



Westpac - ‘there needs to be a louder and better-informed conversation among businesses about gender pay’

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Westpac New Zealand Ltd, known as Westpac, has been providing financial services to New Zealanders since 1861. That long history is the basis of the importance of sustainability as core to Westpac’s culture.

Westpac has had diversity and inclusion policies and initiatives for many years, and felt that it had made good progress. However, it was a shock to the management of the bank when in 2019 for the first time it calculated its gender pay gap (the gap between the pay of the median man and the pay of the median woman across all roles in their organisation) and found that it was 30.3 percent.

David McLean, CEO, said they decided to make the gap public because “...*although, in some countries, like the UK, large businesses are required to publicly report on their gender pay gap every year, this is not the case in New Zealand. However, we felt that there needs to be a louder and better-informed conversation among businesses about gender pay. That’s why we decided to voluntarily make our numbers public. We wanted to spark a conversation about the kind of jobs women and men do and what they are paid - and what needs to be done to make things more equal.*”

Westpac has committed to try to reduce its gender pay gap and has a number of initiatives underway. As part of that commitment Westpac will publish its gap annually as part of their sustainability report.

Westpac started looking at their gender pay gap because equality is really important to their CEO and leadership team: both because it’s just the right thing to do, but also because it’s good for business. They researched legislation in other countries, like Sweden and the UK, and decided they would take action rather than wait until pay equity was legislated in New Zealand. They wanted to be progressive in this space, and shared their story publicly to help educate other businesses about its importance. Westpac worked closely with Auckland University to verify their results and make sure they are progressing with closing the gap.

Westpac started the process by making sure that they had as close as possible to pay parity (where like for like roles are paid the same) by looking at every element of total remuneration, including salary, bonuses, overtime, superannuation, and Kiwisaver. Work was done over several years to iron out any differences they found between men and women at each of the different levels of the organisation. But Westpac found that it still had a large gender pay gap, because of what is called ‘occupational segregation’: men dominate

in higher paid roles in middle management and specialised areas like IT and corporate banking, whereas women dominate in lower paid roles in branches and call centres. Changing this occupational skew will take time, and it highlights wider issues in society such as the lower numbers of women taking up STEM learning at school and university, and the effect on many women's careers of having to take an unequal share of the responsibility for child rearing.

In order to reduce its gap and reach its target, Westpac has put several initiatives in place, and has a target to reach a 50/50 split of men and women across each of the top three layers of the business by 2026. Initiatives include: changes to its recruiting policies and procedures; a big focus on promoting flexible working; a 50/50 gender split on all internal leadership programmes and when shortlisting for all roles; enhanced parental leave support; reporting every quarter on progress to the ELT; and publicly reporting progress annually.