

## Senate Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

#### Treasury Portfolio

Additional Estimates

10 – 11 February 2010

**Question: aet 96**

**Topic: Gender Gap in ‘Leadership’ Positions**

**Hansard Page: E36-E37 (11/02/2010)**

**Senator COONAN asked:**

**Senator COONAN**—Perhaps it is a question for the minister, then. Is the government content to leave it to the private sector to address the gender gap that currently exists within the top echelons of business in terms of female participation in leadership positions? Is the government concerned enough to formalise what appear to be voluntary actions taken by the Australian Stock Exchange and other bodies?

**Senator Sherry**—In a previous ministerial capacity—corporate law—I can recall that this matter was discussed at the ministerial council on at least two occasions. The rough figures as I understand were 12 per cent declining to less than 10 per cent—that is very approximate. It was a cause of concern. There were a range of responses discussed. Since that time, I am aware that the ASX and the Australian Institute of Company Directors have announced some initiatives. I know that they are on the public record. Whether the government would go beyond what has been announced so far would be a matter for my colleague Minister Chris Bowen. I would have to take on notice whether it would be his intention—and obviously a collective decision of government—to proceed beyond that. I said on a number of occasions at the ministerial council and publicly that the decline in female participation at board level was a cause for concern and needed to be addressed.

**Senator COONAN**—Thank you for that, Minister. When taking this on notice, could you ask Minister Bowen whether the government considers that imposing a timeframe or at least monitoring a timeframe with particular targets is what the government is encouraging.

**Senator Sherry**—I will take that on notice.

**Answer:**

The Government supports the initiatives taken by the ASX and other companies to promote female participation in leadership positions.

The Government’s approach to increasing diversity on the boards of public companies is to create an enabling environment for companies to recruit more women onto boards. In his former roles as Minister for Superannuation and Corporate Law and Chair of the Ministerial Council for Corporations (MINCO), Senator Sherry commissioned Treasury to prepare a paper on diversity and the participation of women on corporate boards. MINCO agreed that options should be developed to take the issue of board diversity forward, focussing on the participation of women.

The Government referred the issue of diversity on boards to the Government’s peak corporate adviser, the Corporations and Markets Advisory Committee (CAMAC), asking that the issue of board diversity be considered. CAMAC’s view is that a focus on a more robust and open approach to board applicants and initiatives to encourage the development of women in executive management are the most effective ways to foster a governance culture that embraces diversity.

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Stemming from the CAMAC report the Australian Stock Exchange (ASX) Governance Council has announced that it will expand the Corporate Governance Principles and Recommendations to address the issue of diversity. The expansion of the principles will require each company to adopt and report against a diversity policy on an “if not, why not?” basis. The diversity policy must include measurable objectives and be disclosed to the market in full or in summary. Companies will also be required to disclose their achievements against the gender objectives in their annual report. An exposure draft on these expanded principles is expected for public consultation in the near future and the expected implementation date is the financial year beginning July 1, 2010.