

KIA TOIPOTO|PAY GAPS – Trends, Targets and Plans

The Ministry of Defence is committed to the kaupapa of creating an inclusive workplace that reflects the diverse makeup of New Zealand society. Implementing policies and practices that sustainably reduce gender and ethnic pay gaps at all levels is part of this commitment.

OVERVIEW

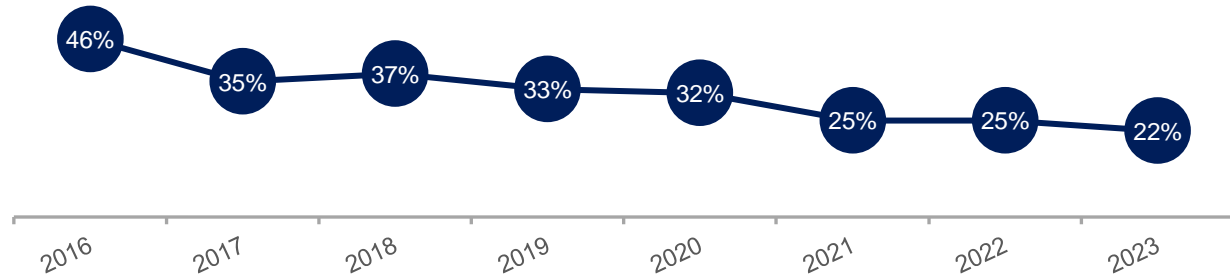
The Ministry of Defence's gender pay gap at 30 June 2023 is 22%*, a reduction from 46% in 2016. A key driver of this reduction over time has been the development and achievement of clear targets and action plans. The Ministry set three original five year targets in 2017, mostly aimed at increasing the numbers of women, and these were largely achieved by 2022.

In November 2022, to support the continued reduction, two new targets were introduced with a focus on increasing women in senior leadership and women in other leadership roles. This focus on continuous improvement and sustainable reduction acknowledges long-term commitment and vigilance are required.

The two key drivers for the Ministry's gender pay gap are due to occupational and seniority differences and not gaps in pay for the same roles. A higher proportion of senior project staff are men and these specialist staff are drawn from the traditionally male dominated STEM and military backgrounds.

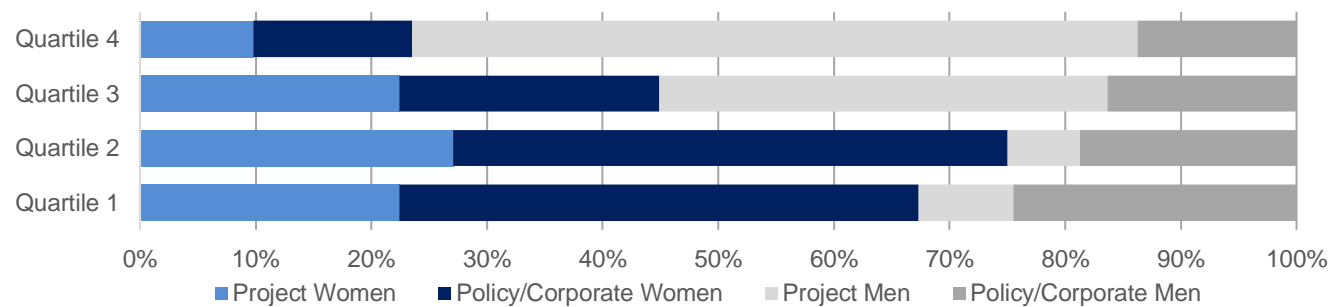
The Ministry has identified that some pay gaps exist with regards to ethnicity. However, the most significant gaps are attributable to gender.

GENDER PAY GAP CONTINUES TO TREND DOWNWARDS



- The gender pay gap reduced by about 3% over the year to 30 June 2023

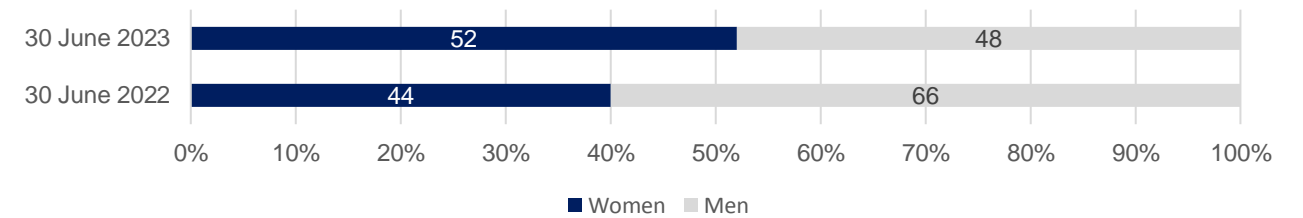
GENDER REPRESENTATION (PERCENTAGE) BY PAY QUARTILE AT 30 JUNE 2023



*This figure includes secondees paid for by the Ministry

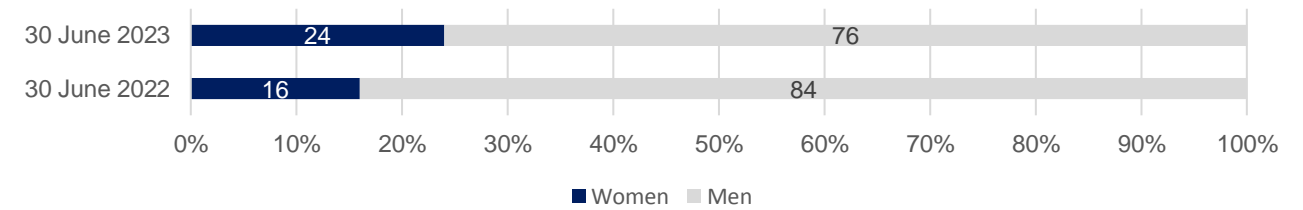
GENDER PAY GAP TARGETS 2022 – 2025

Target achieved: To increase the percentage of women in senior leadership roles (tier 2 and tier 3) to 52%



- Achieving the senior leadership target is an excellent result and the target turns the focus to sustainability.

Target: To increase the percentage of women in tier 4 and lower management roles to a minimum of 40% over the next 5 years 2022 - 2027



- Good progress has been made attracting and promoting women into other leadership roles across the Ministry. This needs to continue with renewed focus on senior project roles.

CHANGES TO ETHNICITY AND GENDER PAY GAPS

- The Ministry employs small numbers of staff from different ethnicities which means small changes can result in big shifts in the data.
- Analysis of these small numbers in 2023 shows changes to the rankings of average pay by ethnicity and gender and illustrates that is important to track the data but that immediate action is not always required. Most of the changes are from more senior staff of varying ethnicities leaving and new staff of the same ethnicities being recruited into more junior roles.

DISABLED PEOPLE AND RAINBOW COMMUNITIES DATA AND PLANS

In 2023 disabled people and rainbow communities from across the public service developed plans in support of and additional to the public service wide papa pounamu programme of work. To support these initiatives, the Ministry is working to "identify and close inequities (e.g. pay gaps), as measurement allows".

- The Ministry is working to identify inequities for disabled people by collecting disability information from new staff. The Washington Group set on disability is used for this purpose as recommended by the New Zealand Disability Action Plan. The numbers are, yet, too small to be meaningful.
- The Ministry is undertaking regular conversations with rainbow communities through the Pride Network by active sponsorship from the Secretary of Defence, regular invitations to share challenges with the Strategic Leadership Team (SLT) and direct conversations with HR. As a result, career development is the current focus.