



Australian Government

Department of Families,
Housing, Community Services
and Indigenous Affairs

Office for Women

Gender Balance on Australian Government Boards

Information for Portfolios

Introduction

The Australian Government has committed to achieving a target of at least 40 per cent women and 40 per cent men on Australian Government boards by 2015. The remaining 20 per cent can be either women or men.

Inclusive and diverse boards are better able to understand their stakeholders. This in turn leads to better decision making that better reflects the perspectives, issues and needs of all Australians. We also know that companies with more equal representation on their boards outperform those with fewer women, and perform better against all financial indicators. Gender balance on boards is important for good governance and optimising economic viability.

Gender balance in leadership builds on the Government's commitment to social, economic and political equality for women. Gender balance on Government boards reinforces the importance of broad representation in corporate decision making on behalf of the Australian people.

By setting, reporting on and meeting the target, the Australian Government is providing:

- leadership to the community, in both the public and private sectors
- opportunities for women to exercise leadership
- opportunities for greater economic participation by women
- an increase in the economic value of Government boards by engaging both women and men in decision-making
- culture change within the professional community to promote gender equality in the decision-making sectors of Government.

Key Principles

Three key principles set the overarching framework for making gender balanced appointments to Government boards. These principles are:

- Ministerial commitment to gender balance on Government boards
- Merit and transparency in appointment processes
- Proportionality to ensure appointment procedures and selection criteria are appropriate for the nature of the position and its responsibilities.

Ministerial commitment to promoting gender balance on Government boards reinforces a culture of gender equality, provides guidance and sets an example to officials involved in managing the appointment processes. It also shows the public that Government is serious in its commitment to ensuring equality for all Australians and is prepared to be held to account on achieving its commitment.

Appointments made on the basis of merit and transparency ensures appointees to boards bring the highest quality and most appropriate mix of skills. Many Government boards would benefit considerably by including people with skills more diverse than specific technical skills, e.g. financial, legal, and other professional disciplines. Women who are well qualified in these professional disciplines would readily add value and diversity to boards.

Proportionality ensures that appointment processes are well-designed and appropriate to the nature of the board appointment. For example, a high level Government Business Enterprise such as NBN Co or Australia Post may require a different selection process compared with the selection process to a Minister's advisory committee on a specific policy matter. Proportionality is about adapting the selection criteria and appointment processes for the nature of the position and its responsibilities and understanding the levels of risk arising from particular selection process decisions.

Meeting the Target

Ministers are responsible for achieving the gender balance target across the boards in their portfolios. The target applies to the total board appointments within the portfolio.

Some portfolios have already reached the target, some are close to reaching the target, and others are encountering significant challenges in meeting the target. The gender balance commitment requires a positive determination to ensure that all appointment processes take into account the importance of achieving gender balance across the portfolio and employ appropriate strategies within an acceptable timeframe.

There is no 'one size fits all' approach to addressing gender balance on Government boards. It is important that portfolios consider the nature of each board, its operations and its particular needs and circumstances when developing strategies to achieve gender balance.

The following proposed actions are aimed at assisting portfolios to meet their own individual challenges in achieving gender balance on their boards.

Actions under Principle 1: Ministerial Commitment

Communication

- Ensure the application of the Ministerial commitment principle.
 - Ministers and Secretaries champion gender balance on Government boards by speaking about gender balance in the media, speaking or writing to their portfolio boards, and speaking to industry groups and other stakeholders.
 - Ministers and portfolio representatives include positive references to the commitment to gender balance in ministerial speeches and media announcements.
 - Portfolios publicise current portfolio gender balance status, progress made and strategies being implemented to achieve the target.
- Ensure portfolio-wide awareness of the Government's commitment to gender balance on Government boards.
 - Develop an effective departmental communication strategy to achieve this aim, for example include information in Secretary's departmental messages.
 - Include progress reports on achieving the target in internal and external publications.
- Actively encourage boards to publicly support gender equality – remember the board plays a major part in setting the tone of the corporate culture.

- Develop strategies to educate boards on the importance of gender balance and ways to achieve it.
- Ministers could issue a Statement of Expectation to their portfolio boards to include a commitment to gender balance when making appointments over which the Government has no control (for example elected appointments).

Leadership

- Lead by example.
 - Publicly announce portfolio strategies to reach the gender balance target.
 - Ministers publicly recognise progress towards achieving the target across government, and commend the achievement of individual departments leading the way in reaching the target.
 - Issue media releases celebrating achievement when the target is reached.
- Establish and publicise a formal diversity policy for board appointments.
 - Allocate specific responsibility to senior managers to promote identifiable gender diversity targets.
 - Amend the terms of reference and/or charter for nomination and appointment committees to ensure they address diversity.
- Set expectations of gender balance for those making appointment recommendations.
 - Include reference to the status and movement required to achieve the target in correspondence and reports.
 - Specify achievement of gender balance targets in Statements of Expectation of board performance.
 - Include gender balance as a Key Performance Indicator for officials whose responsibilities include board appointments.
 - Include gender balance as a required consideration in board appointments through the adoption of legislative or regulatory compliance requirements, constitutions, etc.
 - When reviewing board performance, ensure gender balance is given serious weight and board plans address achievement of the target.
 - In letters of appointment to Chairs, reinforce the importance of gender balance as an equality principle.

Actions under Principle 2: Merit and Transparency

Appointment processes

- Open, transparent and well-timed appointment or selection processes are more likely to achieve a wider and more diverse pool of potential candidates.
- Commence recruitment processes well in advance of position vacancy.
- Increase publicity for board vacancies to attract a wider pool of potential candidates.
 - Develop an effective communication strategy to ensure board vacancies are advertised early.
 - Target media towards sectors and communities where women are more likely to be reached.
 - Utilise existing networks.
- Search and consult a variety of registers to identify potential board candidates.

- If the board is composed of appointees solely from male dominated or female dominated occupations, consider broadening board membership to include community or advisory positions from outside the sector and be mindful that positions such as Treasurer require finance expertise and not necessarily expertise in the subject matter of the board.
- Ensure board assessment/nomination panels include women and that the panels understand and support the importance and value of gender diversity on boards.
- Review selection and recruitment methods for board membership. Ensure processes are inclusive of women and men.
 - Design and implement selection criteria that are more inclusive of women and men with diverse career histories.
- Incorporate tailored complementary criteria, for example, women feature highly in accounting, legal and medical professions, marketing, HR and new media, and these skills can be incorporated into board composition to add considerable value.
- Limit the number of times an appointee can be reappointed – the term for non-executive directors should not normally exceed two terms (i.e. six years based on a three year term), and for the Chair three terms (i.e. nine years).
 - Appointment terms may be staggered or varied in duration to maintain board continuity.

Actions under Principle 3: Proportionality

Selection processes

- Review the composition of portfolio boards and consider the skills and attributes required of board members including alternative skills that may complement existing skill set. Reflect these in the selection criteria.
- Challenge inappropriate selection criteria that may obstruct board diversity. For example, if a criterion is board experience, consider if capacity as demonstrated by related experiences such as reporting to boards, briefing boards, advising boards and company secretary experience are appropriate.
- Ensure an equal number of women and men are submitted as potential candidates for consideration
- Ensure Ministers are briefed on the gender balance status of the board in question when submitting potential candidates, as well as the portfolio gender balance status.
- If board appointments are elected, appointed or nominated by stakeholder groups, impress upon them the importance of appointing or electing both women and men, and work with them to do so.
 - Actively engage with stakeholder groups and interested third parties about the importance of gender balance in the management and decision making process of boards.
- Prepare and publish guidelines on the roles and responsibilities of the various boards in the portfolio to scope the selection process.
- Monitor and learn from selection processes that have achieved success in the private sector.
- Develop a set of indicators for the portfolio that tracks the percentage of female and male candidates from application / consideration to shortlist, interview and appointment.
- Develop/maintain a database/register of potential board members (encompassing all diverse groups e.g. those with disabilities, young people, women, Indigenous candidates).

- Actively promote the register across all areas of the portfolios and develop an effective communication strategy to achieve this.

Expanded pool of candidates

- Create a portfolio strategy to identify and develop women for board roles.
 - Encourage women to access existing mentoring and development programs. Provide information about sources; such as women's professional organisations, Women on Boards, AICD.
 - Consider setting up an informal internal mentoring program to encourage women applicants, calling on existing board members and senior agency staff.
 - Encourage emerging leaders to access relevant industry and professional women's networks in order to build their networks, skills and knowledge and access informal mentors.
 - Deliver seminars and education programs to explain board roles and requirements.
 - Sponsor potential candidates to undertake formal training e.g. Australian Institute of Company Directors (AICD) courses.
 - Engage with stakeholders, industry organisations and peak bodies and networks to tap into existing talent pools.
 - Identify potential board members of the future through stakeholder networks.
 - Establish a network of Departmental officials and others who may be actively involved with boards and/or board selection. Consider using the network to share databases (where privacy allows), successful strategies for gender balanced boards, and lessons learned.
 - Draw on existing networks such as the Women's Interdepartmental Committee, and women's professional organisations.
 - Consider boards providing board training and development to enable members to be ready to take on appointments to more demanding boards.
- Actively target senior women in the APS and industry who have retired or are about to retire.
- Tap into existing talent pools and lists of potential candidates.
 - Utilise lists of potential candidates developed by other portfolios and state and territory governments.
 - Consider membership of an organisation such as Women on Boards or AICD to assist in locating potential candidates.

Useful references

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