



20 October 2022

Tēnā koe

On 25 August 2022, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- 1. Your organisation's current salary bands;*
- 2. Which jobs fall into which of those salary bands;*
- 3. If your organisation has negotiated a collective agreement that provides for new salary bands that are not yet in effect, those salary bands; and*
- 4. If so, which jobs will fall into which of those not yet in effect salary bands;*
- 5. Any policy your organisation has re the position within a band at which a new appointee to a role will typically be placed.*

The Ministry is currently finalising the large amount of information you requested for questions 1 and 2. This information will be sent to you as soon as possible, and within the next two weeks. I apologise for this delay.

Regarding questions 3 and 4, the Ministry is currently in the process of negotiating a future collective agreement, and as this process has yet to conclude I am withholding this information under section 9(2)(j) of the Act to enable the Ministry to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). The greater public interest is in ensuring that government agencies can continue to negotiate without prejudice.

You have also requested any policy the Ministry has regarding starting salary guidance. Starting salary guidance is published on the Ministry's intranet page and I have attached a copy of this for your information.

Please note, the Ministry's response also covers the request you made to the Ministry of Youth Development, as the Ministry provides salary and collective agreement coverage to that Ministry.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter on the Ministry's website. Your personal details will be deleted, and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response regarding salary bands at the Ministry, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui



Cain McLeod
Group General Manager
People Group



28 October 2022

Tēnā koe

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Our response was extended until 20 October 2022 due to the need for further consultation on the large amount of information requested. At that time, we provided a response to questions 3, 4 and 5 of your request. We are now able to provide a response to your first two questions. Thank you for your patience, and once again I apologise for the delay. Please see **Appendix Two** which sets out the Ministry's current salary bands and example position titles that fall into those salary bands as at 1 September 2022.

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Ngā mihi nui

A handwritten signature in blue ink, appearing to read 'CML', is positioned above the typed name.

Cain McLeod
Group General Manager
People Group

Starting Salary Guidance

Last Review Date:	December 2021
Next Review Date:	December 2024
Approved by:	Group General Manager People
Owner:	Group General Manager People

Guidance statement

This guidance sets out the practices designed to help managers make an offer to a candidate when recruiting. This ensures the starting salary is a fair reflection of their knowledge, skills and experience which is equitable both within your team and across MSD.

Scope

This guidance applies to **all** permanent or fixed term MSD employees.

Government Workforce Policy Statement and Pay Guidance

The Government's Workforce Policy Statement on employment relations expectations was issued in May 2021 and is supported by pay guidance from Te Kawa Mataaho Public Service Commission. As a core Public Service agency, MSD must give effect to the Pay Guidance.

Key principles of the Pay Guidance include:

- a focus on lifting low pay
- adjusting moderate pay
- holding high pay
- addressing gender and ethnic pay inequities
- addressing acute recruitment and retention issues demonstrably impacting frontline service delivery (note this does not mean only frontline staff).

How does MSD ensure fair and consistent salary offers?

To help managers achieve fairness and consistency in appointment practices we have developed the following techniques and tools to be used within the recruitment process:

Salary range information

MSD recruitment adverts include the salary range the role sits in, to help inform the candidate's salary expectations and the discussion on placement in the salary range. Research shows that women in general, and both males and females from some ethnic groups, are less likely to discuss their salary expectations.

Providing candidates with the salary range for the job ensures they understand they can discuss their placement in the salary range based on their knowledge, skills and experience.

A key driver of a gender pay gap is often an incorrect appointment salary, and these guidelines are aimed at ensuring there are no gender pay gaps within starting salaries at MSD.

Not asking for current salary information

If managers are influenced by the previous salary of a candidate when they set starting salaries, they risk perpetuating the gender and ethnic pay gaps candidates have experienced in the past.

This risk can be reduced by setting an expectation that current/previous salary information will not be requested from candidates, and managers should focus on what the role is worth and the skill/experience the candidate has. When discussing salary expectations, it is essential that you do not lower your offer if the candidate asks for less than you were willing to offer. You should appoint based on what the candidate is worth, even if they may accept less.

Transparency around salary offers

It is important that people have trust in our appointing practices, and assurance they are being paid fairly. We encourage managers to provide context to their new starters on how they have arrived at their appointing salary, while being mindful of the sensitivity these issues can lead to within teams.

Monitoring starting salaries

People Group produce regular reporting to ensure starting salaries remain equitable and gender-neutral.

What is a 'Starting Salary'?

In this guidance 'starting salary' means the salary (aligned to a step or Position in Range depending on the role) set when any candidate (whether external or internal) is appointed to a new role.

There are number of factors to consider when deciding what salary to offer a candidate:

Factors	Guidance
Knowledge, skills and experience	<p>The knowledge, skills and experience the candidate brings to the role and the team are the key factors to review when deciding on the appropriate salary step, with the expectation that candidates will be appointed at the lower end of the salary range to allow for future growth and progression.</p> <p>The Salary Step Description in Appendix A outlines the main areas to consider when making an offer.</p> <p>The recruitment process may identify that there is a scarcity of qualified applicants. It is often accompanied by attractive salary packages from other organisations all competing for the same skillset.</p> <p>Where this occurs, the Recruitment Partner (in conjunction with HR Business Partners) will support the manager in determining a starting salary high or above the salary range. Please note that while it addresses an immediate need to secure the preferred candidate, this can impact a candidate's desire to remain in the role as there will be little to no movement in pay progression.</p> <p>An evidence case will be created that demonstrates the challenges experienced in the recruitment process, the number of suitable applicants shortlisted, rejected job offers and business risk of not filling the vacancy with the preferred candidate.</p> <p>The evidence case will also cover whether premium range could be used to address this issue (once the premium range becomes accessible), and any impacts on equity.</p>
Team relativities	<p>What would be equitable to offer based on the candidate's knowledge, skills and experience (as above), when compared to where people in the same or similar roles within your team are currently placed in their range, accounting for:</p> <ul style="list-style-type: none"> • What their skills/experience levels are and whether they match the step they have been placed on following the implementation of the new Pay and Progression framework. • How long they have been in the role and with MSD

	<ul style="list-style-type: none"> • What would be equitable to offer based on what the candidate would be bringing to the team. <p>Note that adjustments to starting salaries are not the preferred mechanism for addressing team relativities.</p>
Budget	<p>While it is important to be able to afford what you offer, it is just as important that candidates are appointed on the correct salary step or position in range.</p> <p>Don't start with the minimum of the salary range unless the rest of your considerations point to that as the correct salary step or position in range for the candidate.</p>
Annual Remuneration Review	<p>When is the next progression round/remuneration review and will the candidate be eligible?</p> <p>If the individual is not eligible to take part in the next remuneration review/progression, you must consider whether appointing to a higher step is appropriate.</p>
Internal appointments	<p>The process for determining an appropriate salary/salary step for internal appointments is the same as for an external appointment except there will be better information available on knowledge, skills and experience to inform the decision.</p> <p>When appointing an individual to a new role within the same band and salary range, the expectation is that they transfer to the new role on their existing salary and step.</p> <p>When appointing to a new role within the same band but with a move from the core salary range to a premium salary range, the expectation is that the individual transfers on the same salary step.</p> <p>When appointing to a new role within three months of an upcoming progression round, managers will need to ensure the new salary is on a salary step that is higher than the salary the individual would have moved to through progression, as the newly appointed staff member will not be eligible for an increase through progression.</p> <p>When appointing an individual to a role they have been seconded to, managers will need to ensure the new salary is on a salary step no less than the total remuneration (salary plus higher duties allowance) that the individual was receiving on secondment.</p>

<p>Secondments</p>	<p>A new secondment opportunity should be advertised through an expression of interest process for a minimum of five days. The secondment guidelines provide further information on how to do this.</p> <p>To extend an existing secondment, action the request through myHR by following the managers' instruction guide</p> <ul style="list-style-type: none"> • Higher Duties Allowances guidance • Special Duties Allowances guidance
<p>Staff Pay and Progression Framework</p>	<p>In June 2021, MSD introduced the new Pay and Progression Framework for Service Delivery and National Office/Ministry of Youth Development staff and transitioned staff over to new bands and salary steps based on an agreed translation process and new salary range minimums.</p> <p>The translation process together with the current restrictions under pay restraint may present some short-term challenges to maintaining appropriate relativities across MSD.</p> <p>However, while it is important to consider internal relativities, this should not be the main determining factor in your decision-making.</p>

HR Delegations

Function or power	Human resource (HR) Delegation Level	Conditions/Exceptions/Notes to exercising a delegation
<p>Approve the starting salary for new appointees between Step 1 up to Step 4 (staff roles), or below 100% position in range (Managers and Senior Specialists (MSS) and Senior Managers).</p>	<p>6</p>	<p>In consultation with immediate manager</p>

Function or power	Human resource (HR) Delegation Level	Conditions/Exceptions/Notes to exercising a delegation
Approve the starting salary if between Step 5 and Step 13 of the remuneration range (staff roles) or above the midpoint and up to the maximum of the remuneration range (MSS and Senior Managers)	3	Where the role holds Level 3 HR delegations DCE approval will be required
Approve the starting salary for new appointees above the remuneration range maximum (ie above step 13 for staff roles or 120% for MSS and Senior Manager roles)	2	Decision made by the relevant DCE in conjunction with the GGM People.

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Related policies/additional information

Policy	About the policy
Secondments	This guidance supports the hiring manager to fill a vacancy from within MSD. Click here for Secondment guidelines .
Higher Duties Allowance	<ul style="list-style-type: none">• Higher Duties Allowance guidance This document provides guidance around when to use a Higher Duties Allowance
HR Delegations	<ul style="list-style-type: none">• HR Delegation Levels This document specifies the HR delegation levels that can approve or implement a decision.
Gender and ethnic pay gaps	Ensuring gender is not a factor in setting starting salaries is an important part of the Te Kawa Mataaho Public Service Commission's Action Plan to eliminate gender and ethnic pay gaps within the Public Service. You can find more information on the Public Gender Pay Gap Action Plan together with MSD's Gender Pay Gap Action Plan and how MSD is addressing gender and ethnic pay gaps on Doogle .

Appendix A – Salary Step Description

Step 1	<p>The candidate is able to meet entry level expectations of the role and requires significant managerial guidance, coaching and development.</p> <p>The first step in the salary range is usually intended for employees who are completely new to the role and have limited experience to bring to the position.</p>
Step 2	<p>Comparable to the candidate appointed to Step 1 but has some relevant work experience (eg 1 – 2 years) and MSD experience or specific qualifications.</p>
Step 3	<p>Able to manage some pieces of work autonomously, requires some managerial support and coaching/development.</p> <p>A candidate who is very strong, however may not have both the work experience and qualifications to meet all the requirements of the role or is very strong in experience or qualifications but has some gaps in the other requirements.</p>
Step 4	<p>Able to manage a greater number/more significant pieces of work autonomously with regular management support. Demonstrates core skills independently and consistently. Takes responsibility for own development and seeks opportunities to grow expertise and apply new skills.</p>
Step 5 (Anchor Point)	<p>Able to deliver all aspects of the role and manage most pieces of work autonomously with some managerial support and development.</p> <p>Has strong, demonstrable work and MSD experience.</p>
Steps 6 – 9	<p>Able to contribute tangible results and add value immediately in terms of expectations of the role, requires minimal managerial support to deliver immediately, and can support the work of others.</p>

Steps 10 – 13	<p>Able to contribute tangible results and add value immediately as well as supporting the work of others.</p> <p>A candidate who can not only deliver to the role but also possess a skillset, capability or knowledge (and evidenced) which offers a higher value to MSD.</p> <p>May also be linked to recruitment issues such as scarcity of qualified applicants.</p> <p>Note: we would expect these salary steps to be rarely used during recruitment.</p>
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