Covid has exacerbated existing inequities but it has brought some positive change, writes **Justine Smyth**

Champions for Change, a collective of New Zealand's top chief executives and chairs, will today release its fourth Diversity & Inclusion Impact report.

It shows once again that the champions continue to make progress against the NZX50 companies, but while our achievements remain steady, it is clear that across the board we still have some way to go.

With many organisations more than five or 10 years into a diversity and inclusion strategy, while the intent is certainly not waning, the gains are definitely getting harder to make.

Then you throw in the curve-ball of Covid and you have a pretty challenging operating environment to keep making progress within.

The pandemic has disproportionately affected women, who were overrepresented in unemployment figures, carried a larger share of family responsibilities and were more likely to be required to attend their workplaces in alert level 4.

Covid has exacerbated inequities that already existed though — and now, more than ever, we need to ensure they are not left unchecked.

Covid has also brought with it huge challenges for us as employers. Reflecting on the year that has been at our summit last week, and the 100,000 people we collectively lead, I recognised the incredible toll the pandemic has taken on some, especially those in the travel, tourism, and hospitality sectors.

Tough decisions have had to be made, people let go, and important, but non "mission critical" initiatives reluctantly put on the back burner. All of this pales, of course, next to the loss of life, the precious family moments that have been missed, and the general disruption Covid has brought to our daily lives.

Covid has, however, brought some positive change to our workplaces, such as truly embedding flexibility and making us all reframe our historically held views on how much, when and where we need to work.

Despite the numerous challenges that have come with the pandemic, we need to make the most of this reset moment that Covid has provided.

So how do we keep moving forward and ensure this progress we have made doesn't stagnate, especially amidst what looks to be another year of the pandemic ahead of us all?

The first consistent key driver of change across our group has been measurement and accountability, because what gets measured gets done.

As a collective, the target the champions have signed up to is "40/40/20" gender balance across all levels of our organisations. This refers to a minimum target of 40 per cent women, 40 per cent men and the remaining 20 per cent being made up of men, women, and gender diverse peoples at every level. As with 2020, the champions are very close to 40 per cent representation at board, senior manager and other manager levels. However, this has been the case for a number of years now and the 40 per cent mark is proving a stubborn threshold to break.

The report also examines the gender and ethnic composition of the organisations through the dual lenses of participation and power.

A participation gap can be said to exist in industries and organisations where women make up less than 40 per cent of the overall workforce.

A power gap exists in industries and organisations where there is a substantial difference between the proportion of women in junior roles and those in more senior roles.

The focus on both at the same time reflects our view that it is not enough for women to be present.

In order for women to be truly included and for organisations to reap the well-evidenced benefits of greater diversity at senior levels, women must have an equitable share of voice, contribution to decision-making and leadership.

In addition to this, we are all working towards increasing Māori and ethnic diversity at every level of our organisations. This year 30 champion organisations submitted ethnicity data and we are continuing to improve the quality and coverage of the information gathered.

This year, one of our champion partners, Westpac, worked with an external research agency and started an internal communications campaign — "This is Me" — to overcome its own data collection challenges.

We are all actively addressing this within our own organisations and as a collective, making the increase of Māori and ethnic diversity one of our four focus areas.

As part of this work, another champion partner, PWC, has made a number of people-related recommitments this year, which have included increasing the ethnic identification at all levels across its business, particularly for Māori and Pacific peoples.

It has committed to the revitalisation of te reo Māori with a new policy, "Kiapuāwai te reo", which translates to "let the language blossom".

Under the policy, PwC is promoting the use of te reo Māori within the organisation and supporting related initiatives, activities, events, and training. It also provides practical guidelines for using te reo in written and verbal communication to ensure that the language is authentically nurtured by its people and can indeed blossom and grow.

Right across the champions group this year, another key driver of progress has been paid parental leave — either the increase of existing paid leave periods or the expansion of policies to include both primary and secondary care givers.

It's a great step forward as we know that the birth of a child is a critical moment in a woman's career, that has the potential to affect her professional trajectory or for a pay gap to widen.

From a "power" perspective Spark has made great gains — we have a female chair and CEO, equal gender balance on the leadership squad, and in the past year we increased the number of women in senior roles outside the board and leadership by 3 per cent to 42 per cent.

Our core challenge is participation in some areas of our business — particularly technology. Our technology domain is our largest group of people and is only 27 per cent female, with lower turnover (and therefore fewer opportunities for change) than other areas.

Talent attraction and retention has been another dominant challenge for the group and will likely persist into 2022 as we begin to deal with the long tail of the pandemic.

Finally, a common insight shared by many of our champions this year, both through the report and at the summits has been around connection to purpose.

Unless DE&I is authentically connected to an organisation's purpose and embedded in its DNA, it will remain a "workstream" and not an operational priority, at risk of falling by the wayside when times, like we have seen, get tough.

Creating sustainable, systemic change is definitely a marathon, not a sprint, particularly in this challenging new world. But with continued commitment to our goals and the shared learnings and strength of our peers providing new tools and approaches to help propel us along the journey, we will get there.

Justine Smyth is the co-chair of Champions for Change and chair of Spark New Zealand.

Justine Smyth says Covid is reframing views on how much, when and where we need to work.

Champions are getting there in marathon task

Retirement firm Metlifecare grows debt scope by $650m

Anne Gibson

In one of the largest refinancing deals of the year, privately owned national retirement village business Metlifecare has restructured $1.25 billion of debt and established facilities to borrow an extra $650 million for development.

Earl Gasparich, chief executive of the formerly NZX-listed company, said the facilities were established with a syndicate whose lead arrangers were ANZ and Westpac.

"We already had support from ANZ and BNZ and now we've got Bank of China, ICBC and Metrics Credit Partners," Gasparich said of the new facilities now in place.

Metlifecare has not previously borrowed from the Bank of China, ICBC and Metrics, he said.

"The debt isn't all drawn yet. As we increase our build rate, we'll draw on that debt," he said.

"It's an expanded syndicate. The New Zealand banks are all there," he said.

Of the $1.25b, $600m is existing debt and $650m is new debt, he said.

Total assets stood at $4.1b as at June 30 "so even if the loan were to be fully drawn and assets don't increase over the next four years — which they will obviously through new development — the loan to value ratio would only be just over 30 per cent", Gasparich told the *Herald*.

Asked why the company was more than doubling debt when interest rates were rising, he said: "We are increasing our development build rate. We've acquired five new sites already which include sites at Clevedon and Pukekohe. We're also looking at new land to buy in Auckland and the South Island." Last month, Metlifecare announced it planned to buy six existing villages from the Selwyn Foundation, conditional on Overseas Investment Office, Ministry of Health and statutory supervisor clearances.

Selwyn Park, Selwyn Heights, Selwyn Oaks, Selwyn Wilson Carlile, Selwyn St Andrew's and Selwyn Sprott villages in Whangarei, Auckland, Hamilton, Cambridge and Wellington, as well as the Selwyn Foundation's commercial laundry, are in that deal.

The debt isn't all drawn yet. As we increase our build rate, we'll draw on that debt.
Earl Gasparich

Gasparich said yesterday that the extra borrowing facilities would enable Metlifecare to grow. "We need enough land to have a good-sized land bank to open new villages; we need to have a consistent development build rate; having geographic diversification; having an increased aged-care offering which is something Metlifecare didn't do enough of in the past."

The business aimed to accommodate another 1500 to 2000 residents over the next four years, he said. The company was established in 1984 and more than 6000 New Zealanders live in its 26 villages in the North Island. Last year, Swedish investment firm EQT bought the business and delisted the company.

The $1.25b loans are sustainable refinancing and Metlifecare also said today this was the largest refinancing deal of that kind.

In October, the official cash rate was lifted from a record low 0.25 per cent. That 25-basis-point hike was the first for the RBNZ in seven years. The Monetary Policy Committee noted that "further removal of monetary policy stimulus is expected over time given the medium-term outlook for inflation and employment".