



Chief Executive Women

Women leaders enabling women leaders

31 July 2015

The Committee Secretariat
Senate Finance and Public Administration Committees
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Members,

Re: Australian Government Boards (Gender Balanced Representation) Bill, 2015

Chief Executive Women (CEW) is pleased to make a submission to the Senate Inquiry into the *Australian Government Boards (Gender Balanced Representation) Bill, 2015*.

Founded in 1985, Chief Executive Women (CEW) is the pre-eminent organisation representing Australia's most senior women leaders from the corporate, public service, academic and not-for-profit sectors. CEW is committed to advancing the leadership and economic status of women in Australia, and is driven by the purpose of "women leaders enabling women leaders". To advance this mission, CEW:

- advocates for change within businesses to enhance the numbers, acceptance and progress of women to senior leadership
- encourages government policies which enhance workforce participation
- invests in scholarships and leadership development initiatives to support women's access to opportunities which underpin their leadership skills
- supports CEOs and leadership teams in their specific endeavours to secure gender parity throughout their own organisations
- undertakes and shares research and case studies about actions required to progress women's leadership in businesses and
- engages with other groups and organisations with aligned goals.

Representing over 330 of Australia's most senior female leaders, CEW offer a unique perspective. Many of our members have extensive experience as employers, as parents, and as mothers.

CEW welcomes this Bill's underlying aim of achieving gender balance on Government Boards. We unequivocally support the value of gender targets as a significant means of driving gender parity. Without visible and clear targets, supported by appropriate interim milestones and founded on concrete and time-bounded actions to meet such targets, progress to parity simply will not be achieved.

We recognize that it is the role of Government to determine the approach taken to the appointment of potential Government Board members. In this context, and taking into account the Bill's commitment to achieve more appropriate gender balance, CEW also notes that it is the role of the Government Board Chairman and Board members to work with the Government appointer (e.g. Minister) to define the most appropriate overall blend of skills and experience to govern the government authority effectively. This requires taking a 3-5 year perspective on what the preferred combined skills/experience of the Board should be and assessing each individual appointee against this perspective. Taking this approach ensures that each member's

skill/experience set complements the others and the Board as a whole is comprised of a group of people that works effectively together.

CEW notes that, in other jurisdictions, there are different approaches to achieving gender balance and draws attention specifically to the United Kingdom where the approach of having targets committed to by Chairmen (of listed companies) by mid-2015 has achieved significant improvements in gender balance. The Bill currently under consideration by your Committee places a positive obligation on Government appointers to *ensure* a nominated gender balance is achieved every time an individual appointment comes before them. It does not, however, require each appointment to be considered in the context of the collective skills/experience requirements of each Board.

The most broad-ranging of the nominated exceptions to the obligation to ensure the nominated gender balance is Paragraph (2)(e) of subclause 7(2), which allows an exception where there are extraordinary circumstances that mean it is not reasonably practicable for the obligations imposed by subclause 7(1) to be complied with. For the purposes of this Bill, extraordinary circumstances may be considered to have occurred when the Government appointer can demonstrate that reasonable efforts have been made to find a candidate of the appropriate gender and, despite those efforts, it has not been possible to appoint a suitable candidate of the necessary gender to meet the requirement of at least 40 per cent men and at least 40 per cent women on the relevant Government board.

Placing a positive obligation on the Government appointer to consider *only* gender balance on each individual appointment limits the relevant considerations surrounding an appointment and, allows for the too easy invoking of the “reasonable efforts” exception, thereby allowing appointers to avoid the gender parity aims of this Bill.

CEW recommends that the Government appointer receive advice from the relevant Board Chairman on the overall skills/experience profile required for each Board and how each individual candidate contributes to that. In practice, this might mean adding reference to skills/experience to subclause 7(1). This could result in a more positive approach to the appointment of women, rather than relying on the exception afforded by subclause 7(2)(e) around reasonable efforts.

CEW is confident that, with the abundance of talented and experienced women available for appointment to Government Boards, suitable female appointments will be able to be made in numbers that meet the Bill’s aspirations. Indeed, we believe that it is within environments where merit is actually considered seriously that women’s appointments will flourish. For the sake of absolute clarity, we submit that past practices have relied too much on vague criteria, traditional networks and broad exceptions or, at best, a gendered view of merit. It is when a non-gendered view of merit, together with a thoughtful enunciation of the appropriate mix of identified skills and experience required for a particular Board, is applied, that women will naturally be appointed in equal numbers.

Should our suggested amendments not be taken up, CEW would prefer the Bill to be passed in its current form than for it to be defeated. Past vague and aspirational policies seeking enhanced Board diversity have failed to rectify the gender imbalance on significant numbers of Government Boards such that more concrete and transparent action is required.

Thank you again for the opportunity to comment on the Bill. We are happy to discuss any of the issues we raise herein.

Yours sincerely

Diane Smith-Gander
President, Chief Executive Women