



Office of the Hon Kate Ellis MP
Minister for Employment Participation and Child Care
Minister for the Status of Women

MC11-009094

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Mr Philip McKeon
philip@2mf.net

Dear Mr McKeon

Thank you for your email of 21 July 2011 to the Prime Minister, the Hon Julia Gillard MP, about the under-representation of women on boards and other decision-making bodies. Your email was referred to the Minister for the Status of Women, the Hon Kate Ellis MP, as this matter falls within her portfolio responsibilities. The Minister has asked me to reply on her behalf.

As you outline in your email, there is no doubt that a better gender balance on decision-making bodies leads to better outcomes. We know that:

- companies with a higher proportion of women experienced better financial performance;
- both in Australia and internationally, board diversity brings better corporate governance;
- diversified and mixed-skill private sector boards were more successful, with greater capability and creativity, with well-informed views on market, environment and ethical issues;
- it makes good business sense that boards and key decision-making roles reflect the diversity of customers, employees, clients, shareholders and the community.

This is why the Australian Government is determined to see more women in Australia's top leadership ranks, and has introduced a range of policies and programs to achieve this. A better gender balance at Australia's highest decision-making levels will ensure decisions are informed by a broader range of experience.

Last year, the Government committed to a 40 per cent gender target on its boards and decision-making bodies by 2015. This means that by 2015, each portfolio will have no less than 40 per cent men and no less than 40 per cent women on its boards and decision-making bodies. The Government is confident that the gender ratio target in Government is influencing positive change in the private sector.

The Government is encouraged by significant steps the private sector is taking towards promoting gender equality in leadership and decision-making positions. As you mention, the revised ASX corporate governance guidelines now require all ASX-listed companies to implement and publish diversity policies and targets and report on the gender ratio of staff in senior ranks and on boards.

Earlier this year, the Government, in partnership with the Australian Institute of Company Directors (AICD), funded the *Board Diversity Scholarship Program*. This program is aimed at improving the gender balance on private sector boards by awarding scholarships to 70 board-ready women to undertake boardroom accreditation training.

The Government and the AICD were very pleased by the high level of interest shown by Australian women in the scholarship program. The large number of talented and qualified applicants confirms what the Government has known all along – that Australian women are ready, willing and more than capable to join private sector boards. The Government is optimistic that this initiative will be successful in boosting the number of women on private sector boards.

In addition, the Government recently announced a suite of reforms to the *Equal Opportunity for Women in the Workplace Act 1999* (the Act) and the Equal Opportunity for Women in the Workplace Agency (the Agency). The Act and Agency are important components of the Government's efforts to support and improve women's workforce participation, and to increase equality in the workplace, including in senior executive and boardroom roles.

The reforms will strengthen the Act and Agency's focus on gender equality, highlighting pay equity and caring and unpaid responsibilities as key dimensions in achieving gender equality. Development of legislation to give effect to these reforms is currently underway.

Among many significant improvements to the Act is the requirement that reporting organisations will now have to provide data on the gender composition of their boards. Under the amended Act, information on the gender composition of an organisation's boards will need to be made available to their employees and shareholders. The Government is confident that this will go a long way toward making organisations more accountable for their efforts in achieving gender equality in senior decision-making roles, and will further encourage organisations to consider the factors that impact on achieving gender equality in their workplaces.

Thank you again for writing and for your interest in this important issue.

Yours sincerely



Amy Stockwell
Adviser