



Cabinet Office Circular

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Government Appointments: Increasing Diversity of Board Membership

Summary

- 1 The government wishes to see a more diverse range of individuals appointed to government bodies. Cabinet has directed those involved in appointment processes to explore alternative means of finding candidates if existing methods do not produce a suitable balance of individuals for consideration. The provisions outlined in this circular are designed to increase the pool of individuals considered for appointment to government bodies.
- 2 Services provided to assist with diversity of appointments by Women's Affairs, Te Puni Kokiri, Pacific Island Affairs, Consumer Affairs and the Disabilities Directorate (MSD) are set out in the annex.
- 3 Chief executives and those involved in appointment processes are urged to make themselves familiar with the guidance in this circular and to provide full support to Ministers to achieve their goal of greater diversity on government bodies. There are a number of agencies able to help departments improve their support to Ministers. Their services are outlined in the attached Annex.
- 4 This circular should be read in conjunction with other guidance on appointment processes contained in the "Board Appointment and Induction Guidelines" published by the State

Services Commission and available at www.ssc.govt.nz, and in the [Step by Step Guide](#) available on the Cabinet Office website at www.dPMC.govt.nz/Cabinet.

Background

- 5 In 2000 and 2001 Cabinet agreed that more effort needed to be directed to ensuring balanced representation on Government bodies to reflect wider New Zealand society. Ministers and chief executives were asked to take personal responsibility for achieving balanced representation on the boards for which they are responsible. All Cabinet and Cabinet committee papers are now required to include a section headed “Representativeness of Appointment(s)” to confirm that full consideration has been given to the need for the membership of the body concerned to have an appropriate gender, age, ethnic and geographical balance.
- 6 Also in 2001 Cabinet considered an officials working party report on achieving greater diversity in appointments to Crown company boards. Cabinet noted the working party’s conclusion that the representative agencies - Ministry of Women’s Affairs, Te Puni Kokiri, Ministry of Pacific Island Affairs, Office of Ethnic Affairs, Ministry of Consumer Affairs and, when resources permit, the Disabilities Directorate in the Ministry of Social Development -should:
 - 6.1 have dedicated nominations services, where feasible;
 - 6.2 build, maintain and continuously enhance strong stakeholder relationships to assist in identifying suitable candidates;
 - 6.3 develop, and further consolidate, relationships between them to share best practice and, where appropriate, database information.
- 7 Cabinet directed officials to report back on progress, and on whether the improved appointment processes for Crown company boards might also be applicable to other Crown appointments.
- 8 Cabinet considered the progress report in early 2002 and noted that many of the improved processes for Crown company board appointments referred to in paragraph 8 below may also be broadly applicable to other government boards.

Improved processes for Crown company board appointments

- 9 Cabinet has noted that recent developments in corporate governance support Ministers’ desire for greater diversity on Crown company boards. These developments have recognised the significance of an organisation’s connection with its stakeholders for its commercial success. The Crown Company Monitoring Unit (CCMAU), which undertakes appointment processes for Crown company boards on behalf of Ministers, is promoting the goal of increasing diversity on those boards through:
 - 9.1 wider consultation with representative agencies;
 - 9.2 improved skills and position descriptions, and consideration, in seeking candidates, of the gender and ethnic membership of each board;
 - 9.3 increasing the number of prospective director seminars held each year and reinstating invitations to other agencies to nominate participants for these seminars;

- 9.4 maintaining regular candidate interview programmes;
- 9.5 sharing CCMAU interview details with other agencies;
- 9.6 reviewing the information technology system that supports the director candidate database;
- 9.7 making its governance advisory facilities available to other agencies;
- 9.8 drafting a Code of Corporate Governance that will, inter alia, enshrine the appointment of the best-qualified candidates for appointment;
- 9.9 incorporating appointment enhancement projects in its internal project programmes.

All board appointments

- 10 Those involved in appointment processes are asked to consider, and apply where appropriate, the processes set out in paragraph 8. In particular departments and Ministers are asked, when seeking nominations from the representative agencies or CCMAU, to be very specific about the desired skills and competencies sought for particular board positions. The State Services Commission's "Board Appointment and Induction Guidelines" contain advice on drafting position-descriptions.
- 11 Representative agencies [see paragraph 5] are asked to be proactive and innovative in seeking out strong candidates from their stakeholder groups to match the specific skills and competencies sought for a particular appointment.

What representative agencies can offer

- 12 Representative agencies are able to assist other agencies involved in appointment processes to increase consideration of a more diverse pool of candidates in a range of ways. These include the use of:
 - 12.1 databases and nominations services;
 - 12.2 advice and expertise;
 - 12.3 community and professional networks;
 - 12.4 reference groups;
 - 12.5 publications;
 - 12.6 websites.
- 13 Details of the specific services offered by the representative agencies are provided in the attached annex. Those involved in appointment processes should make themselves familiar with these. The representative agencies have varying levels of resources and need to be contacted at an early stage in the process to determine what services can reasonably be offered.

Conclusion

- 14 The government is concerned to ensure that government bodies have a balanced membership reflective of wider New Zealand society. All those involved in appointment processes are expected to use their best endeavours to assist the government to meet its goal of greater diversity in board appointments.

Marie Shroff
Secretary of the Cabinet

Representative agencies: how they can help to increase diversity in the membership of government bodies

The Ministry of Women’s Affairs – Nominations Service (www.mwa.govt.nz)

- 1 provides advice and expertise to government departments on increasing diversity of women on boards;
- 2 has a database and nominations service;
- 3 nominates suitable candidates for board appointments;
- 4 has published “An Introductory Guide to Membership of Government Boards and Committees”.

Te Puni Kokiri – Governance and Appointments Unit (www.tpk.govt.nz)

- 1 aims to promote Maori participation on statutory boards, committees and advisory groups, particularly those playing a role in New Zealand’s social and economic development;
- 2 has a database and nominations service;
- 3 includes as a priority linking with the e-government strategy which may enable agencies to share candidate information;
- 4 aims to develop and maintain relationships with key Maori, community and industry/sector organisations;
- 5 has identified candidates through community, iwi and non-Maori networks, industry/sector organisations, Ministers’ offices, Te Puni Kokiri website and existing directors;
- 6 includes as a future priority developing a “virtual boardroom” which has the ability to be a training and selection tool, informative, interactive and possibly multilingual (in partnership with public and private sector organisations).

Ministry of Pacific Island Affairs (www.minpac.govt.nz)

- 1 aims to promote Pacific representation on statutory boards, committees and advisory groups;
- 2 aims to grow Pacific leadership capacity for nominations to statutory boards, committees and advisory groups whose decisions have an impact on Pacific people;
- 3 has a database and nominations service;
- 4 nominates suitable candidates for board appointments;

- 5 identifies candidates through key stakeholder and Ministry of Pacific Island Affairs networks, community reference groups, the Minister of Pacific Island Affairs' Advisory Council, and through relationships with other government departments;
- 6 promotes the nominations service through the Ministry of Pacific Island Affairs newsletter and website and on the television programme Tagata Pasifika and other Pacific media.

The Office of Ethnic Affairs, Department of Internal Affairs
www.ethnicaffairs.govt.nz

- 1 seeks the following outcome –“ Appointments to public bodies reflect New Zealand’s ethnic composition”;
- 2 has a database and nominations service;
- 3 forwards curricula vitae to agencies involved in appointment processes to determine candidate suitability;
- 4 publicises the database and nomination service on its website and in newsletters to encourage ethnic people to put their names forward;
- 5 has community advisers who can inform ethnic communities of the requirements for board appointments.

The Ministry of Consumer Affairs, Ministry of Economic Development
www.consumeraffairs.govt.nz

- 1 has developed guidelines for Consumer Representation for Officials and Chairpersons which identify the purpose and value of consumer representation, a process for achieving a diversity of effective nominations, and ways to deal with the practical and other difficulties consumer representatives encounter and which affect their performance;
- 2 has formed a nominations group comprising community representatives, a Maori reference group and Pacific Island reference group. The group identifies people who meet the requirements for board positions and proposes nominations. The system is designed to ensure that there is diversity among nominees, and that up-to-date information regarding nominees is available.

Disabilities Directorate, Ministry of Social Development (www.odi.govt.nz)

The newly established Office for Disability Issues in the Ministry of Social Development has extensive links with people with disabilities and is proposing, in due course, to set up a database of people with disabilities who might be appropriate for nomination to boards. This work will be progressed as resources permit.