

Submission of the Equality Rights Alliance to Australian Government Boards (Gender Balanced Representation) Bill 2015

31 July 2015

Equality Rights Alliance

Equality Rights Alliance is Australia's largest network advocating for women's equality, women's leadership and recognition of women's diversity. We bring together 62 organisations with an interest in advocating for women's equality.

This submission is endorsed, in whole or in part, by our member organisations. See attachment one.

Gender Equality: In the balance?

ERA welcomes the opportunity to make a submission to the Australian Government Boards (Gender Balanced Representation) Bill 2015 inquiry. The Bill is a promising and necessary measure to achieve the implementation of what is already existing policy- the Federal Government's 40:40:20 target to achieve gender balance on Australian Government Boards.

In 2010, the Australian Human Rights Commission recommended that a minimum target of 40% representation of each gender be set on Australian Government Boards and reported on annually.ⁱ Since the implementation of the 40:40:20 aspirational target in 2010, women's representation on Government Boards has peaked at 41.7% in 2013,ⁱⁱ and since slipped. Figures from the 2014 Gender Balance on Australian Government Board report, showing a decline to 39.7%, demonstrate that targets, without hard and fast strategies or measures for implementation, are too often subject to the persistent barriers that continue to lock women out of leadership. Perhaps the most problematic figure from the 2014 report, and a concerning indicator of where gender balance on Government Boards is tracking, is the fact that only 36.5% of the 639 appointments in 2013-14 were awarded to women. The proposed Gender Balanced Representation Bill ensures measurability, accountability and compliance which will guarantee implementation of the 40:40:20 target

Why Government Boards?

Much of the commentary and research on gender balance is in relation to corporate governance or public elections, it is worth reflecting on targets as they apply to Government boards.

Achieving gender equity on Government boards and thereby increasing women's representation, participation and leadership in the public domain is a critical policy imperative. In relation to Government boards and their influence on policy making and robust governance frameworks, the OECD's 2014 *Women, Government and Policy Making in OECD Countries* report notes:

*"gender diversity in public institutions is particularly crucial, given that these institutions make decisions and create rules that affect people's rights, behaviours and life choices... ensuring that decision-making bodies reflect the diversity of the societies they represent can provide a balanced perspective in designing and implementing these rules, thus enabling an inclusive approach to policy making and service delivery."*ⁱⁱⁱ

In contrast to the corporate sector, "policy regarding government boards does not have to address the social contract vs. free market argument regarding governmental intervention in private company affairs."^{iv}

To this end, Government Boards are an opportunity for the Federal Government to lead by example on increasing women's leadership and participation. Beyond the instrumental benefits engendered by women's equal participation, women have a right to equal participation in public life leadership and decision-making. The role of Governments in facilitating the realisation of this right is duly recognised in the Agreed Conclusions of the 58th Commission on the Status of Women:

[The global business case for more women on boards and in leadership roles is overwhelming. It no longer needs to be proven and debated, but believed and acted upon.]

CLAIRE BRAUND,
WOMEN ON BOARDS

E. Ensuring women's participation and leadership at all levels and strengthening accountability. (iii) Take measures to ensure women's full, equal and effective participation in all fields and leadership at all levels of decision-making in the public and private sectors through policies and actions such as temporary special measures, as appropriate and by setting and working to achieve concrete goals, targets and benchmarks.^v

Similar recommendations have been made in the CEDAW 2010 and UPR 2011 reports.^{vi} Government Boards also provide a pipeline for women onto corporate sector boards.^{vii} The implementation of a legislative framework to achieve gender balance on Australian Government Boards is a clear-cut opportunity for the Government to walk the talk on gender equality, be a role model for the private

sector and fulfill international human rights obligations.

The improvement of board performance as a result of gender diversity is solidly established; boardroom diversity brings economic, organisational, risk management and governance benefits.^{viii} Relative to corporate boards, the 2007 McKinsey *Women Matter* report concluded that "companies with a higher proportion of women on their management committees are also the companies that have the best performance."^{ix} Claire Braund from Women on Boards summarises the impact thus "boardroom quotas get women on boards, improve governance and change thinking."^x However, these benefits are only realised when a critical mass of women are appointed to a board, research shows that at least three women "enhances the likelihood that women's voices and ideas are heard and that boardroom dynamics change substantially."^{xi}

Recommendation:

That the Bill be passed.

The stalling of progress for women on Government Boards points to the need for a legislative framework to support the existing policy of gender balance on Australian Government boards and committees. This legislation will ensure that equity and gender balance remains an abiding principle in Government board and committee appointments.

If this Bill is not passed, the existing 40:40:20 policy remains an aspiration without a strategy for implementation. Since the 40:40:20 target was set in 2010, gender balance on Government Boards had begun to improve, however, recent slips in the figures and sluggishness in appointments are evidence that the target needs teeth. The Australian Government Boards (Gender Balanced Representation) Bill 2015 provides a clear pathway for success.

Appendix

ⁱ Australian Human Rights Commission, *Gender Equality Blueprint (2010)*, Sydney, 2010

ⁱⁱ Department of Families, Housing, Community Services and Indigenous Affairs, *Gender Balance on Australian Government Boards Report 2012-13*, Australian Government, Canberra, 2013

ⁱⁱⁱ The Organisation for Economic Co-operation and Development (OECD), *Women, Government and Policy Making in OECD Countries*, Paris, 2014

^{iv} K Watson, 'Daniel Andrews, board quotas and the myth of insufficient women,' *The Conversation*, 31 March 2015, retrieved 17 July 2015, <https://theconversation.com/daniel-andrews-board-quotas-and-the-myth-of-insufficient-women-39501>

^v Commission on the Status of Women, *Challenges and achievements in the implementation of the millennium development goals for women and girls- Agreed Conclusions from the 58th Session on the Commission on the Status of Women*, Economic and Social Council of the United Nations, 2014

^{vi} "That the Australian government set a target of 40% representation of each gender on all publically listed Boards in Australia, to be achieved over 5 years. If progress is not made, the Australian Government should consider legislating to require publicly listed companies and other large employers to achieve a mandatory gender diversity quota of a minimum of 40% of both genders within a specified timeframe, failing which penalties would be imposed." from Australian Human Rights Commission, *Australia's Implementation of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)*, Sydney, 2010, and "That Australia: (1) adopt targets of at least 30% representation of women on public and private sector boards, with a view to adopting compulsory quotas if targets are not met after three years." from Joint Australian NGO Coalition, *Universal Periodic Review of Australia Fact Sheet 3- Women's Rights*, 2011

^{vii} Workplace Gender Equality Agency (WGEA), *Private sector can learn from government boards*, Media Release, retrieved 14 July 2015 <https://www.wgea.gov.au/media-releases/private-sector-can-learn-government-boards>

^{viii} Centre for Ethical Leadership, *Building a Business Case for Gender Diversity*, University of Melbourne, 2013

^{ix} McKinsey & Company, *Women Matter: Gender diversity, a corporate performance driver*, 2007

^x C Braund, *To investigate the effect of gender quotas on public listed company boards in Norway and the progress of the public policy debates in the UK and France- Churchill Fellow Report*, Women on Boards, Gosford, 2010

^{xi} V Kramer, A Konrad, S Erkut, 'Critical Mass on Corporate Boards: Why Three or More Women Enhance Governance,' *Organizational Dynamics*, vol. 37, no. 2, year, pp. 145-164, retrieved 7 July 2015

Attachment 1

ERA Members

- 2020Women
- Aboriginal Legal Rights Movement
- Amnesty International Australia (National Women's Rights Team)
- Australasian Council of Women and Policing
- Australian Baha'i Community – Office of Equality
- Australian Centre for Leadership for Women
- Australian Council for International Development Gender Equity Working Group
- Australian Federation of Graduate Women
- Australian Federation of Medical Women
- Australian Motherhood Initiative for Research and Community Involvement
- Australian National Committee for UN Women
- Australian Womensport and Recreation
- Australian Women's Health Network
- Catholic Women's League of Australia
- Children by Choice
- COTA Australia
- Enlighten Education
- FECCA Women's Committee
- Fitted for Work
- Girl Guides Australia
- Homebirth Australia
- Human Rights Law Centre
- Immigrant Women's Speakout Association NSW
- International Women's Development Agency
- JERA International
- Jessie Street National Women's Library
- Maternity Choices Australia
- Migrant Women's Lobby Group of South Australia
- Multicultural Women's Advocacy ACT
- National Association of Services Against Sexual Violence
- National Council of Churches of Australia Gender Commission
- National Council of Jewish Women of Australia
- National Council of Single Mothers and Their Children
- National Council of Women of Australia
- National Foundation for Australian Women
- National Union of Students (Women's Department)
- Older Women's Network NSW Inc
- Project Respect
- Public Health Association of Australia (Women's Special Interest Group)
- Public Interest Law Clearing House (VIC) Inc
- Sexual Health and Family Planning Australia
- Soroptimist International
- Sisters Inside
- Union of Australian Women
- United Nations Association of Australia Status of Women Network
- Victorian Immigrant and Refugee Women's Coalition
- VIEW Clubs of Australia
- Women in Adult and Vocational Education
- Women in Engineering Australia
- Women on Boards
- Women with Disabilities Australia
- Women's Equity Think Tank
- Women's Electoral Lobby
- Women's Environment Network Australia
- Women's Housing Ltd
- Women's Information Referral Exchange
- Women's International League for Peace and Freedom
- Women's Legal Services Australia
- Women's Property Initiatives
- Working Against Sexual Harassment
- YWCA Australia
- Zonta International Districts 22, 23 and 24

