

# NZX adopts gender diversity

GEORGINA BOND THURSDAY JULY 5, 2012 17

Listed companies will have to tell investors how many women they have in their senior ranks, the NZX has decided.

The stock exchange operator is adopting a gender diversity rule – still subject to FMA approval – after consulting with listed companies earlier this year.

Essentially, it is a voluntary code for gender disclosure, similar to that governing Australian-listed companies from January last year.

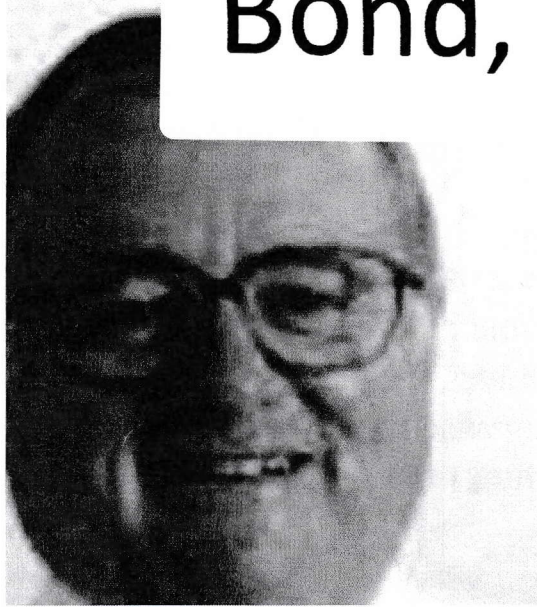
It means the number of women on a company's board and in senior management positions will need to be outlined in the annual report of companies with a balance date on or after December 31, 2012.

And if companies have a formal diversity policy, they will also be required to report on how they are measuring up against it.

NZX chief executive Tim Bennett says feedback from listed companies revealed gender diversity was seen as being important to the market.

"There is credible research based evidence which suggests that diversity – and gender diversity, in particular – at both board and senior management level contributes to improved performance," Mr Bennett says.

## Bond, 2012



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Boardroom veteran Tony Frankham

formal diversity policy is a priority for them at this stage.

“Obviously, over time, we’d like to see more listed companies taking the opportunity to report on diversity as a contributor to investing decisions made by shareholders.”

Women hold about 9% of private sector directorships in New Zealand.

The majority of NZX 100 companies have no female directors, while women account for 21% of management positions reporting directly to chief executives.

Feedback from the boardroom was largely supportive of gender disclosure requirements when NBR spoke to senior business leaders about the proposal last year – although to suggest otherwise would not be PC-savvy after the gender gaffe of former employers association boss Alisdair Thompson.

However, most leaders said merit would still come first when it comes to director selection and token female appointments would not be made. There is certainly no mandate for the more extreme gender quotas for corporate boards as in Scandinavia.

Boardroom veteran Tony Frankham, who proposed Joan Withers’ appointment as chairwoman of his former Auckland International Airport board, said women assisted the culture and dynamic of boards immeasurably.

“But I don’t support women for women’s sake. It’s most definitely a merit-based decision and I would not support a gender addition to a board just for gender balance. There clearly has to be merit in the appointment,” he said.

“If people are up [for nomination] on merit, then shareholders vote on merit.”

The Shareholders Association says the NZX’s gender disclosure proposal should go further to include age and culture too.

The 25 Percent Group, led by Goldman Sachs New Zealand chief executive Andrew Barclay, is aiming for 25% female participation on private sector New Zealand boards by 2015.

It has a website [www.25percentgroup.co.nz](http://www.25percentgroup.co.nz), supported by the Ministry of Women's Affairs, to publish research and advice on how to improve gender diversity around the board table.

The 2012 Mentoring for Diversity Programme was established by the Institute of Directors last year.

Read more from **Georgina Bond**

Email Georgina: [gbond@nbr.co.nz](mailto:gbond@nbr.co.nz)

