



**MANATŪ KAUPAPA  
WAONGA**  
NEW ZEALAND  
MINISTRY OF DEFENCE



# **GENDER PAY GAP AGENCY ACTION PLAN 2021**

**Te Kāwanatanga o Aotearoa**  
New Zealand Government

[defence.govt.nz](https://defence.govt.nz)

# 1

## GENDER AND ETHNIC PAY GAP MEASUREMENTS ●●●●

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

Our Leadership Team drives the ongoing effort needed to keep the gains that have already been made and realise the benefits from the long-term plans to achieve this important mahi. This includes removing barriers to people of all genders and ethnicities and implementing practices to overcome them.

The Ministry of Defence is an agency of around 165 permanent and fixed term staff across a range of policy, project management and corporate roles. Statistics NZ advise that gender pay gaps are not statistically robust for groups of fewer than 20 men and 20 women as the pay gaps can be volatile over time for small numbers of employees. This applies to all occupational groups within the Ministry, so our

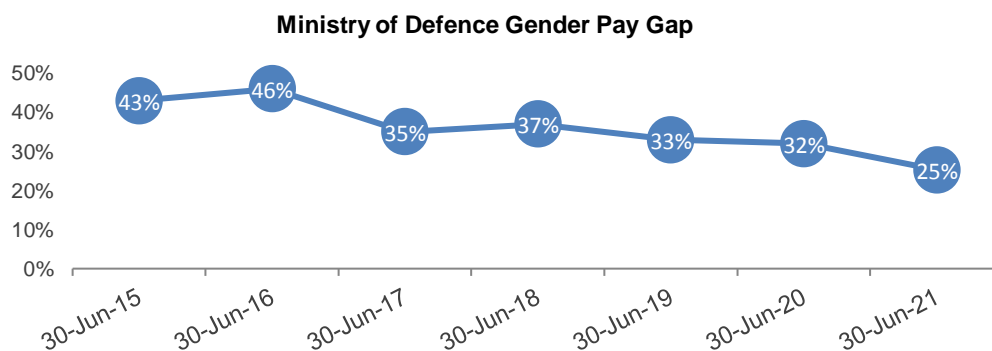
gender pay gap reporting is on the entire Ministry only.

Analysis of our ethnic pay gap and the connection between that and the gender pay gap has also been undertaken. However, as noted previously the small numbers are not statistically reliable for identifying trends.

Despite these reporting constraints, the Ministry undertakes analysis of these smaller groupings and identifies possible courses of action that could make a difference for individual staff.

The Ministry measures the Gender Pay Gap using the agency wide mean calculation as advised by the Te Kawa Mataaho Public Service Commission Human Resource Capability team – that is, the total salaries of males minus total salaries of females divided by total salaries of males.

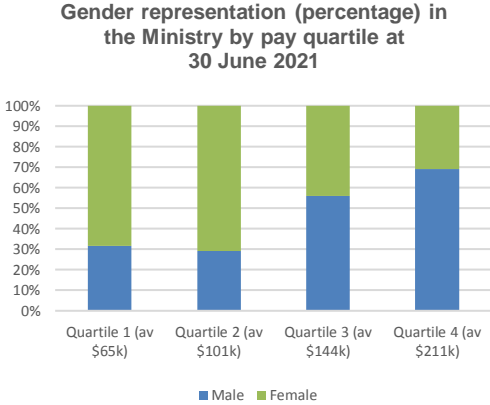
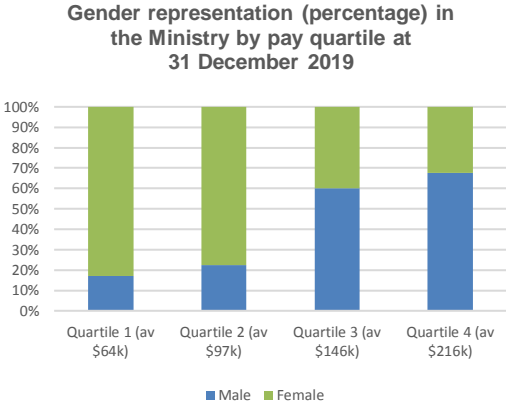
In June 2021 the Gender Pay Gap in the Ministry of Defence was around 25%. This is a decrease of 7 percentage points in the last year after staying flat since 2017. This reflects staff turnover in some senior roles as well as more males joining in junior roles.



# GENDER REPRESENTATION BY PAY QUARTILE

The Ministry has modelled other measures such as gender representation by pay quartile. The graph below shows male and female pay

as a percentage of four quartile groups. Quartile four shows 25% of staff with the highest pay, with quartile one showing 25% of staff with the lowest pay. This confirms what we already know that more males are paid higher salaries than female staff.



# ETHNIC PAY GAP

The Ministry has calculated its ethnic pay gap using a similar calculation to the gender pay gap by taking the average total salaries of staff who identify as European (predominantly NZ European) and subtracting the average total salaries of those who identify as Māori, Pacific Peoples, Asian, Middle Eastern/Latin American/African, which is a group of 33.

In June 2021 the Ethnic Pay Gap in the Ministry of Defence was around 6%.

The Ministry has a high rate of ethnicity disclosure, with only three of the 165 staff not stating their ethnicity. However, 24% of staff identify as *New Zealander* without identifying with any other ethnicity. This will be investigated further as part of the upcoming Diversity and Inclusion strategy.

# PROCURED WORKFORCE

The procured workforce refers to people in third-party agencies who have work through the Ministry, but they are not employees. The Ministry is exploring how to gain assurance from New Zealand providers as part of the procurement process and ongoing commercial engagement, that they employ people fairly and equitably, specifically women, Māori and Pacific peoples, in relation to this plan.

# 2

## DRIVERS OF THE GENDER PAY GAP ●●●●

It is important to note that our gender pay gap is not driven by gaps in the same roles but by occupational or seniority differences in the male and female workforces overall. This is commonly referred to as **occupational segregation** and **vertical segregation**. In simple terms it means we have a group of men in our most senior roles, predominantly on our executive team and in the Capability Delivery division. Women are over-represented in traditionally female roles such as office support. To explain this more, the workforce in the Ministry of Defence can essentially be broken into two key areas:

### CAPABILITY DELIVERY

A division of the Ministry mostly comprised of project management professionals who lead multi-million dollar projects which acquire military equipment for the New Zealand Defence Force. These people frequently have complex project management or engineering backgrounds as they are procuring or upgrading equipment such as aircraft or ships.

We have many highly paid men in our most senior project management roles. This reflects the labour market they are drawn from and is the prime reason for our large gender pay gap.

At 30 June 2021 the Capability Delivery Division had 81 staff. In the past four years the Ministry has significantly increased the number of females working in project management roles. In 2017 only 10% of our project managers and procurement specialists were female. That now sits at 40% (20 females, 30 males, 50 total).

Historically, when needing project management expertise, the Ministry's default was to hire in new staff. The Ministry now actively works to grow our own people. Several of our female staff have been trained and promoted from project coordinator to project management and subsequently senior project management roles.

We are developing a framework to support managers and staff to do this even better. The competency framework will illustrate what skills staff need to develop in order to progress a career in project management. The wording has been carefully scrutinised for gender bias.

**REST OF THE ORGANISATION –  
POLICY & PLANNING, AND  
CORPORATE FUNCTIONS**

The rest of the Ministry is most comparable to the overall public sector and largely comprises advisers, analysts, corporate and finance staff. These groups consist of around 84 staff combined.

The Ministry has made a concerted effort over the past four years to hire more women in all areas. In 2013 only 36% of our staff were females. In June 2021 this was 53%.

As more female graduates were hired into the policy area (which improved the male-female gender balance of the Ministry) the gender pay gap widened because graduates sit at the lower end of the pay spectrum.

Hiring highly skilled female graduates and growing them into senior roles is a long-term strategy that will take years to pay off in terms of the gender pay gap but we see value in this approach.



# 3

## AGENCY ACTIONS TO CLOSE THE GENDER PAY GAP ●●●●

### 3.1 PUBLIC SECTOR FOCUS AREAS

#### EQUAL PAY

*Eliminating gender pay gaps within the same roles and progressing any pay equity claims*

Since 2018 the Ministry has annually looked at gender pay gaps within the same roles and has found only one instance, in 2018, where there was a defined gender pay gap. This was corrected. This means we met the Public Service like-for-like 2019 equal pay milestone.

#### FLEXIBLE WORK BY DEFAULT

*All roles to be treated as flexible unless there is a good business reason for a role not to be*

Since 2019 all roles in the Ministry have been flexible by default. The Ministry has had a Flexible Working policy in place for all roles since 2016. It was last reviewed and revised in October 2020. We encourage the response of “why not” rather than “why” when staff request flexible working. Flexible options are equally available to men and women and do not undermine career progression or pay.

#### NO BIAS OR DISCRIMINATION IN REMUNERATION SYSTEMS OR HUMAN RESOURCES PRACTICES

*Systems and practices are designed to remove bias, including no gaps in starting salaries and managers being equipped to address bias*

We have addressed the impact of gender bias on career progression, breaks and leave by implementing policies which go beyond statutory minimum requirements, particularly in relation to parental leave and part-time work.

The Ministry’s recruitment and remuneration systems are constantly reviewed to remove bias. There is careful scrutiny of starting salaries to ensure they are the same for like roles. We have actively revised the way we advertise roles to ensure women are encouraged to apply for roles that on the surface might appear to be male oriented.

The Ministry is alert to systemic bias. For example, when recruiting, if no women apply for an advertised role then the system is deemed at fault and the recruitment process is reviewed for bias before proceeding to interview.

Having started this mahi in 2020 we continue to revise our position descriptions and advertisements for roles to exclude words that are known to have a gender bias.

As part of our annual remuneration round, we are vigilant in looking for any new gender bias and actively address that.

Since 2018 all people managers and most staff participate in unconscious bias workshops. In 2021 the Ministry also commenced a programme of cultural intelligence workshops for all staff. The Ministry has had a high

uptake for these learning opportunities, which enable discussion amongst staff, thereby ensuring that people continue to be aware of and challenge biases in themselves and others. This training will continue to be available in 2021/2022.

In 2020 the Ministry developed a new workshop for all staff, 'Above the Line', which specifically targets inclusion in the workplace. Development of this programme was in direct response to the introduction of the Positive and Safe Workplaces model standard.

## GENDER BALANCED LEADERSHIP

*Public Service Target: women hold 50% of roles across the Public Service's top 3 tiers of leadership and each agency has a target date for achieving balance in their own leadership roles*

**Tier 1** – Appointments at this level are made by the Public Service Commissioner.

**Tier 2** – One of the four Tier 2 roles is held by a woman (25%).

**Tier 3** – At the Tier 3 level the Ministry has 13 roles. Six of these are filled by women (46%).



## 3.2 MINISTRY GPG GOALS

The Ministry continues to implement the five-year goals it set in 2017. These are due for revision in 2022 as part of a new Ministry organisational strategy.

**TARGET: To ensure that the gender makeup of the Ministry of Defence operates on a 40-40-20 basis** (that is 40% male, 40% female and the balance of 20% comprised of any group).

The Ministry currently meets this target and continues the vigilance to ensure it stays achieved.

At June 2021 53% of staff were female.

1. **TARGET: To increase the percentage of women managers in the Ministry of Defence to a minimum of 40% over the next 5 years.**

To work towards the gender makeup of managers in the Ministry operating on a 40-40-20 basis (that is 40% male, 40% female and the balance of 20% comprised of any group).

At June 2021, 38% of managers were female (17 female, 28 male, total 45).

2. **TARGET: That 50% of appointments made to the Capability Delivery Division each year, over the next 5 years, will be women.**

To reduce the gender pay gap by specifically focussing on targeting appointments of women into Capability Delivery Division roles.

In the full year to 30 June 2021 over 70% of staff hired into the Capability Delivery Division were female.



### 3.3 ONGOING MINISTRY ACTIVITY

- *Growing our own:* we continue to target development opportunities for our female staff including promoting women in policy roles and progressing women in project management roles.
- In 2017 our first female project manager joined the Ministry. We now have 20 female project managers. Over the next 12 months we will continue to actively focus on finding female candidates for roles at all levels and to encourage them to apply. We will always ensure that only the best candidates are appointed (whether men or women) but have widened our reach as to how we attract suitably qualified and experienced females.
- *Flexible by default working.* All Ministry roles are flexible by default. The Ministry will take note of the Public Service Census results in relation to flexible working and act on any relevant feedback.
- *Promoting Inclusion:* Delivery of Unconscious Bias, Cultural Intelligence and Above the Line workshops for new employees over the next 12 months. These activities promote conversations and inclusive behaviours. They encourage teams to be culturally inclusive.
- Our HR team will use their training in Mitigating Unconscious Bias in the Employee Lifecycle (via Diversity Works) to ensure a 'gender lens' is used as part of every aspect of the employment life cycle, including developing new people processes or policies.
- A new Diversity and Inclusion strategy and plan will be developed over the coming year which will form an essential complement to the gender and ethnic pay gap action plan.
- The Ministry's approach to performance management *Supporting Success* focuses on helping people to deliver their best work, and to develop. In 2021/22 the Ministry will strengthen this practice by developing a programme for managers so, they are best placed to support their staff through good development conversations.
- Other support which we continue to target includes:
  - Systematic investment in leadership and talent development of females with management potential.
  - Continuing to promote to all staff (including potential staff) our progressive policies that include support with parental leave and flexible working arrangements, reimbursing some childcare costs including when staff travel for work, and providing free flu vaccinations for dependent children of any age.
  - Making sure that where people must pause their career or change hours, we help them to maintain pay and career advancement.
- HR Analytics are reported to the Leadership Team and discussed by them at least quarterly.

# 4

## AGENCY, AND EMPLOYEE INVOLVEMENT ●●●●

This plan was developed as a result of discussions with staff and managers. Feedback was specifically sought from the Ministry's Women's Network which was launched in March 2021.