revenue this group makes up 12.2% of the work-force.

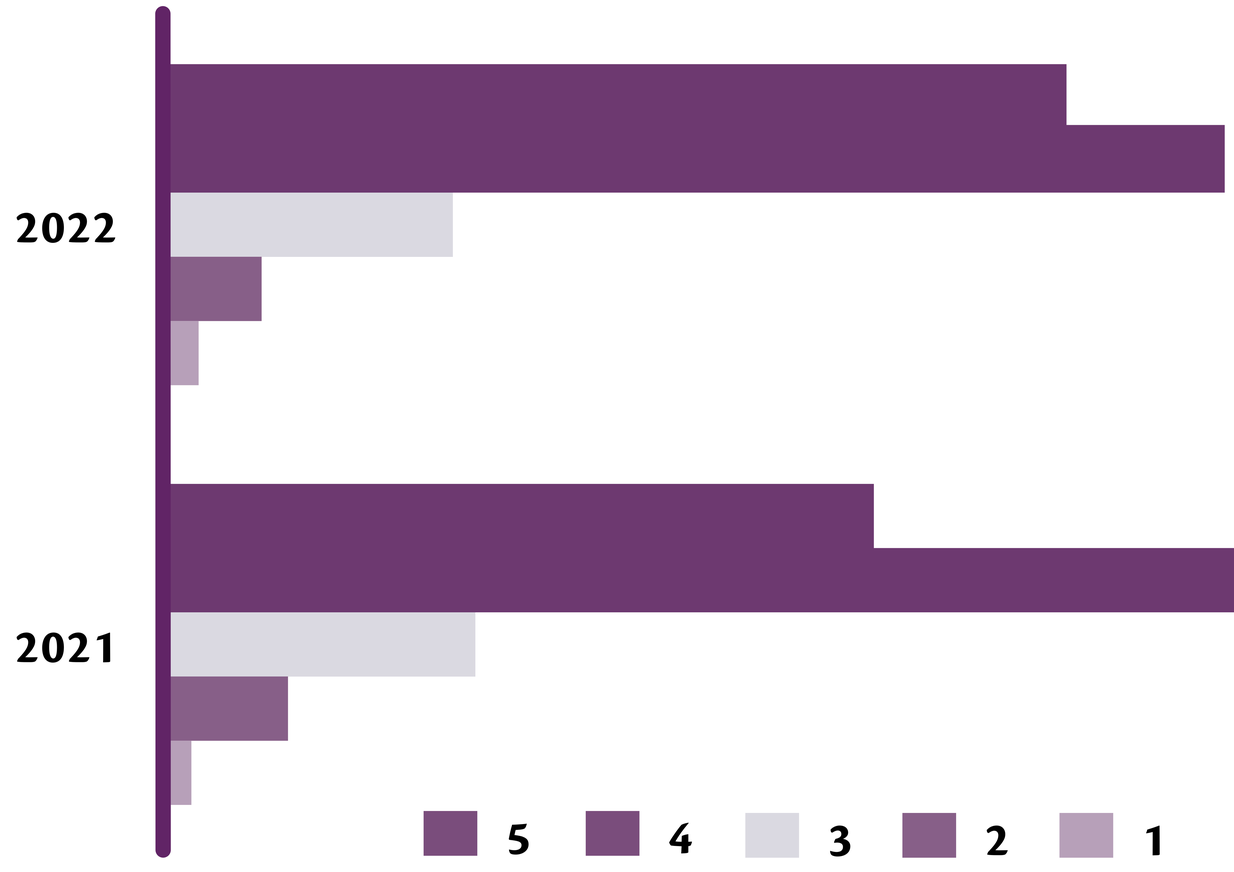
• Although our number of Pasifika people are reflective of the New Zealand working population, there is only 4% representation above team lead level of leadership.

Note: Ethnicity representation data can add up to over 100% as our people can declare more than one ethnicity.

Inclusion - What progress have we made?

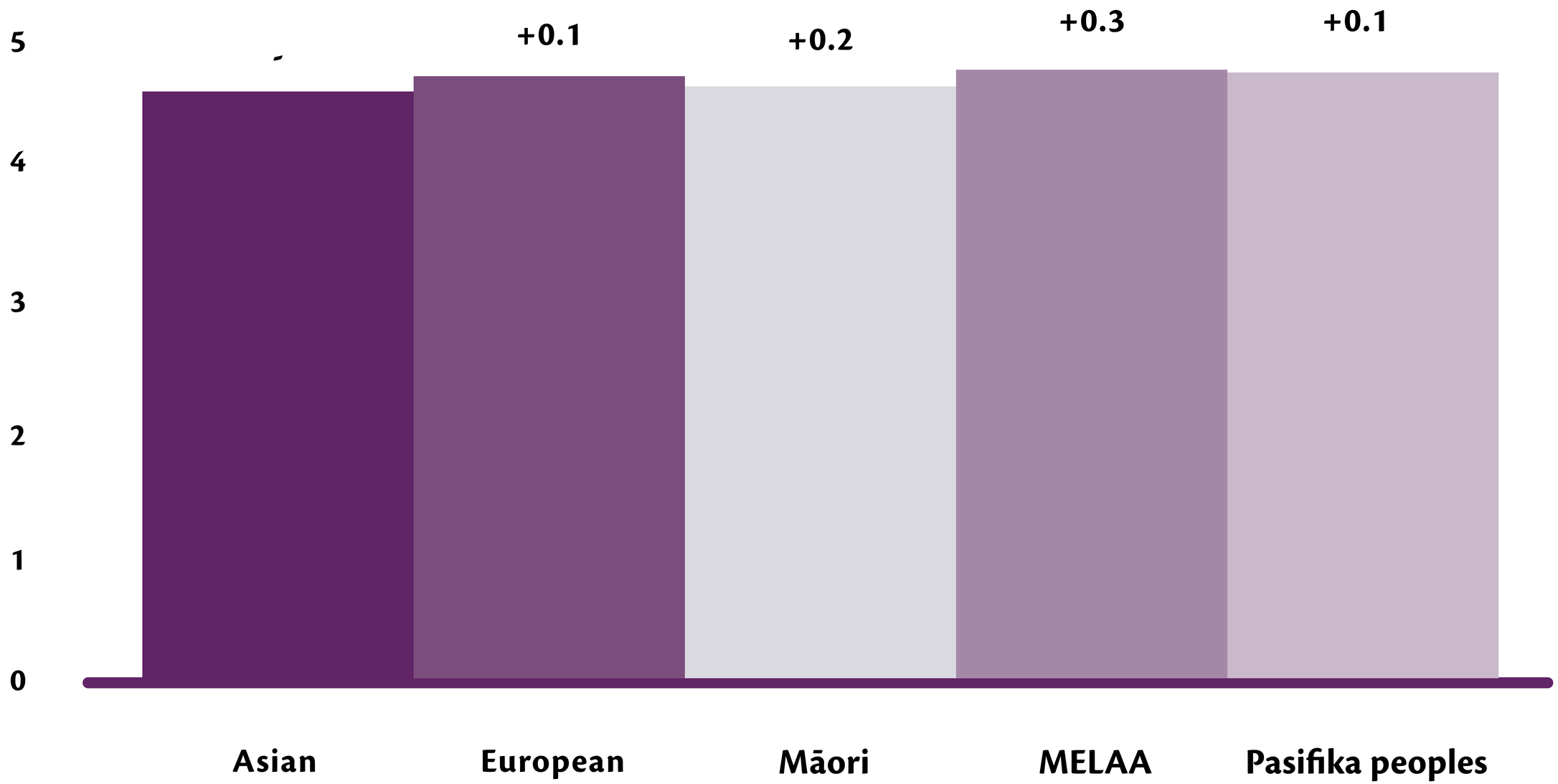
Our people continued to share their feeling of inclusion through our regular People Experience Pulse surveys. We have maintained (and slightly improved on) this since 2021.

Reported feelings of inclusion from People Experience survey 2021/2022



Overall, how included do you feel in your day-to-day experience at work?
(Inland Revenue People Experience Pulse Survey)

Reported levels of inclusion by ethnicity



Overall, feelings of inclusion have grown marginally more positive since 2021.
Scale shows 1 - Not at all good to 5 - Very good

Public Sector Commitments

Papa Pounamu priority areas

Papa Pounamu priority areas of focus	How Inland Revenue contributes to the areas of focus
Hautūtanga Ngākau Tuwhera Inclusive leadership	We will continue to add resources/learning to our Inclusive Leaders Information Hub to support our leaders to role model 'what does good look like' with regard to being an Inclusive Leader at Inland Revenue. Support leaders to understand what inclusive leadership practices they could improve on within their team environment, and through actions like career development conversations and recruitment processes.
Te āheinga ā-ahurea Cultural competence	We will develop a communications plan to help connect people to a variety of learning options on cultural competency, and support both participation in learning and follow up actions they could take as individuals/teams to ensure inclusive practices. In this context, this covers broad cultural competency across the many diverse groups and individuals at Inland Revenue, it will also link with Te Arapiki – developing our Treaty and Māori capability.

Te Urupare I te Mariu Addressing bias	Continue to ensure all our people undertake unconscious bias learning. Provide improved resources to support individuals/teams to have discussions and reflect on behaviours. Roll out of a refresher module. Support leaders to understand where bias may occur in day-to-day people practices, and address these through access to what good practice looks like, and includes Whanake, flexible working, career development conversations and opportunities.
Te whakawhanaungatanga Building relationships	Through a communications plan, we help connect people to resources/learning showing the importance of building diverse relationships at work. Promoting why it's important and how having a diverse network of people around us means we are more likely to understand diverse perspectives, value different worldviews, avoid assumptions and address negative biases. This can support inclusive practice and improve decision making.
Ngā tūhononga e kōkiritia ana e ngā kaimahi Employee-led networks	Continue to support our employee-led networks and network leads to create action plans that support the purpose of the network within Inland Revenue, which in turn contributes to a more inclusive workplace. Help leaders to see the value of attendance at network events. Explore further opportunities for networks to support sector development opportunities for their members. Continue to explore opportunities for networks to join-up and co-host intersectional events.

Kia Toipoto — Public Service Pay Gaps Action Plan 2021–24

Kia Toipoto area	Milestone	Inland Revenue progress
Te Pono - Transparency	Agencies and entities publish annual action plans based on gender and ethnicity data and union/employee feedback.	Our Diversity, Equity and Inclusion Roadmap includes our progress and action relating to Kia Toipoto. This roadmap is published both internally and externally on Inland Revenue's website.
	Agencies and entities ensure easy access to HR and remuneration policies, including salary bands.	All Inland Revenue policies are available for our people on our internal intranet Haukāinga. This includes all human resources policies and remuneration information.

Ngā Hua Tōkeke mō te Utu - Equitable pay outcomes	By the end of 2022 entities ensure that starting salaries and salaries for the same or similar roles are not influenced by bias.	Both our banded and graded pay structures mitigate bias by removing the role of a single leader in pay decisions. Our remuneration structure is robust, with controls for the potential for bias. Starting salaries for same or similar roles are based on pay bands and capability.
	Agencies monitor starting salaries and salaries for the same or similar roles to ensure gender and ethnic pay gaps do not reopen.	On-going scans are done to check for any flags in same or similar roles. Deep dive will happen if there are any initial flags.
	Pay equity processes are used to address claims and reduce the impact of occupational segregation.	Two current claims – Administration and Clerical and Customer Services officers. Inland Revenue is part of liaison group and has also taken part in workshops run by Te Kawa Mataaho Public Service Commission to progress claims. Inland Revenue have continued to provide information and monitoring as requested.

Te whai kanohi i ngā tau-mata katoa - Leadership and representation	By the end of 2022 agencies/entities have plans and targets to improve gender and ethnic representation in their workforce and leadership.	See the measuring progress section of this roadmap.
	By the end of 2024 the Public Service workforce and leadership are substantially more representative of society.	We have achieved gender balanced leadership at all levels of leadership.
		We are now focusing on shifting representation in the following ways: • Representation of wāhine in non-people leader roles with pay between $112,000 and $162,000. These are generally higher-level technical roles. • Increase in Māori joining Inland Revenue across the board – currently there is 12.2% Māori representation – the New Zealand working population is 16.5% Māori.

		• Increased Māori in leadership roles – in particular Team Lead and Senior leadership – Particular focus on Māori wāhine. • Increased Māori representation across higher level/higher paid technical roles - Particular focus on Māori wāhine. • Increased Pasifika representation in all levels of people leadership. • Increased Pasifika representation across higher level/ higher paid technical roles. • Increased Asian representation across all levels of leadership.

Te Whakawhanaketanga i te Aramahi - Effective career and leadership development	By mid-2023, agencies/entities have career pathways and equitable progression opportunities that support women, Māori, Pasifika and ethnic employees to achieve their career aspirations.	The foundations are in place in terms of Whanake – our performance approach, capability-based roles, and talent management. We are now focusing on embedding and evolving these inclusive people practices. Over the next 12 months we are also focusing on work to understand the barriers to career development for Māori and Pacific Peoples. This will be undertaken as part of this roadmap.
Te whakakore i te katoa o ngā momo whakatoihara, haukume anō hoki - Eliminating all forms of bias and discrimination	By the end of 2023 entities have remuneration and human resources systems, policies and practices designed to remove all forms of bias and discrimination.	In 2018, we introduced a new pay approach and continued to embed it over 2019. Both our banded and graded pay structures mitigate bias by removing the role of a single leader in pay decisions. Both pay approaches prioritise larger increases for those paid lower in the pay range. We know that our remuneration structure is robust, with controls for the potential for bias.

	Agencies embed and monitor the impact of bias-free human resource and remuneration policies and practices.	We continue to embed learning around the role bias can play in the decisions leaders make and review our HR practices and polices regularly to ensure there remains no points for bias.
	Agencies/entities ensure leaders and employees learn about and demonstrate cultural competence.	Our people networks are fully supported and help to create awareness and learning of a range of different cultures at Inland Revenue. Cultural competency learning is available for all our people, with tools and systems in development or being embedded to put learning into practice through the decisions leaders need to make about their people.
Te Taunoa o te Mahi Pīngore – Flexible work by default	By the end of 2024 agencies and entities offer equitable access to flexible-by-default working and ensure it does not undermine career progression or pay.	Our refreshed Flexible Working Policy and Guidelines were released in 2021 and are aligned with the flexible-by-default guidelines. Our policy reinforces a principles-based approach to flexibility. We are now focusing on leadership capability to lead in a flexible by default way, and to embed our approach, with a particular focus on hybrid working (location flexibility).

Diversity, Equity and Inclusion Roadmap

November 2022

Inland Revenue
Te Tari Taake