



**Women in
governance:**
increasing participation
on State Sector Boards
and Committees

2018





**Women's
representation on
state sector boards
and committees has
reached an all-time
high of 47.4%**



Foreword

I'm proud to be Minister for Women and working to improve women's lives in Aotearoa New Zealand.

It's been especially satisfying to see this Government make great strides for women. From enacting equal pay legislation to increasing paid parental leave, I'm ambitious for this Government to advance gender equality.

Last year, with the release of the Gender Stocktake, I announced that this Government had set a target of 50 percent representation of women on state sector boards and committees by 2021.

I'm pleased that this year, we've made great progress on that target and have reached an all-time high of 47.4 percent – up from last year's 45.7 percent.

We're on the right track. However, we need to look at greater diversity across boards to ensure that a range of ages, abilities, ethnicities, sexualities, and genders are represented on boards. Diverse views and experiences help boards perform better avoiding the pitfalls of groupthink, and helping business

and enterprise tap into new ideas and markets.

I'm thrilled that this year we've hit a new all-time high of 47.4 percent. Our target of 50 percent is in reach, and with continuing efforts I know we will get there.

He waka eke noa

A canoe which we are all in with no exception

Julie Anne Genter
Minister for Women





Foreword



Last year, the Government announced a target of 50 percent women's representation on state sector boards and committees by 2021.

I'm proud to say that we've come close to this target already. Achieving 50 percent women's representation on boards is a collective effort and a shared responsibility.

It's a responsibility that we, at the Ministry for Women relish. My staff are experienced in working collaboratively with government agencies that appoint to state sector boards and committees, to ensure they can supply the right candidates.

We maintain a pool of over 1,000 women currently available for nomination. The women we nominate represent a diverse range of leaders from all backgrounds and across New Zealand.

However, our focus needs to broaden. Having 50 percent women's representation on boards isn't enough if those women are too similar.

We need Māori women, Pacifica women, Asian women, women with disabilities, young women, older women, transgender women, women of different cultures and religions. We need our boards to represent our communities in all their diversity.

With that in mind, we're looking at how we can collect quality data that will also measure these things alongside gender. Our focus is on quality and providing a better service for the pool of women looking for state sector board roles, and those

who appoint them. We now need to keep that focus while looking at expanding the diversity of the women we appoint.

**Poipoia te kakano kia puawai.
*Nurture the seed and it will blossom.***

Renee Graham
Chief Executive
Ministry for Women



Message from the steering group

I'm delighted to be working with the Ministry for Women on implementing the Government's strategy to achieve gender balance on our public sector boards.



Boards are charged with providing high-quality governance, advice, and decision-making for their organisations. Diverse boards achieve this high standard more effectively than those that lack a range of different perspectives. The research about the effectiveness of diverse boards is extensive and compelling. Better-quality decision-making, alignment with community, and improved governance are some of the many benefits. I like to think we have moved past the need to argue the 'why', to focus on how best to make this happen.

We need to ensure that when we talk about diversity, we don't just mean the appointment of a single 'diverse' person. This is not diversity – one person can't provide the benefits that real diversity delivers.

Until we have gender balance, along with diversity in other areas, including ethnicity, disability, sexual orientation, and people with a breadth of experience, both lived and learned, we will not reap the rewards we are all seeking – a high performing, effective governance system that delivers great outcomes for New Zealand.

Robyn Smith
Deputy Chief Executive
Corporate Services,
Ministry of Transport

Chair, Steering Group



Purpose

Every year, the Ministry for Women does a gender stocktake on roles appointed by ministers to state sector boards and committees to measure women's participation in governance.

We also use this opportunity to lead the discussion on how we can increase women's participation in governance. And while our focus is on the state sector – and achieving the Government's target, set last year, of 50 percent women's participation by 2021 – these actions apply equally to the private and non-government organisation (NGO) sectors.

In *Women in Governance: 2018*, you'll hear from a variety of business

leaders we've spoken with to get their insights on how we can achieve more women in governance.

Across 25 agencies, there are more than 430 state sector boards and committees, with over 2,500 appointees, to which over 800 appointments are made most years. Representation is at its highest ever level at 47.4 percent – the third year in a row that it's been over 45 percent.

As at 31 December 2018, women held 1,259 (47.4 percent) of these 2,657 roles. This represents a steady increase from the 45.7 percent found in 2017. We had some strong

performances from Internal Affairs, Health, The Department of the Prime Minister and Cabinet, and Finance. Full results of the Gender Stocktake are available at the back of this report. A spreadsheet, showing breakdowns of individual boards, is available on the Ministry for Women website.

This compares with the private sector, where only 22 percent of board members in NZX's listed companies are women. While this is an increase from 19.7 percent in 2017, in sheer numbers, it signifies just four more women than in 2017. There are still 27 NZX listed companies which have no women on their boards.

2018's best-performing major portfolios

- Internal Affairs (31 boards, 61.3% women)
- Health (56 boards, 60.2% women)
- DPMC (5 boards, 60.0% women)
- Finance (20 boards, 48.5% women)



Why diversity matters

Crown entities and statutory boards oversee the spending of billions of dollars each year and manage thousands of staff and billions of dollars in assets to provide services to New Zealanders. The Government must ensure it receives the best value for money it can from these services.

Utilising the talents and leadership abilities of women at board level is an outstanding competitive advantage. There is a lot of research showing that women directors can help companies gain competitive advantage and increase profits, and that companies that have women

on their boards outperform those that do not. It's also an issue of fairness. Women make up just over half of our society, yet they comprise only 22 percent of NZX directorships, and while they make up almost 48.8 percent of executive management positions in the public sector, this is only 22.7 percent in the private sector. Women are also paid, on average, 9.2 percent less than men – a gap even more pronounced at the top end of the scale. Stronger representation of women in leadership contributes to closing the gender pay gap and gives women

the opportunity to contribute to a successful society.

However, it's not just diversity in gender that matters. We need a range of ethnicities, cultures, sexual identities, and abilities on boards and committees to better reflect society. The Department of Prime Minister and Cabinet has updated the APH organisation forms to include gender and ethnicity tables. All government agencies will start to use these forms for upcoming appointments in 2019, which should enable accurate collection of ethnicity data.

Women chair 34.7 percent of state sector boards and committees.

There are some portfolios doing well in this area, including Prime Minister, Internal Affairs, Housing and Urban Development, and Veterans' Affairs, which all have 50 percent or more of board chairs being held by women.



Reflections on Governance

Caren Rangji

ONZM, FCA



The world that we live in is becoming more and more complex, and as a result boards are being called upon to make more complex, multi-faceted decisions. It makes sense that boards have a strategically relevant diverse range of skills, experiences and

world views in order to be effective decision-makers. This does not mean diversity for diversity's sake – it is unrealistic to expect that having “one of everything” at the board table will result in effective decision-making.

Strategically relevant diversity means being clear on the range of diversity of thought that will be required in order for boards to lead their organisations to strategic success.

It also means being able to give respect and value to all different perspectives, in order to fully utilise those perspectives in decision making.

Boards need to put more effort into better understanding and valuing the unique contributions each board member brings so we maximise their combined contribution. If boards are to be more successful in the future, then not only will they need to be reflective of a diverse combination of world views, but they will need to value different approaches to decision-making, and be places that a wide range of people will aspire to be.



Moving toward a 50 percent target for women on state sector boards

Monitoring progress

women's participation on state sector boards.

Trend analysis of women on board progress over 10 years



The Nominations Service

by the numbers

202 requests from agencies for board nominations for **360** board positions.

We nominated **644** women.

We have access to **1181** women on our database.

In 2018 we **increased** the number of women on our database by **40%**

Number of vacant positions

112 vacant positions. If every current vacancy were to be filled by a female member, women's representation would rise to 49.5 percent. If every vacancy were to be filled by a male member, women's representation would fall to 45.5 percent.



Women make up

50%

of public service chief executives
SSC, December 2018



Number of women who hold a board role



1,075
individual women



hold **1,259**
roles

Increasing accountability – collective government action

Target steering group established of agencies who appoint over

80%
of boards.



Gender in Leadership

Peter Mersi,
*Chief Executive,
 Ministry of Transport*



The Ministry of Transport has made a conscious effort over the past few years to provide a gender diverse split in long lists and shortlists to the Minister of Transport.

Transport has historically been a male-orientated profession, however, this is changing and the Ministry

is seeing a number of well-qualified women coming forward for roles in the transport sector.

The Civil Aviation Authority Board welcomed its first female member in a number of years in 2017 – a very positive contribution in a domain where women’s participation is increasing, and this has brought a level of broader empathy to the boardroom table.

The Ministry of Transport seeks nominations from a range of sources during its processes including the Ministry for Women, Te Puni Kōkiri, and Ministry for Pacific Peoples, to try to provide a diverse range of candidates to the Minister for consideration. In addition, we also provide advice to the Minister on diversity in board appointments briefings.

Lotto New Zealand is one of New Zealand’s most loved brands with a very important purpose – to generate essential funding for more than 3,000 community groups and organisations around the country. It is also a complex business, with a diverse retail network of more than 1,500 stores, a growing digital presence, and the dual purpose of maximising profit while minimising any harm associated with our products.

I firmly believe that a high functioning board that is both strategically and socially focused, with a diverse range of skills and perspectives, is essential to supporting the success of any modern organisation – in particular, one as unique as Lotto NZ. A cornerstone of good governance is having a board in place that can provide both diversity of thought and skills, and I believe that gender diversity is critical to achieving this.

As a result, we strive to ensure diversity of thought is represented on Lotto NZ’s Board by engaging members of varying backgrounds, styles, ethnicities, age and geography – I do not want to create a ‘cookie cutter’ board, but rather one that understands the value of

Matthew Boyd,
*Chairperson,
 Lotto NZ*



teamwork, while also challenging each other and Lotto NZ’s executives through diverse thinking. Over the past three years, the percentage of women on the Lotto NZ Board has increased from 29 percent in 2016, to 50 percent in 2019. In addition to this balanced gender representation, Lotto NZ’s Board is also currently hosting a female Future Director, Jessica Smith, through the Institute of Directors’ Future Directors programme.

I genuinely believe that this improved gender balance has resulted in better quality input, and therefore better decision making by the Board, and am proud of the positive role gender diversity has played in the continued success of Lotto NZ’s governance.

Kristy McDonald ONZM QC,

*Chairperson,
Kiwifruit New Zealand*



I currently chair the Kiwifruit New Zealand Board and have held other leadership and governance positions in a wide range of statutory and state sector boards including those in the primary Industry sector.

In my experience, women are underrepresented at all levels in horticultural and agricultural leadership, although that is slowly changing.

We must value the contribution of women to horticultural, agricultural, and rural development, particularly in provincial New Zealand where women often struggle to gain recognition. Women are heavily involved as partners, as operators, and as a very significant part of the labour force. They are often behind the scenes in support roles but without a voice despite having significant experience, strength, and passion for their industry. They have much to offer.

In my view, when women serve in leadership roles in organisations, financial performance improves, employee talent is better used, the marketplace is reflected more adequately, and innovation and performance increase. As the field of horticulture becomes more dynamic and challenging, diverse leadership demonstrating creativity, empathy, and collaborative qualities is vital. Women's strengths align with these needed skills. More women are needed in leadership positions for the impact they can have – not just nationally but also globally – in buttressing the safety, security, and sustainability of our horticultural and agricultural system.

There are many challenges to success for women assuming leadership roles in the agricultural, horticultural, and primary industry sector. This sector, perhaps more than most, is traditionally man-dominated and one where women find themselves isolated, not listened to or talked down. It is very easy to lose heart and confidence in that environment. It is therefore vital for women to be encouraged and given support and advice from colleagues, both men and women.



Lou Sanson,

*Director-General,
Department of Conservation*



The Department of Conservation administers 30 boards with women's representation currently at 45 percent – up from 37.1 percent in 2015. Throughout the appointment process, the Minister places great importance on considering a range of factors for nominees, including not only gender, but also ethnicity, culture, age, geographical spread, skill sets, and experience.

Conservation board chairpersons commended the Minister's focus on diversity in appointments. Chairperson of the Wellington Conservation Board, Jenny Rowan, said, "The benefits to our board, having a gender mix and iwi representation, has allowed us to be more confident

that we are addressing the issues before us with a wider appreciation, and that our community expectations are being addressed."

Other chairpersons mirrored this sentiment noting that, alongside a shared passion for conservation, it ensures discussions are robust. The Chairperson of the Otago Conservation Board, Pat Garden, said, "Sound decision making is benefited by diversity of thought. Ensuring women are well represented is fundamental to achieving that diversity."

While most of the conservation boards have a gender diverse representation, other boards still had a way to go. Chairperson of the New Zealand Conservation Authority, Edward Ellison, noted this as well saying, "The Authority membership is 5 women and 8 men, so we are trailing the field a little. Gender balance brings the benefits of added diversity and richness, also by implication the ability to utilise the full range and capacity of a community's skills and abilities. This also applies to achieving balance in age spread, ethnicity and experience."

Another year passes with tepid progress in gender diversity at the senior executive and board level. Genuine achievement is only made where it has been mandated by Government. What lesson can we draw from this other than that private sector business leadership may say the words but does not do the deeds?

The issue is not an in principle objection to quotas. We already have an informally enforced quota system in which older, white, professional men dominate the board table. The evidence is strong that we will not voluntarily give up this dominance. The evidence is equally strong that the markets in which we operate are diverse in ways current boards struggle to comprehend.

To my mind, this must change. Our public company boards should be refreshed more often and required to meet reasonable standards of diversity. The need is there,

Rob Campbell,

*Chair, SkyCity
Entertainment Group*



the skills are there, the desire to participate is there. Many of my peers will rail against the "dying of the light" as they will see it. But it will simply mark a new beginning in how we lead our businesses, for the better. Let's get on with it. We do not hesitate to require people in many walks of life to do things they might prefer not to do but which are in the common interest. Why not here?



Future directors

The Future Directors programme is currently available in both the public and private sectors and allows highly talented people ('host board members') seeking boardroom experience to observe and participate in board discussions for a 12-month period.

The programme is about diversity in all its forms including gender, age, ethnicity, experience and regional perspective.

By investing in our future leaders, we develop a more diverse and inclusive pipeline of high-calibre board ready candidates in the private and public sectors. Host board members can contribute fresh perspectives and greater diversity of thought, which ultimately leads to better decisions and better performance.

Aspiring leaders gain much needed governance skills, and can gain new perspectives and fresh ideas. For more information about the Future Director Programme visit:

www.women.govt.nz/futuredirectors

2018 Future Directors Public Sector Programme placements

- AgResearch – Natasha Tere (nee King)
- Lotto NZ – Jessica Smith
- Metservice – Kim Dirks
- National Advisory Council on Employment of Women (NACEW) – Ariana Paul



The Ministry's Nominations Service

What we do

We connect women with opportunities to increase the representation of women on state sector boards and committees and support growth of the leadership pipeline and to support the new government target of 50 percent.

We know what's happening with appointment opportunities within the state sector. We are experienced in identifying quality women board and committee members.

The Nominations Service maintains a database of more than 1,000 women who are ready for, or already in, governance positions and recommends them to state sector agencies for appointment to boards and committees.

We are strengthening the diversity of candidates on our database and ensuring that we are putting forward a selection of diverse women for board roles.

We match women to relevant opportunities by providing nominations for consideration. Our nominations are evaluated by appointing agencies that run a rigorous process to select the best person for the vacancy.

Our value to women

Our whole-of-government perspective means we understand the needs of state sector boards and can therefore match our candidates for the roles they are most suited for.

We are going through a transformation in the way we do things at the Nomination Service so that we can better support emerging leaders registered on our database. This includes opening up the nominations portal and enabling women to take control of their own information.

We have set up a steering group of key government agencies that appoint over 80 percent of all board appointees. This group's goal is to champion the appointment of women into boards and to support an increase in diversity across board appointments.





The Gender stocktake

Methodology

The Ministry for Women undertakes the gender stocktake of state sector boards and committees annually.

We count the ministerial appointments to state sector boards and committees as at 31 December each year. We take our data from organisation forms submitted each year to the Department of Prime Minister and Cabinet.

The current stocktake is dated 31 December 2018 and reports on the ministerially appointed membership of permanent or ongoing state sector boards, committees and appointed roles as of 31 December 2018. It includes only New Zealand ministerial appointments that are considered through Cabinet's Appointments and Honours (APH) Committee, or other Cabinet committees.

The stocktake includes appointments made by the Governor-General on the recommendation of a minister. It does not include elected members, members selected as representatives of professional groups without

ministerial approval, ex officio members or current members of Parliament. The stocktake does not include temporary boards or committees, which are defined as bodies set up for a specific project and which are expected to exist for no longer than 18 months.

For each board appointed through APH, we record the following data:

- The name of each member
- The gender of each member (M, F, or X)
- Each member's status as either a ministerially-appointed or non-appointed member (where non-appointed members include those who are elected, ex officio, members of Parliament or selected by non-government groups)
- The chair of the board, where this has been designated
- The appointing portfolio
- The administering agency
- Any other notes relevant to recording the board's membership and ongoing status.

Where information on the organisation form is ambiguous, or we received no form for a given board, Ministry for Women staff have contacted officials at the appointing agency to confirm the membership of the board as of 31 December 2018.

Upon collection of the initial data, the Ministry for Women forwarded information for each major agency to officials at that agency for their review and confirmation.

Appointments made outside of APH

Appointments made outside of APH or other Cabinet Committees are, by definition, not included. There may be progress in women's representation within such appointments that the reported stocktake results do not reflect.

For example, outside of APH the Minister of Justice recommends the appointment of Disputes Tribunal Referees, Tenancy Adjudicators, and Community Magistrates. Of these 122 appointed roles, 80 of them (65.6 percent) were held by women on 31 December 2018.



Summary by Ministerial Portfolio

Ministerial Portfolio	Ministerial appointed members	Women ministerial appointed members	Percentage of women
Prime Minister	10	6	60.0%
Minister for ACC	13	5	38.5%
Minister of Agriculture	82	33	40.2%
Minister for Arts, Culture and Heritage	63	22	34.9%
Attorney General	98	35	35.7%
Minister for Biosecurity	11	6	54.5%
Minister of Broadcasting, Communications and Digital Media	38	17	44.7%
Minister for Building and Construction	43	15	34.9%
Minister for Children	27	16	59.3%
Minister of Commerce and Consumer Affairs	72	27	37.5%
Minister for the Community and Voluntary Sector	12	9	75.0%
Minister of Conservation	242	109	45.0%
Minister of Corrections	6	2	33.3%
Minister of Defence	1	1	100.0%
Minister for Disability Issues	10	4	40.0%
Minister Responsible for Earthquake Commission	10	5	50.0%
Minister for Economic Development	20	8	40.0%
Minister of Education	170	81	47.6%
Minister for Energy and Resources	18	9	50.0%
Minister for the Environment	66	25	37.9%
Minister for Ethnic Communities	8	3	37.5%
Minister of Finance	167	81	48.5%
Minister of Fisheries	1	1	100.00%
Minister for Food Safety	3	2	66.67%
Minister of Foreign Affairs	50	20	40.0%
Minister of Forestry	9	2	22.2%
Minister for Greater Christchurch Regeneration	19	8	42.1%
Minister of Health	517	311	60.2%

Ministerial Portfolio	Ministerial appointed members	Women ministerial appointed members	Percentage of women
Minister of Housing and Urban Development	23	9	39.1%
Minister for Infrastructure	6	2	33.3%
Minister of Internal Affairs	155	95	61.3%
Minister of Justice	239	92	38.5%
Minister for Land Information	19	9	47.4%
Minister of Local Government	8	2	25.0%
Minister for Māori Development	43	19	44.2%
Minister of Pacific Peoples	22	12	54.5%
Minister responsible for Pike River Re-entry	1	0	0.0%
Minister for Racing	8	2	25.0%
Minister for Regional Economic Development	15	6	40.0%
Minister of Research, Science and Innovation	78	34	43.6%
Minister for Social Development	22	9	40.9%
Minister for Sport and Recreation	27	13	48.1%
Minister for State Owned Enterprises	77	30	39.0%
Minister of Tourism	16	5	31.3%
Minister of Transport	42	14	33.3%
Minister for Treaty of Waitangi Negotiations	2	2	100.0%
Minister for Veterans	19	9	47.4%
Minister for Women	9	7	77.8%
Minister of Workplace Relations and Safety	29	18	62.1%
Minister for Youth	10	6	60.0%
	2656	1258	47.4%

The stocktake is dated 31 December 2018. It includes only New Zealand Ministerial appointments that are required to be considered through the Cabinet Appointments and Honours Committee (APH) or other Cabinet committees. The stocktake does include appointments made by the Governor-General on the recommendation of a Minister. It does not include members who have been elected, appointed as members of professional groups without Ministerial right of approval, ex-officio members, or current Members of Parliament. The stocktake does not include temporary boards or committees i.e. bodies set up for a particular project that is expected to take no more than approximately 18 months and are intended to disband as soon as that project is completed.



Summary by Administering Agency

Administering agency	Boards	Ministerial appointed members	Women ministerial appointed members	Percentage of women
Accident Compensation Corporation	1	6	1	16.7%
Department of Conservation	30	242	109	45.0%
Department of Corrections	3	6	2	33.3%
Department of Internal Affairs	50	317	174	54.9%
Department of Prime Minister and Cabinet	6	22	10	45.5%
Land Information New Zealand	4	19	9	47.4%
Ministry for Culture and Heritage	17	103	44	42.7%
Ministry for the Environment	7	66	25	37.9%
Ministry for Pacific Peoples	3	22	12	54.5%
Ministry for Primary Industries	18	98	40	40.8%
Ministry for Women	1	9	7	77.8%
Ministry of Business, Innovation and Employment	42	245	98	40.0%
Ministry of Education	12	71	38	53.5%
Ministry of Foreign Affairs and Trade	11	46	18	39.1%
Ministry of Health	56	517	311	60.2%
Ministry of Housing and Urban Development	1	10	4	40.0%
Ministry of Justice	62	333	128	38.4%
Ministry of Social Development	8	42	19	45.2%
Ministry of Transport	7	42	14	33.3%
New Zealand Defence Force	5	20	10	50.0%
Office of the Prime Minister's Science Advisory Committee	1	1	1	100.0%
Oranga Tamariki / Ministry for Children	9	27	16	59.3%
Parliamentary Counsel Office	1	1	0	0.0%
Te Puni Kōkiri	8	43	19	44.2%
Tertiary Education Commission	24	91	40	44.0%
Treasury	48	257	109	42.4%

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For Boards or Committees administered by Agency go to www.women.govt.nz

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