National Gender Equity in Sports Governance Policy





Australian Government

Government of South Australia

Office for Recreation, Sport and Racing













Department of Local Government, Sport and Cultural Industries



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Background

In 2020, the <u>Sports Governance Principles</u> (the Principles) were co-designed through a whole-of-sector engagement. The Principles have been adopted by the Australian Sports Commission (ASC) and all State and Territory Agencies for Sport and Recreation (STASR) and, through the <u>Sports Governance Standards, define</u> best practice governance for sporting organisations.

Specifically, best practice governance in the area of diversity, inclusion and gender equity is defined through:

- **Sports Governance Standard 4.2: Boards should** demonstrate a strong and public commitment to progressing towards achieving diversity, equity and inclusion goals within their composition; and
- **Sports Governance Standard 4.3:** the Board should be composed in a manner such that no one gender accounts for more than 50% of the total number of directors.

Diversity within an organisation's leadership provides a more complete mix of skills, perspectives and experiences and results in better decision-making and improved performance.¹ Organisations with an inclusive culture are more likely to be innovative and agile and to achieve better business outcomes.²

Despite equal participation rates between men and women, women are still underrepresented in governance and leadership positions across Australian sport. Only 25% of national sporting organisation and national sporting organisations for people with disability (NSO/Ds) chairs are women; 22% of NSO/Ds CEOs are women; and less than 10% of all high-performance coaches are women. These statistics have not improved since the inception of the Principles, indicating the need for sporting organisations to embed sustainable governance practices to achieve improvements in board diversity and specifically, gender representation.

While a lack of diversity in leadership positions remains an issue across society,³ given the essential role of sport in Australian life and its central role within communities across the nation, the ASC and STASR expect sporting organisations, as recipients of significant taxpayer funding, to take a leadership role in introducing and maintaining diverse, equitable and inclusive organisational practices, starting with diversity within their leadership positions.

Given the scale of the under-representation of women in leadership roles across Australian sport, the ASC and STASR believe that change is required across the whole sport sector in order to ensure sustainable governance and gender equity practices are embedded in sporting organisations at all levels.

Further, whilst this Policy focuses on gender equity and representation in sport, there are other elements that intersect with gender that sporting organisations should consider, for example, age, cultural diversity and disability. The ASC and STASR expect that the sustainable diversity practices driven by this Policy will, over time, positively impact the representation of all elements of diversity within sporting organisations.

¹ <u>A study by McKinsey & Company found that companies in the top quartile for gender diverse executive teams were 21%</u> more likely to experience above-average profitability.

² <u>A review by Deloitte found that organisations with an inclusive culture are 6 times more likely to be innovative and agile and 8 times more likely to achieve better business outcomes.</u>

³ <u>Women remain under-represented in all key decision-making roles across almost all industries in the Australian</u> workforce. Women comprise only 22.3% of CEOs, 35.1% of key management positions, 34% of board members and 18% of board chairs (Workplace Gender Equality Agency). Within larger ASX corporations, women comprise only 11% of ASX300 executive director and 10% of ASX 200 and 300 chairs.



Scope

This Policy is a collaboration between the ASC and STASR to influence change and improve gender equity in governance and leadership positions in sport. Unless otherwise exempted by the relevant Government Agency (ASC or STASR), this Policy applies to:

- All recognised National Sporting Organisations and National Sporting Organisations for people with Disability (NSO/Ds)
- All State Sporting Organisations and State Sporting Organisations for people with Disability (SSO/Ds)
- Organisations receiving any specified funding from relevant Government agencies (eg: recognised active organisations, recreation organisations, peak bodies)

All organisations that operate within the Australian sporting environment, including professional clubs and leagues, and community clubs are strongly encouraged to adopt this policy and work to implement the gender targets, even though they may not be explicitly included within the scope of this policy.

This Policy seeks to address gender equity in non-executive governance and leadership positions within Australian sport. All organisations are also strongly encouraged to achieve gender equity within executive roles, so that women and gender diverse people are equally represented in all paid and unpaid roles within Australian sport.

Gender Equity Target

Consistent with the proportion of women and gender diverse people within both the Australian population and sport participation, the ASC and STASR have adopted a Gender Equity Target for the governance of national and state level sport. By no later than 1 July 2027, ASC and STASR desire Australian sport to have achieved:

- 50% of all board directors are women and/or gender diverse
- 50% of chairs are women and/or gender diverse
- 50% of specified sub-committee members are women and/or gender diverse.

Commitment – Policy

The ASC and STASRs have committed to the Australian sporting sector achieving sustainable gender equity by having 50% women and/or gender diverse people in key non-executive governance and leadership positions by no later than 1 July 2027.

Therefore, all organisations that are subject to this Policy must, by no later than 1 July 2027 have:

- 50% of all board directors are women and/or gender diverse
- A woman or gender diverse person as either the organisation's Chair or Deputy Chair
- For Tier 1 and 2 organisations⁴, 50% of all members of both the Nominations Committee and Finance, Audit & Risk Committee (or equivalents) are women and/or gender diverse

⁴ Tier 1 and 2 organisations as defined by the ASC's National Organisational Categorisation Model

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Whilst the overall target is to achieve gender equity across the sector, each Government Agency will adopt its own mechanism and timelines by which the organisations within its jurisdiction must meet the relevant policy targets. For example, in achieving the board director target some jurisdictions will adopt the 50/50 model whereas others will adopt the 40/40/20 model.

Particulars

For the purpose of this Policy, we mean all women and gender diverse people including Aboriginal and Torres Strait Islander women, cisgender women, transgender women, women of colour, women living with disabilities, culturally and racially marginalized women, non-binary people and LGBTIQ+ women.

Where an organisation has an uneven number of individuals on a board or sub-committee women and/or gender diverse people must account for a minimum of one fewer than half the total number of individuals (i.e., for a board of nine directors, women and/or gender diverse people must comprise at least four directors).

Where an organisation operates across multiple jurisdictions (e.g an NSO/D with a unitary structure or an SSO/D that operates in multiple territories) that organisation will be required to comply with the requirements of each relevant Government Agency.

Organisations should ensure they have policies and practices in place to support all women and gender diverse people to be safe and included in the workplace. Organisations should also have systems in place to ensure that the organisation achieves gender equity at all governance and leadership positions on an ongoing basis. For example, reviewing their talent recruitment processes and ensuring they are using inclusive language aligned to the Australian Sport Intersectionality Approach.

From time-to-time individual circumstances may temporarily impact an organisation's ability to meet the gender equity target. In those circumstances the organisation is expected to make all reasonable efforts to achieve the gender equity target as soon as reasonably practical. For example, in the event of a vacancy arising (e.g casual vacancy on a board), the organisation is expected to meet the gender equity target as soon as practicable after the casual vacancy occurs.

Reporting

In addition to any other reporting required by the relevant Government, organisations will be required to report annually through the Sports Governance Standards self-assessment on:

- their status against the Gender Equity Targets
- their systems that ensure gender equity

The ASC and STASR will publish annual statements of organisational progress against this Policy.

Non-compliance

Organisations who do not meet the specified gender equity targets and timelines will be subject to accountability measures that will be determined by the relevant Government Agency and may include financial and/or other measures.



Implementation – how we'll get there

The ASC and STASR are committed to ensuring gender equity in Australian sport. To enable this, support resources and practical tools and programs will be made available to sporting organisations to support them to meet the gender equity targets.

There are a number of factors and situations that organisations may need to consider in order to achieve and implement the gender equity targets. These may include navigating director terms and constitution requirements, interim director arrangements or casual vacancies and appointing directors who may not identify as a man or a woman. In these instances, organisations are encouraged to refer to the National Governance Resource Library for supporting documentation.

In addition, each Government Agency will determine the specific support available to the organisations within their jurisdiction to develop the most appropriate plan to achieve the 50% gender equity target.

Learn more about gender equity in sport on the Clearinghouse for Sport, the information and knowledge sharing platform for sport.

clearinghouseforsport.gov.au



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