

Transition to Mandatory Board Quotas

ABOUT THE QUOTAS

In December 2015, the Minister for Sport released the final report of the independent Inquiry into Women and Girls in Sport and Active Recreation – *A Five Year Game Plan for Victoria*¹ – and committed to implement all nine of the Inquiry’s recommendations to enhance participation by women and girls and to increase their engagement in leadership and governance roles.

Recommendation 3 was to ‘Mandate gender balance and good governance principles’, with the Game Plan Inquiry making the following comments about implementation:

- A minimum quota of 40% should be set for female representation on governing bodies.
- A phase-in period of up to three years is reasonable for change.
- There should be annual monitoring and reporting against this quota.

This recommendation has been noted as a founding reform in *Safe and Strong – a Victorian gender equality strategy*, released by the Victorian Government in December 2016.

Why Set A Quota?

Board membership data for 90 organisations funded under the Supporting Victorian Sport and Recreation Program indicates an overall average of 38% female representation on boards for these organisations. The same data indicates that less than one-third of these organisations have female representation rates at 50% or more, while one-fifth of all organisations have 25% or less female representation, in some cases with no female board members at all.

A similar approach has already been taken at the national level. The Mandatory Governance Principles for National Sporting Organisations issued by the Australian Sports Commission in 2013 acknowledge research showing that increased gender diversity on boards leads to improved performance. Mandatory Principle 2.6 ‘Gender Balance on Boards’ sets out the requirement that all NSOs should seek to achieve a target of 40% representation of females on their boards, and report on the gender representation at executive management level².

Which Organisations Are Affected?

Sport and Recreation Victoria will apply the quota to organisations that receive funding through the Supporting Victorian Sport and Recreation program – State Sport Associations (SSAs), Regional Sport Assemblies (RSAs) and State Sport and Recreation Bodies – following the conclusion of the current round of funding agreements on 30 June 2019.

VicHealth will also apply the quota to SSAs, RSAs, national and elite sporting organisations by 1 July 2019, with any new funding agreements made before that time including a requirement that organisations commit to achieving the 40% quota by 2019³.

¹ Visit <http://changeourgame.vic.gov.au/article-change-our-game> for further information

² Australian Sports Commission, 2013, ‘Mandatory Sports Governance Principles’

³ For further information visit <https://www.vichealth.vic.gov.au/search/faqs-for-cog>

What Is The Timeframe?

Organisations will be expected to comply with the mandatory 40% women on boards quota by 1 July 2019.

Will There Be Support Available?

Vicsport has been engaged by the Sport and Recreation Victoria to assist affected organisations to transition through the process in order to meet the minimum quota by 2019. This support will consist of a range of initiatives including:

- An Industry Forum for CEOs and Board Members
- Facilitated workshops
- Information Sheets
- Online Clips
- Training and Education Opportunities for current and prospective board members
- Face to face meetings and support

Vicsport is here to assist organisations through the transition process by:

- Facilitating the sharing of information, ideas and strategies across organisations
- The provision of tailored advice and assistance that is specific to the needs of your organisation

What Action Should We Take?

The introduction of mandatory quotas aims to bring about long term cultural change for Victorian sport in order to grow and strengthen sport and recreation organisations through good governance practices. How each organisation seeks to address the mandatory quotas may be different, as will the journey and processes undertaken.

Initial steps your organisation can take include:

1. Table the incoming quotas at your next board meeting for thorough discussion and as an ongoing, standing agenda item
2. Develop a working group (or utilise a sub-committee) to lead the work and report to the board
3. Review your organisation's constitution and consider:
 - a. What are the restrictions around board composition and the election process?
 - b. Are there other clauses in your constitution that may impact the move towards quotas?
 - c. Is there provision for appointed and independent directors? Are there restrictions around these positions?
4. Review the recruitment methods your organisation currently uses
5. Complete a Skills matrix of your current board members
6. Analyse the terms of current directors
7. Consider timeframes relating to your next AGM

Remember:

- Vicsport is here to support and assist your organisation through the transition process
- Quota requirements come into effect as of 1 July 2019
- Research shows that increased gender diversity on boards leads to improved organisational performance

Further Information:

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