

1 APRIL 2017 - 31 MARCH 2018



Diversity Report 2018

Results and Analysis



Introduction

As Champions for Change, our goal has been constant since we first came together in 2015: we exist to promote diversity in leadership for a prosperous and equitable Aotearoa New Zealand.

One of our four major commitments as a group is to measure progress towards our goal of gender-balanced, ethnically diverse workplaces.

An evidence-based approach will allow us to fully understand who our employees are, where the talent pipeline needs attention, and where the glass ceiling still persists.

Measurement will also help us to determine the impact of our plans, policies and programmes, to then hold ourselves accountable for change.

To measure gender and ethnic diversity across our organisations, we developed the Diversity Reporting Framework.

The Diversity Reporting Framework provides guidelines for surveying employees and presenting results in a cohesive manner – one that can apply equally to listed and non-listed organisations, partnerships, and public sector organisations. This approach goes beyond what is currently required of different types of organisations, for example, under NZX listing rules or under public sector requirements, targeting both gender and ethnicity representation at all levels of the organisation.

This is our first year of reporting covering the period 1 April 2017 – 31 March 2018. Out of a total of 44 Champion organisations, 29 reported on gender, and from this total 26 also reported on ethnicity.

Of this group of 29 organisations, 98% of their employees reported on gender – more than 80,000 people (approximately 3% of the working population). This is a significant data set for our New Zealand market, that provides a strong benchmark on gender representation throughout our organisations.

In terms of ethnicity reporting, approximately 62,000 employees from 26 companies responded; however, around one in every six respondents chose not to state their ethnicity which means the total data sets were often not complete, and at times data sets were highly variable in quality. Increasing the accuracy and level of responses on ethnicity will be a focus for the coming reporting year, so that we may have a more robust data pool to review going forward.

By the close of year two, in 2019, we hope to have gender and ethnicity data from all 44 Champion organisations, representing more than 100,000 employees.

If we can achieve this, our report will be world-leading in terms of the number of organisations and employees voluntarily reporting on gender and ethnicity across management categories.

Thank you for being part of this ground-breaking project. And a special thank you to McKinsey & Company for partnering on the measurement and reporting stream.

Nāku iti noa, nā

CO-CHAIRS CHAMPIONS FOR CHANGE



MICHELE EMBLING
CHAIR PWC



DAVID MCLEAN
CEO WESTPAC



Method

DATA COLLECTION METHODS

Led and guided by their HR and executive teams, companies that reported in 2017-18 used various modes of data collection, including:

- drawing on individual employee records within the HR data system
- inclusion of gender and equity questions, and other diversity indicators, in their annual engagement survey
- conducting a broader diversity census, to seek information on a wide range of diversity indicators.

MANAGEMENT CATEGORIES

As part of the Diversity Reporting Framework, organisations reported on management categories using a standard classification system adapted from the Australian Workplace Gender Equality Act. The categories include:

- Board
- Key Management Personnel
- Other Execs/GMs
- Senior Management
- Other Managers
- Non-Managers

Each organisation determined for itself how its structures fit into this framework, and will apply the same logic to ensure consistent results over time.

GENDER REPORTING

Organisations asked employees which gender they identify as, giving at least the options of “male”, “female” and “gender diverse”, as well as an opportunity for employees to choose not to answer the question.

ETHNICITY REPORTING

23 categories of response were offered regarding ethnicity, based on Level 2 of the Statistics NZ Ethnic Classification System, with the addition of New Zealander, English, Australian, Dutch and Filipino. The term New Zealander rather than New Zealand European, was used to allow, for example, NZ-born Asians to also identify with this category.

New Zealand is unique internationally in basing its concept of ethnicity solely on the basis of cultural affiliation, and self-identification, rather than any concept of race, ancestry, nationality or citizenship and the biological, historical and legal concepts bound up in these. Under this construct, employees could select up to three options from the list below.

- | | |
|-----------------------|---------------------------|
| 1. New Zealander | 13. Fijian |
| 2. European | 14. Other Pacific Peoples |
| 3. English | 15. Filipino |
| 4. Australian | 16. South East Asian |
| 5. Dutch | 17. Chinese |
| 6. Other European | 18. Indian |
| 7. Maori | 19. Other Asian |
| 8. Samoan | 20. Middle Eastern |
| 9. Cook Islands Maori | 21. Latin American |
| 10. Tongan | 22. African |
| 11. Niuean | 23. Other |
| 12. Tokelauan | |

There was also a “Not Stated” category which covers employees who chose not to respond to this question.

2017-18

Data summary

OVERALL DATA

For period 1 April 2017 - 31 March 2018



44

CHAMPION
ORGANISATIONS
IN TOTAL

with



29

CHAMPION
ORGANISATIONS
PARTICIPATING
IN 2018 REPORTING

who have



83,000

TOTAL
EMPLOYEES
(INCLUDING
BOARD)

GENDER DATA



29
COMPANIES

81,000

EMPLOYEES PARTICIPATED

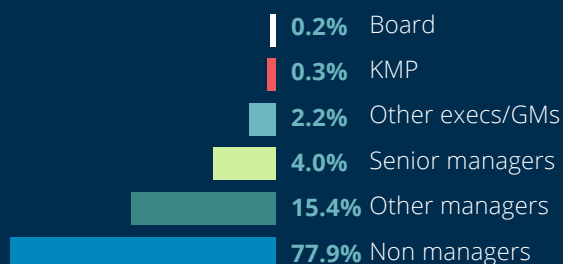


98%

OF TOTAL
EMPLOYEES
REPRESENTED

From across

6 work categories



ETHNICITY DATA



26
COMPANIES

62,000

EMPLOYEES PARTICIPATED



74%

OF TOTAL
EMPLOYEES
REPRESENTED

However 1 in 6 did not state ethnicity so only



62%

OF TOTAL
EMPLOYEES
REPRESENTED

Therefore focus for 2019 is to increase ethnicity reporting



Figures rounded to the nearest thousand

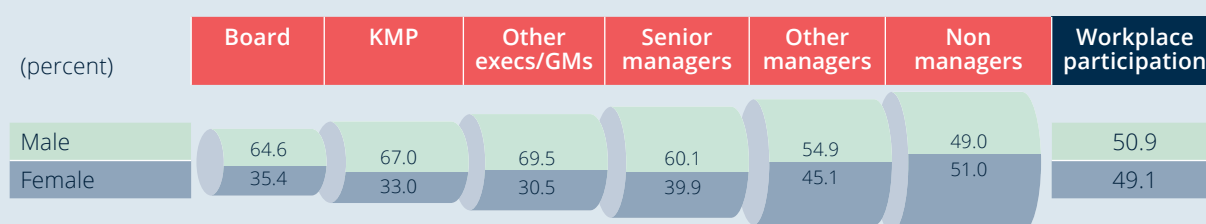


Results

Gender representation by work category for the Champion group¹

Gender reporting was overwhelmingly successful for the 2017-18 reporting group, with a 98% response rate, more than 80,000 employees.

Gender was recorded at all levels of work role, from non-managers to Board members, as represented in the table below.



International comparisons²

(percent)	Board	KMP	Other execs/GMs	Senior managers	Other managers	Non managers	Workplace participation
NZX50	26.5	22.7	–	–	–	–	–
NZ State Sector	45.3	–	–	–	–	–	–
WGEA	24.9	29.7	30.4	34.9	41.9	51.3	50.0
FTSE100	27.7	19.3	26.1	–	–	–	–
WIW	–	20.0–21.0	29.0	33.0	37.0	47.0	–

– Data not available

WHAT IS THE DATA TELLING US?

The gender data from our first year of reporting reveals that women are under-represented in senior management roles, with a particular drop off at the 'other executives/general managers' category (30.5%) and flowing on to KMP and Board level (33.0% and 35.4% respectively).

While the Champions for Change group is mostly on parity or more advanced, in terms of gender balance, than many other reporting groups internationally, there is still work to be done.

As a group, Champions for Change are committed to a 40:40:20 balance at all levels of employment, and are actively employing levers of diversity to achieve this balance.

ETHNICITY DATA: FURTHER FOCUS REQUIRED

While initial progress has been made with over 60,000 employees participating in ethnicity reporting, approximately one in every six respondents chose not to state their ethnicity. In addition, there were further inconsistencies that impacted the quality of the data. Increasing the accuracy and level of responses on ethnicity will be a focus for the coming reporting year, so that we may have a more robust data pool to review.

1. Gender diverse and not stated employees represent ~0.1% of total workplace participation.

2. NZX50 Gender Diversity Statistics as at 30 June 2018; Ministry for Women Gender Stocktake of State Sector Boards and Committees 2016; Australia's Gender Equality Scorecard 2016-17 (WGEA); Hampton Alexander Review 2017; Women in Workplace 2017.



MEASURING PROGRESS

Our commitments



"ACC has four key focus areas for 2019 and beyond, to help us achieve our aspiration to be a diverse, inclusive and accessible organisation. These are: to be leaders in accessibility; to be a culturally capable organisation; to be inclusive and flexible; and to be representative of our customers. A range of activity is already underway, led by our people and championed by individual members of our Executive team." Scott Pickering, Chief Executive ACC

"At Air New Zealand we are committed to ensuring leadership at all levels of the organisation is reflective of the diverse make-up of our country. Over the next 12 months we will focus on increasing female representation to move closer to our 50% Senior Leadership team level target by the end of 2020. We are also committed to ensuring ethnic diversity is reflected in our leadership, with a particular focus on Māori and Pasifika. We have a goal to have 20% Māori and Pasifika in leadership roles by 2022 while at the same time increasing cultural competence right across the organisation."

Christopher Luxon, CEO Air New Zealand



"ANZ's purpose is to create a world where people and communities thrive. Our People Agenda continues to support our businesses to create an inclusive workplace where the diversity of our workforce (demographics, skills and experience) can be leveraged. We will: maintain our momentum of women in leadership creating a pipeline of female leaders; strive to be recognised as a leader of diversity and inclusion and; connect with other organisations and seek opportunities to share, learn and collaborate."

David Hisco, CEO ANZ New Zealand

"At ASB we believe our people make the difference. Our future lies in ensuring we are diverse in all parts of our business. We continue to identify actions to build pathways for women to thrive, including the ability to secure leadership positions. Our commitment is to continue to focus on this agenda for the benefit of ASB, our customers and the communities we serve."

Vittoria Shortt, Chief Executive ASB Bank



"Building a diverse and inclusive workplace culture has long been a priority for MinterEllisonRuddWatts. We believe that while having the right framework in place is important, the real measure of an organisation is its culture and how people behave. We are committed to increasing and retaining diversity at all levels of our law firm. This work is fundamental to delivering on our purpose of helping shape New Zealand's future."

Andrew Poole, Chief Executive Minter Ellison Rudd Watts

"In 2019 BNZ will continue to promote practices that encourage a culture of inclusion. As we focus on providing development opportunities to build a diverse future leader pipeline we will improve the quality and robustness of our people data, enabling us to effectively target programmes designed to ensure we reach our goals."

Angela Mentis, CEO BNZ





"At Deloitte our focus is on attracting diverse talent and fostering our inclusive workplace culture. Over the next few years we are committed to increasing the proportion of women on our Board and at Senior Executive level via a focus on our talent pipeline as well as hiring initiatives. We will also continue to hire and support our Māori employees and provide them with visible opportunities."
Thomas Pippas, CEO Deloitte

"At Chorus we've set some courageous goals for gender and ethnic diversity that we're making good progress on and are committed to achieving. We're working towards a 50:50 gender split of all People Leaders by 2022 and we're 1% off reaching our 2019 target of 40:60. We acknowledge the work needs to continue to achieve our ambitions and our focus is on increasing female representation at the Senior Management level over the next 12 months through targeted development initiatives supported by the introduction of a comprehensive flexible work policy. Our target for ethnicity is for our employee population to reflect our customer base by 2022. In 2019 we will commence work on our ethnic diversity strategy, establish our Māori and Pasifika networks and celebrate other ethnicities through events of cultural significance." Kate McKenzie, CEO Chorus



"At Contact our focus over the next 12 months is our commitments under our Rainbow Tick programme - educating our people, raising awareness, and getting our people involved in rainbow networking internally and externally. The outcome we're seeking is an encouraging environment where our people feel comfy talking about their sexual orientation, gender identity and ethnicity. We're also committed to getting even more participation in our ContactFlex flexible working approach, making sure our people systems are inclusive and removing bias from our talent and acquisition processes by using artificial intelligence technology and removing names from CVs."
Dennis Barnes, CEO Contact Energy

"At Auckland Airport we are committed to creating a culture of equity, diversity and inclusion, this will be the single greatest determinant of our success. The actions of our Leadership Team will create and sustain a culture that encourages collaboration, flexibility and fairness, and ensure diverse people are able to succeed at all levels of our organisation. We will make it easy for our people to be effective and efficient in their jobs. We will empower them to question, challenge and improve. We will ensure they have everything they need to do their jobs to the best of their ability."
Adrian Littlewood, Chief Executive Auckland Airport



"The focus of Bell Gully over the next two years is to continue with the progress we have made at increasing the number of female partners. We publicly announced a goal of reaching 25% by 2025, and we are on track to achieve this within the next two years due to the strong pipeline of females we have developed. We will actively try to bring all of our staff gender diversity within the 40:40:20 split (except partners) over the next 5 years. We have also expanded our focus to improve our ethnic diversity across the firm, through retention and recruitment - and are aiming to significantly broaden our ethnic diversity over the next 5 years and have commenced working with organisations that will assist us with achieving this in a sustainable way." Anna Buchly, Chair Bell Gully

"Spark is committed to ensuring leadership at all levels of the organisation is reflective of the diverse make-up of New Zealand. This means, we are committed to a series of initiatives over the next three years, to move our numbers forward to reflect a balanced approach to gender (40:20:40) and ethnic representation. Our goal is to achieve progress within each of our leadership categories by 2021." Simon Moutter, Managing Director Spark



"Over the next 12 months, KPMG is committed to focusing on improving our pipeline of women in leadership and celebrating the wider diversity of our people."
Ross Buckley, Executive Chairman KPMG



"Auckland University of Technology's Faculty of Business, Economics and Law is committed to achieving a staffing profile that better reflects our diverse student population. We are pursuing initiatives to achieve a further increase in the number of women in academic leadership positions, and of Māori and Pacific staff, as well as working on enhancing bicultural understandings and competencies in teaching and research."

Kate Kearins, Dean AUT Faculty of Business, Economics and Law

"At EY, we believe that only the highest-performing teams, which maximise the power of different opinions, perspectives and cultural references, will succeed in the global marketplace. Our vision is to create and foster an inclusive culture where our people and their leaders can leverage unique perspectives, experiences and skills to innovate and Build a Better Working World. We set ourselves clear diversity targets across all our people processes, including recruitment, performance management, remuneration, and promotion. We are committed to targets of 30% female representation across the Partnership by 2020 and 30% culturally and linguistically diverse partners by 2022. While these targets are Oceania-wide, the activities to support them will be implemented in all locations, including across New Zealand."

Simon O'Connor, Managing Partner EY



"Our Co-op has set aspirational targets to increase the number of women and ethnic minorities within senior leadership levels to 50% and 20% respectively by 2022. I believe setting targets is important to help drive change, and we're committed to ongoing measurement to track progress. To help us achieve these targets, we're working to ensure candidates on long and short-lists have a 50/50 gender balance and 20% ethnic diversity. Other areas we're focussed on to accelerate progress include leadership development, closing our gender pay gap (from a level of 2% in New Zealand in 2018), promoting flexible work practices for all and addressing unconscious bias through educational programmes and awareness campaigns." Miles Hurrell, CEO Fonterra

"At Paymark we aim to maintain the gender split within the targeted 40:40:20 ratio across the KMP and Other managers work categories. We will educate employees on the importance of understanding the ethnic make-up of our workforce in order to increase the number of employees that submitted their ethnicity data and get better ethnic representation in formal leadership roles."

Liam O'Reilly, CEO Paymark



"We will pursue a dual focus over the next 12 months. First, we will ensure that every one of our colleagues understands, embraces and promotes diversity and ethnicity within our organisation, and encourages our clients and social circles to do the same. To do so, we will also continue to support high profile initiatives, such as the Champions for Change, and play an active role in our communities. Second, we are committed to improving our own workplace diversity and ethnicity.

We will do so by continuing our efforts to recruit more women at all levels of our firm. We will also explore how to collaborate with TupuToa to see how McKinsey can attract more Māori and Pasifika talent. We are aiming to be above the national average on those measures by 2021." David Pralong, Senior Partner McKinsey & Company

"At Westpac NZ a key focus over the next 12 months is to investigate remaining pay equity gaps within our organisation. While our pay levels are roughly gender-equal on a by-level basis, we know this is not uniform across all areas of the bank. We want to come up with a targeted plan to address these issues." David McLean, CEO Westpac





"Russell McVeagh is focused on providing a diverse and inclusive work environment that supports all of our people achieving their potential. Our focus over the next 12 months is to: increase the number of our people who answered the question on ethnicity, to achieve a response rate of 75% or more; and achieve progress and representation within all our categories."

Jo Avenell, CEO Russell McVeagh

"Focus on inclusion and diversity is core to achieving the innovation we need in our market. Our commitment is multi-faceted. We've made great strides in gender diversity and we're now extending into other aspects of inclusion, particularly those of age and ethnicity. We use data analysis and insights to inform our actions and behaviours, and drive positive and sustainable change with strong monitoring and measurement of results. For the next 12 months we're committed to upholding our existing commitments of gender balance at all leadership levels, and learning what we can do better with and for our different ethnic groups and age profiles."



Marc England, CEO Genesis Energy



"The Treasury is committed to positively affect the lifetime earnings of its female employees in a global environment where females are paid less than men. We want to increase the number of women in leadership through focusing on two key areas of closing the gender pay gap and moving to a culture of 'flexible by default'. This ensures we can attract and retain the best talent, meeting the changing and diverse needs of our people. We will progress by continuing to deliver our diversity and inclusion agenda, and by integrating the 2018-20 Action Plan which we have committed to deliver to Govt."

Gabriel Makhoul, CEO The Treasury

"At Transpower we are committed to increasing female representation in our technology and engineering occupations. We are also committed to creating an inclusive workplace culture where our leaders act and behave in a manner that is authentic and inclusive. We have established targets, and a series of initiatives to support the achievement of our diversity and inclusion objectives."



Alison Andrew, CEO Transpower New Zealand



"SKYCITY is committed to building the capability of our leaders in understanding and leveraging diversity of thought. Our areas of focus over the next 12 months are to increase female representation, particularly at tier three and four levels of management and maintain a gender balance across the top four levels of the organisational hierarchy. This is being progressed through initiatives which support the development of our female talent pipeline and by ensuring strong female candidates are identified in the recruitment process for all executive roles. We continue to review gender pay equality and deliver organisation-wide programmes that remove the risk of bias or inequality."

Graeme Stephens, CEO SKYCITY Entertainment Group

"NZTE is committed to developing a diverse and inclusive organisation. We are a widespread organisation, based in 50 locations around the world, across 24 time zones and 40 languages. We recognise our commitment to diversity makes our global team stronger and our customers benefit from our diversity of thought and ideas. NZTE's focus over the next 12 months is on ensuring women continue to be represented in leadership roles (by actively delivering on our 40:40:20 targets), building our engagement with Māori, and ensuring that all ethnicities and cultures globally feel special and included. We will continue to review our people practices to help embed diversity and inclusion principles, with a focus on flexible work practices."



Peter Chrisp, Chief Executive NZTE



"In 2019, as part of our broader firm strategy, we will continue to challenge ourselves and actively engage with all our stakeholders on this topic (even if this feels uncomfortable at times). We will be clear on our position around the importance of strong female leadership representation, where we have adopted the 40:40:20 principle to hold ourselves to account. We will also continue to invest in and focus on building our inclusive culture - in particular our cultural competency capability, this year focusing on Maori and Asian."

Mark Averill, CEO PwC New Zealand



What's next?

All 44 Champion organisations have committed to reporting on both gender and ethnicity. In the 2019 report it is anticipated we will have a critical mass of data from more than 100,000 employees on which to benchmark the process of action towards our goals.

To ensure we have reliable, consistent data sets, Global Women, who convenes and supports Champions for Change, will work with Implementation Leads from each Champion organisation to discuss ongoing data collection and reporting. These conversations and workshops will help improve the Champions for Change reporting standards individually and collectively.

In addition, there will be opportunities for Champions to share their insights and challenges in confidential group meetings.

At a group level, we intend to report our aggregate gender data to market in October 2018.

At an individual level, Champions each commit to setting targets specific to their individual data sets that will contribute to driving overall group change.

ACKNOWLEDGEMENTS

Champions for Change is convened and supported by Global Women, and Co-Chaired by two Champions – currently David McLean, CEO Westpac, and Michele Embling, Chair PwC.

The initial Diversity Reporting Framework was developed less than two years ago, with the generous support and input of Champion organisations, including CA ANZ, Deloitte, Massey University, McKinsey & Company and Russell McVeagh.

McKinsey & Company has continued to provide support as the group's official reporting and capability partner, drawing on their global expertise in the area.

We are grateful for the opportunity to collaborate on this shared project, and we thank all parties who have made this inaugural diversity report possible. Thank you.

More information on the Diversity Reporting Framework can be found at the Champions for Change website: www.championsforchange.nz



WHO REPORTED IN 2017-18

The 29 companies that reported this year include:



The data collation process has required an enormous amount of effort from each of the reporting organisations, and we acknowledge their actions and contribution in making this report possible.



www.championsforchange.nz