



Women on Boards

Women in management and leadership positions in corporate Australia

The Greens will legislate to ensure a minimum of 40 percent female directors by 2015.

The Greens will move to amend the Corporations Act 2001 to require publicly listed companies with an annual market capitalisation over \$15 million¹ to ensure that women hold 40 percent of the board membership within in five years or risk closure.

Our amendments would require the top publicly listed companies to:

1. set 3 and 5 year targets to increase the number of women on their boards of directors;
2. ensure that women hold 40 percent of the board membership within in 5 years or risk closure; and
3. include in their Annual Reports their progress in meeting the targets

We are also calling on the Federal Government to show leadership by achieving and maintaining 50percent representation of women on government boards and committees, similar to those systems currently operating in the ACT and SA.

Why is this measure necessary?

The Greens believe in gender equality in the workplace and in the marketplace. Women should be involved in leadership and decision making in the Australian economy. Boardrooms should no longer be the sole domain of males.

Women make up over 51 percent of our population and 63 percent of all university graduates. No economy can reach its full potential with the exclusion of such a large amount of highly educated, experienced and professional workers.

Women constitute 58.7 percent of the total workforce in Australia² yet they remain under-represented in leadership and decision-making positions in corporate Australia.

1 This effectively captures all ASX200 companies for e.g. BHP, CBA, NAB, Coca-Cola, Fosters, Qantas, Telstra, Woolworths, Wesfarmers

2 ABS Labour Force Australia- June 2009

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In fact the representation of women on boards is lower in 2008 than it was in 2006 – Australia is sliding backwards in gender equality³.

EOWA's 2008 census of Australian Women's Leadership in ASX200 companies revealed women hold only 8.3 percent of Board Directorships and chair only 2percent of ASX200 companies (a total of four Boards).

Women hold 2 percent of the Chief Executive Officer positions and 10.7 percent of Executive manager positions.

More than half of the ASX 200 companies have no women on their boards.

These figures indicate that Australian companies are not acting to rectify this voluntarily. In order to bring about cultural change government regulation is required. Increasing female participation on boards will have flow on impacts to increasing women in the workforce more generally and provide avenues for a more even distribution of women across the workforce. Increased participation by women in the workforce would significantly increase the potential for economic growth and assist in addressing the issue of financially supporting our ageing population⁴.

We recognise that there are a myriad of issues facing women in the workforce: from participation rates, pay equity and salaries, sexual harassment, paid parental leave and pregnancy discrimination as well as work–life balance and the impact of unpaid work or family responsibilities on women's careers. The Greens believe that improving female leadership in corporate Australia will drive change in all these areas.

Will it work?

The Greens proposal is based on the system which has worked successfully in Norway. In December 2003 the Norwegian Parliament amended the Public Limited Companies Act to give public limited companies five years to either ensure that women held 40 per cent of the seats of each listed company listed or risk closure. A company could be dissolved by the court if it was found not to be complying with the law.

³ In 2006 8.7percent of Board positions were held by women and in 2004 it was 8.2percent. While two years ago 12percent of ASX200 companies boasted more than 25percent of their board directors were women, in 2008 the number of companies had halved

⁴ "Australia's hidden resource: the economic case for increasing female participation", Goldman Sachs JBWere Investment Research, 26 November 2009



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The requirement came into effect on January 1 2008.

Before the law was proposed, about seven percent of board members in Norway were female. By 2008 Statistics Norway revealed 93 per cent of the 459 public limited companies had met the requirements. 39 per cent of the board representatives in public limited companies were women, rising to 41 percent today.

In Sweden companies listed on the Stockholm Stock Exchange that do not have 40 per cent of women on their main boards by 2010 should be fined until they do. In 2008 26.9percent were women.

The Spanish Parliament passed legislation calling for 40 per cent board participation by 2015. In 2008 6.6 percent were women.

The Norwegian system demonstrates that a legislative change such as this will not impinge on shareholders rights to chose who represents their interests. As the Norwegian model shows the introduction of quotas means that if a female candidate was put forward by the Board who was unacceptable to shareholders, an alternative female candidate would be found.

How does Australia compare internationally?

Country	% of women on boards of directors
Australia	8.3
USA	15
South Africa	14.3
United Kingdom	11
New Zealand	8.7
Canada	13

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How would companies comply? Are there enough women?

Various business groups including Women on Boards National Program have suggested mechanisms for achieving the 40 percent target. Measures which companies could put into place include:

- adopt a plan to actively seek out women who are potential future directors – rather than selecting board members from “the boys club” broaden the search, for example you could consider CFO’s or experienced company secretaries, CEOs of mid-sized companies, heads of business units of ASX200 companies, CEO’s of NGOs and government departments, partners in law or accounting firms.
- Broaden advertising strategies and selection criteria
- Many successful ASX200 companies have started to recruit more women, for example Woolworths, Westpac, Coca-Cola and Telstra – speak to them about how they did it.
- In Norway for example the Business Federation set up a recruitment program called ‘Female Future’. Databases and training courses were put in place to assist companies to find and recruit capable women.

Government Leadership

The Greens call on the Rudd Government to implement and maintain 50 percent representation of women on government boards and committees. Deadlines should be set to achieve these targets and progress towards the targets should be publicly reported annually.

ACT and South Australian governments have targets to achieve and maintain 50 percent representation of women on government boards and committees.

In South Australia have target deadlines against which they report publicly.

In the ACT in 2008, 48percent of Government board members were women and 34.7percent of government boards were chaired by women. The numbers are similar in South Australia.