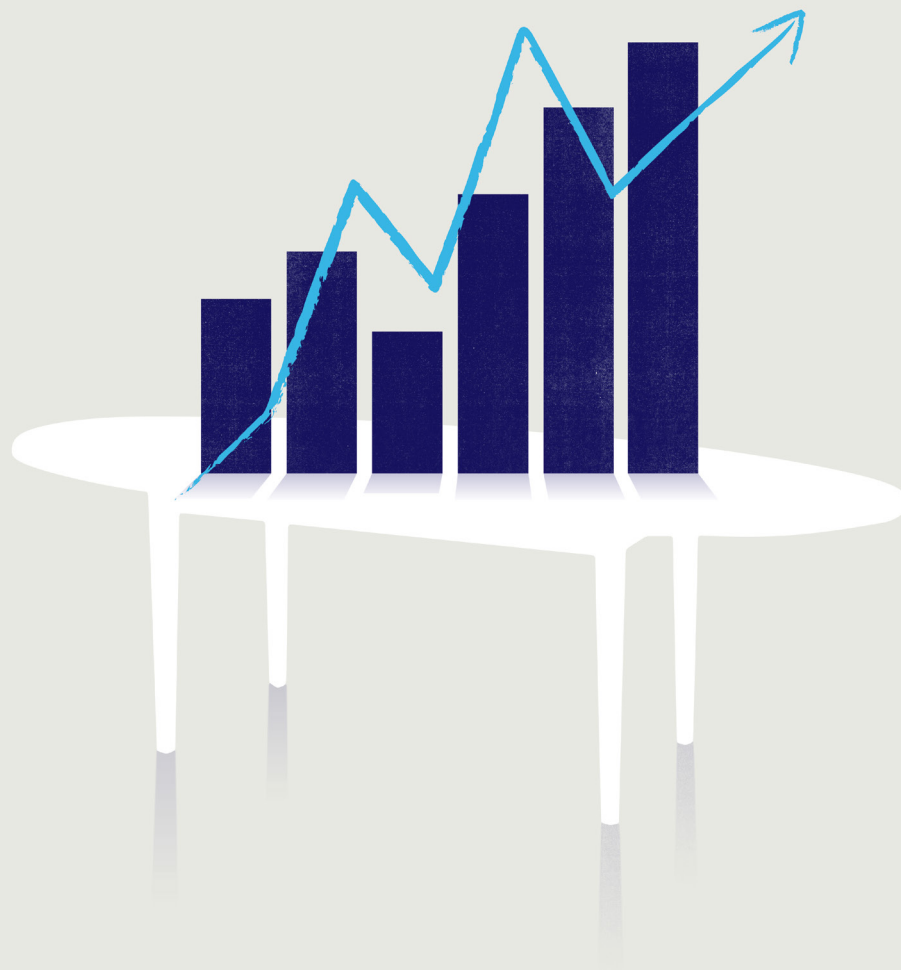


JUNE – AUGUST 2017
QUARTERLY REPORT | VOLUME 9

30% by 2018: Gender diversity progress report



What other levers can we pull?



It is difficult reporting bad news regularly. It can lead to disappointment and disillusionment in a cause. When progress stalls, or slows considerably, there is also the potential that the individuals with the power to make change, in this case the chairs of ASX 200 boards, take their foot off the pedal or don't bother engaging at all. Why engage when it is clear that other chairs are not appointing female directors to their boards? What incentive is there to follow suit or be agents of change? Change is often difficult and working with people who think differently or with dissimilar personal styles can be challenging and uncomfortable.

Of course there are plenty of chairs who are engaged in this issue, demonstrated by the 66 companies that have achieved the 30 per cent target. They understand the importance of being challenged and working with people who can bring unique perspectives to the table. But we need every ASX 200 chair to be engaged in order for the collective to achieve the 30 per cent target by the end of 2018.

So what other levers can we pull? What else can we do? The Australian Institute of Company Directors (AICD) and the 30% Club will be watching the upcoming AGM season with great interest, particularly as the Australian Council of Superannuation Investors (ACSI) has advised that they will recommend a vote against directors on boards which perform poorly on gender diversity and have not engaged with ACSI, or will not outline how they plan to address the issue. ACSI will combine this approach with their usual approach of direct company engagement, particularly with target companies.

This could be a game changer, particularly if other investors vote with ACSI members. Yet even if the current 11 companies with no female directors on their boards appoint one female director in the next few months, this does not mean the target will be reached.

The AICD is now looking at the companies with only one female director on their boards, which equates to 64 ASX 200 companies, a significant number. Ten of these companies stood out in terms of the number of male appointments to the board since the lone female was appointed. If all 64 companies appointed another female director to their boards, in addition to the companies without a female director, then the 30 per cent target would be reached. In collaboration with the 30% Club we are also engaging with the companies that have only one female director to discuss their board composition and offer our assistance in helping them achieve their diversity goals.

Of course we understand there are limitations to our approach but we will continue to do our best to encourage boards to appoint female directors; by presenting them with clear evidence of the business benefits of diversity, sending them helpful resources and applauding them when they make progress. We hope that the continued efforts by the AICD, the 30% Club and other organisations will achieve change. We will continue to be optimistic, maintain our focus and direct our energies and resources to increasing the number of women on ASX 200 boards.

Elizabeth Proust AO FAICD

Chairman

Australian Institute of Company Directors

30% by 2018 Progress report

Tracking

There have been four additions to the list of companies with at least 30 per cent female directors since May and seven deletions to list. The current number of companies with at least 30 per cent female directors is 66 (31 August 2017).

Additions

1. APN News & Media Limited changed its name to HT&E. The board still comprises 30 per cent female directors.
2. Chorus Limited joined the list after moving into the ASX 200 on 2 May.
3. Retail Food Group Limited joined the list on the retirement of a male director, Anthony Alford on 3 July.
4. Tabcorp Holdings Limited joined the list on the appointment of Vicki McFadden on 18 July.

Deletions

1. Ardent Leisure Group left the list on the retirement of Deborah Thomas as Managing Director & Chief Executive Officer on 1 July.
2. AusNet Services Limited left the list on the retirement of Tina McMeckan on 20 July.
3. Duet Group left the list as the company was removed from the ASX 200 on 2 May and delisted from close of trading 16 May.
4. Henderson Group PLC changed their name to Janus Henderson Group PLC and left the list on the restructure of the board and appointment of additional male directors.

5. Incitec Pivot left the list on the appointment of two male directors, Brian Kruger and Joseph Breunig on 5 June.
6. REA Group Limited left the list on the retirement of Susan Lee Panuccio on 14 July and the appointment of another male director, Ryan O'Hara on the same date.
7. Woodside Petroleum left the list on the appointment of a male director, Richard Goyder on 1 August.

No female directors

There are currently 11 companies in the ASX 200 without any female directors. The number decreased by two since the last quarterly report for the period March – May 2017. Spotless Group Holdings Limited joined the no female director list due to the change in board composition and appointment of new male directors on the 21 July and retirement of previous directors, leading to an all male board of seven directors. Spotless Group Holdings left the ASX 200 on 7 August. There is now a female director on the board, Dana Nelson, appointed as Managing Director on 22 August. Bellamy's Australia Limited left the list as they moved out of the ASX 200 on 19 June. National Storage REIT left the list on the appointment of Claire Fidler as Executive Director on 18 July and Resolute Mining Limited left the list on the appointment of Yasmine Broughton to the board on 30 June. Speedcast International Limited joined the list as they moved into the ASX 200 on 19 June.

The full list of ASX 200 companies with the number of women on their boards is listed below. Individual chairs with an asterisk next to their name are members of the 30% Club and have committed to achieving at least 30 per cent females on their boards by 2018 or as soon as they can.

ASX 200 Company	Chair	No. of Female Directors	% of Female Directors
Fortescue Metals Group Limited	Andrew Forrest*	5	55.6%
Medibank Private Limited	Elizabeth Alexander	5	55.6%
Woolworths Limited	Gordon Cairns*	4	50.0%
Mirvac Limited	John Mulcahy*	4	50.0%
Boral Limited	Dr Brian Clark*	4	50.0%
BT Investment Management Limited	James Evans	3	50.0%
OZ Minerals Limited	Rebecca McGrath*	3	50.0%
Nine Entertainment Co. Holdings Limited	Peter Costello	3	50.0%
Aristocrat Leisure Limited	Ian Blackburne	4	44.4%
Caltex Australia Limited	Steven Gregg	3	42.9%
SEEK Limited	Neil Chatfield*	3	42.9%
Spark Infrastructure Trust	Douglas McTaggart*	3	42.9%
Downer EDI Limited	Richard Harding	3	42.9%
Link Administration Holdings Pty Limited	Michael Carapiet	3	42.9%
MetCash Limited	Robert Murray	3	42.9%
Super Retail Group Limited	Robert Wright*	3	42.9%
Commonwealth Bank of Australia	Catherine Livingstone*	4	40.0%
Telstra Corporation Limited	John Mullen*	4	40.0%
AMP Limited	Catherine Brenner*	4	40.0%
Trade Me Group Limited	David Kirk*	2	40.0%
Bapcor Limited	Robert McEniry	2	40.0%
Sky Network Television Limited	Peter Macourt	2	40.0%
Altium Limited	Samuel Weiss*	2	40.0%
IPH Limited	Richard Grellman	2	40.0%
Japara Healthcare Limited	Linda Nicholls*	2	40.0%
ANZ Banking Group Limited	David Gonski*	3	37.5%
Scentre Group Limited	Brian Schwartz*	3	37.5%
Stockland Corporation Limited	Thomas Pockett	3	37.5%
Aurizon Holdings Limited	Timothy Poole	3	37.5%
Dexus Property Group	Richard Sheppard*	3	37.5%
Coca-Cola Amatil Limited	Ilana Atlas*	3	37.5%
Spark New Zealand Limited	Mark Verbiest	3	37.5%
Navitas Limited	Tracey Horton*	3	37.5%
Myer Holdings Limited	Paul McClintock	3	37.5%
CSL Limited	John Shine*	3	33.3%
Macquarie Group Limited	Peter Warne*	3	33.3%
Transurban Limited	Lindsay Maxsted*	3	33.3%
Suncorp Group Limited	Dr Ziggy Switkowski*	3	33.3%
AGL Energy Limited	Jerry Maycock*	3	33.3%
Insurance Australia Group Limited	Elizabeth Bryan	3	33.3%
Bendigo and Adelaide Bank Limited	Robert Johanson*	3	33.3%
Tabcorp Holdings Limited	Paula Dwyer*	3	33.3%

ASX 200 Company	Chair	No. of Female Directors	% of Female Directors
Iluka Resources Limited	Gregory Martin*	2	33.3%
Orora Limited	Christopher Roberts*	2	33.3%
IOOF Holdings Limited	George Venardos	2	33.3%
Fairfax Media Limited	Nicholas Falloon	3	33.3%
Charter Hall Group	David Clarke*	2	33.3%
Sims Metal Management Limited	Geoff Brunsdon*	3	33.3%
CSR Limited	Jeremy Sutcliffe*	2	33.3%
Chorus Limited	Patrick Strange	3	33.3%
InvoCare Limited	Richard Fisher*	2	33.3%
Genworth Mortgage Insurance Australia Limited	Ian MacDonald*	3	33.3%
Mantra Group Limited	Peter Bush*	2	33.3%
Retail Food Group Limited	Colin Archer	2	33.3%
Asaleo Care Limited	Harry Boon	2	33.3%
HT&E Limited	Peter Cosgrove	2	33.3%
Infigen Energy Limited	Michael Hutchinson	2	33.3%
Flexigroup Limited	Andrew Abercrombie	2	33.3%
Virtus Health Limited	Peter Macourt	2	33.3%
Wesfarmers Limited	Michael Chaney*	3	30.0%
Brambles Limited	Stephen Johns*	3	30.0%
Newcrest Mining Limited	Peter Hay*	3	30.0%
Vicinity Centres RE Limited	Peter Hay*	3	30.0%
ASX Limited	Rick Holliday-Smith*	3	30.0%
QANTAS Airways Limited	Leigh Clifford*	3	30.0%
Bank of Queensland Limited	Roger Davis	3	30.0%
Sydney Airport Limited	Trevor Gerber*	2	28.6%
Sonic Healthcare Limited	Mark Compton	2	28.6%
GPT Group	Robert Ferguson*	2	28.6%
Orica Limited	Malcolm Broomhead	2	28.6%
The Star Entertainment Group	John O'Neill*	2	28.6%
Healthscope Limited	Paula Dwyer*	2	28.6%
Whitehaven Coal Limited	Mark Vaile	2	28.6%
Carsales.com Limited	Jeffrey Browne	2	28.6%
Platinum Asset Management Limited	Michael Cole	2	28.6%
JB Hi-Fi Limited	Gregory Richards	2	28.6%
Perpetual Limited	Anthony D'Aloisio	2	28.6%
IRESS Limited	Anthony D'Aloisio	2	28.6%
MYOB Group Limited	Justin Milne*	2	28.6%
Blackmores Limited	Stephen Chapman	2	28.6%
Costa Group Holdings Limited	Neil Chatfield*	2	28.6%
Breville Group Limited	Steven Fisher	2	28.6%
Southern Cross Media Group Limited	Peter Bush*	2	28.6%
Sigma Healthcare Limited	Brian Jamieson	2	28.6%
Estia Health Limited	Gary Weiss	2	28.6%
BHP Billiton Limited	Jacques Nasser*	3	27.3%
Woodside Petroleum Limited	Michael Chaney*	3	27.3%
News Corporation	Keith Murdoch	3	27.3%

ASX 200 Company	Chair	No. of Female Directors	% of Female Directors
Origin Energy Limited	Gordon Cairns*	2	25.0%
APA Group	Leonard Bleasel	2	25.0%
Treasury Wine Estates Limited	Paul Rayner	2	25.0%
REA Group Limited	Hamish McLennan	2	25.0%
Computershare Limited	Simon Jones*	2	25.0%
Challenger Limited	Peter Polson	2	25.0%
BlueScope Steel Limited	John Bevan	2	25.0%
Fisher & Paykel Healthcare Corporation Limited	Antony Carter	2	25.0%
Incitec Pivot Limited	Paul Brasher*	2	25.0%
Fletcher Building Limited	Ralph Norris*	2	25.0%
CYBG PLC	James Pettigrew	3	25.0%
Ansell Limited	Glenn Barnes*	2	25.0%
Janus Henderson Group PLC	Richard Gillingwater	3	25.0%
WorleyParsons Limited	John Grill	2	25.0%
Skycity Entertainment Group Limited	Christopher Moller	2	25.0%
Vocus Communications Limited	David Spence	2	25.0%
Iron Mountain Inc.	Alfred Verrecchia	3	25.0%
Cromwell Property Group	Geoffrey Levy	2	25.0%
Shopping Centres Australasia Property Group	Philip Clark*	2	25.0%
St Barbara Limited	Timothy Netscher	1	25.0%
Greencross Limited	Stuart James*	2	25.0%
Gateway Lifestyle Group	Andrew Love	2	25.0%
National Australia Bank Limited	Dr Ken Henry*	2	22.2%
Amcor Limited	Graeme Liebelt*	2	22.2%
Ramsay Health Care Limited	Michael Siddle	2	22.2%
Oil Search Limited	Rick Lee*	2	22.2%
Crown Resorts Limited	John Alexander	2	22.2%
Cochlear Limited	Rick Holliday-Smith*	2	22.2%
James Hardie Industries PLC	Michael Hammes	2	22.2%
AusNet Services Limited	Peter Mason	2	22.2%
Santos Limited	Peter Coates	2	22.2%
Nufarm Limited	Donald McGauchie	2	22.2%
GrainCorp Limited	Graham Bradley*	2	22.2%
QBE Insurance Group Limited	Marty Becker	2	20.0%
Alumina Limited	John Pizzey	1	20.0%
G8 Education Limited	Mark Johnson*	1	20.0%
Viva Energy REIT Limited	Laurence Brindle	1	20.0%
NEXTDC Limited	Douglas Flynn	1	20.0%
Credit Corp Group Limited	Donald McLay	1	20.0%
APN Outdoor Group Limited	Douglas Flynn	1	20.0%
Isentia Group Limited	Douglas Flynn	1	20.0%
Rio Tinto Limited	Jan Du Plessis	2	18.2%
Goodman Group	Ian Ferrier	2	18.2%
Lendlease Group	David Crawford*	2	18.2%
Domino's Pizza Enterprises Limited	Jack Cowin*	1	16.7%
Macquarie Atlas Roads Group	Nora Scheinkestel	1	16.7%

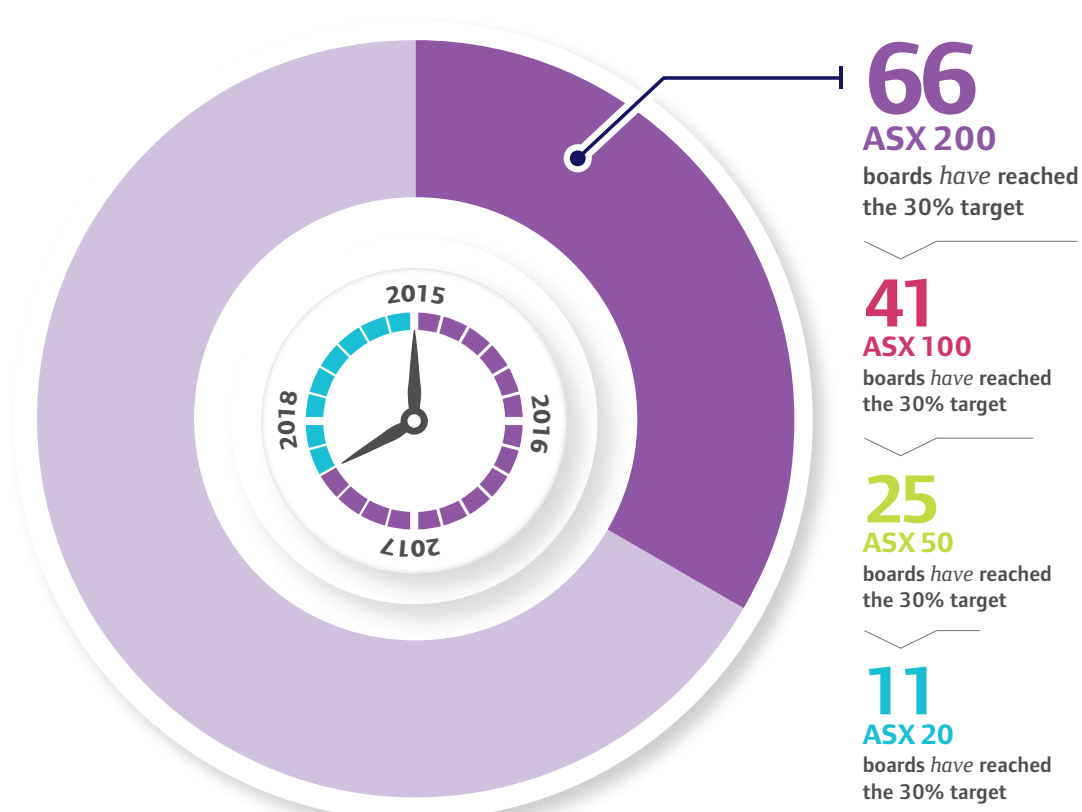
ASX 200 Company	Chair	No. of Female Directors	% of Female Directors
Northern Star Resources Limited	William Beament	1	16.7%
The A2 Milk Company Limited	David Hearn	1	16.7%
Corporate Travel Management Limited	Anthony Bellas	1	16.7%
Steadfast Group Limited	Francis O'Halloran	1	16.7%
BWP Trust	Erich Fraunschiel	1	16.7%
Abacus Property Group	John Thame	1	16.7%
Pact Group Holdings (Australia) Pty Limited	Raphael Geminder*	1	16.7%
Technology One Limited	Adrian Di Marco	1	16.7%
Regis Resources Limited	Mark Clark	1	16.7%
Charter Hall Retail REIT	John Harkness	1	16.7%
Monadelphous Group Limited	Calogero Rubino	1	16.7%
oOh!Media Limited	Michael Anderson	1	16.7%
Webjet Limited	Roger Sharp	1	16.7%
G.U.D. Holdings Limited	Ross Herron	1	16.7%
McMillan Shakespeare Limited	Timothy Poole	1	16.7%
Australian Pharmaceutical Industries Limited	Peter Robinson*	1	16.7%
Sandfire Resources NL	Derek La Ferla*	1	16.7%
Saracen Mineral Holdings Limited	Geoffrey Clifford	1	16.7%
Resolute Mining Limited	Marthinus Botha	1	16.7%
Nanosonics Limited	Maurie Stang	1	16.7%
National Storage REIT	Laurence Brindle	1	16.7%
Sirtex Medical Limited	Richard Hill	1	16.7%
Syrah Resources Limited	James Askew	1	16.7%
Galaxy Resources Limited	Martin Rowley	1	16.7%
Tassal Group Limited	Allan McCallum*	1	16.7%
Westfield Corporation Limited	Frank Lowy	2	15.4%
South32 Limited	David Crawford*	1	14.3%
Tatts Group Limited	Harry Boon	1	14.3%
Magellan Financial Group Limited	Brett Cairns	1	14.3%
Adelaide Brighton Limited	Leslie Hosking*	1	14.3%
ALS Limited	Bruce Phillips	1	14.3%
DuluxGroup Limited	Peter Kirby	1	14.3%
Growthpoint Properties Australia Limited	Geoffrey Tomlinson*	1	14.3%
Cleanaway Waste Management Limited	Mark Chellew	1	14.3%
Brickworks Limited	Robert Millner	1	14.3%
Primary Health Care Limited	Robert Ferguson	1	14.3%
Independence Group NL	Peter Bilbe	1	14.3%
Aveo Group Limited	Seng Lee	1	14.3%
Regis Healthcare Limited	Mark Birrell	1	14.3%
Automotive Holdings Group Limited	David Griffiths	1	14.3%
Ardent Leisure Group	George Venardos	1	14.3%
Eclix Group Limited	Kerry Roxburgh	1	14.3%
Aconex Limited	Adam Lewis	1	14.3%
Orocobre Limited	Robert Hubbard	1	14.3%
Western Areas Limited	Ian MacIver	1	14.3%
Westpac Banking Corporation	Lindsay Maxsted*	1	12.5%

ASX 200 Company	Chair	No. of Female Directors	% of Female Directors
ResMed Inc	Peter Farrell	1	12.5%
Mayne Pharma Group Limited	Roger Corbett	1	12.5%
Beach Energy Limited	Glenn Davis*	1	12.5%
Bega Cheese Limited	Barry Irvin	1	12.5%
GWA Group Limited	Darryl McDonough	1	12.5%
Harvey Norman Holdings Limited	Gery Harvey	1	11.1%
Seven Group Holdings Limited	Kerry Stokes	1	11.1%
Seven West Media Limited	Kerry Stokes	1	11.1%
Premier Investments Limited	Solomon Lew	1	10.0%
CIMIC Group Limited	Marcelino Fernandez-Verdes	0	0.0%
TPG Telecom Limited	David Teoh	0	0.0%
Qube Holdings Limited	Allan Davies	0	0.0%
Evolution Mining Limited	Jacob Klein	0	0.0%
Flight Centre Travel Group Limited	Gary Smith	0	0.0%
Investa Office Fund	Richard Longes	0	0.0%
Mineral Resources Limited	Peter Wade	0	0.0%
Reliance Worldwide Corporation Limited	Jonathan Munz	0	0.0%
ARB Corporation Limited	Roger Brown	0	0.0%
Australian Agricultural Company Limited	Donald McGauchie	0	0.0%
Speedcast International Limited	John Mackay	0	0.0%

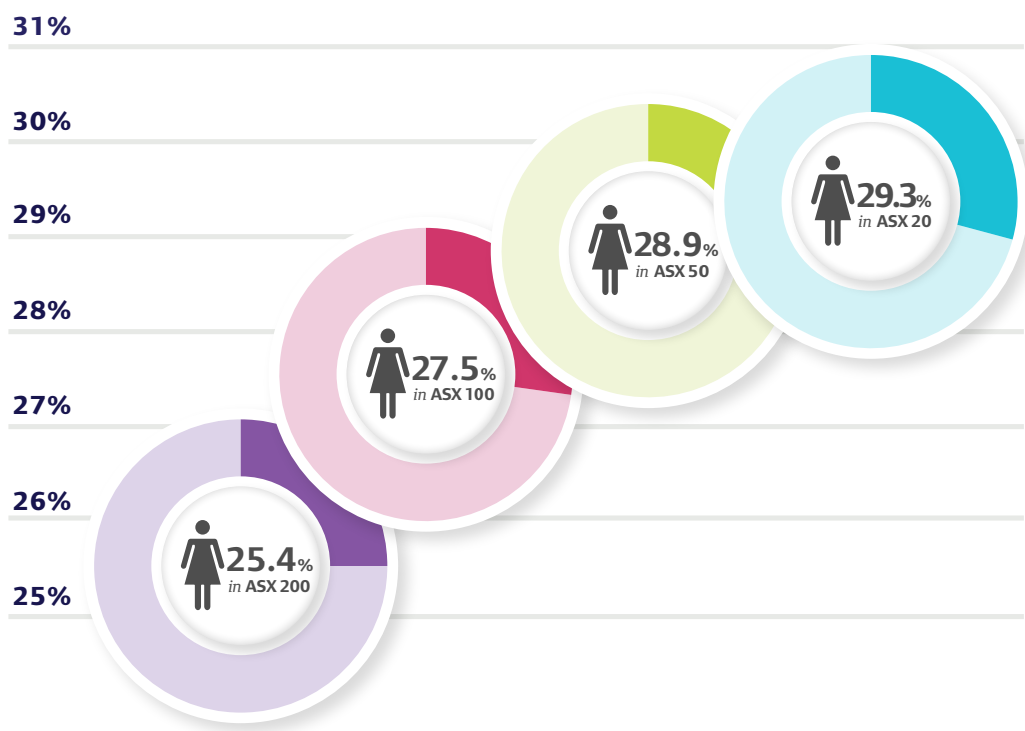
These figures are correct as of 31 August 2017

* Members of the 30% Club

The number of boards that have reached the 30 per cent target, and their position within the ASX 200.



Female representation on **ASX 200** boards



Just how close are we to reaching the **30%** target?



30% Club update



Patricia Cross FAICD

Australian Chair and Non-Executive Director,
30% Club

The AGM season is fast approaching and our Investors Working Group has been talking to the chairs and companies with no female directors or only one female director on their boards. We now have 15 companies that have signed up to our Statement of Intent, pledging their support to engage with boards on diversity. The CEO of the Australian Council of Superannuation Investors, Louise Davidson, is a member of the Investors Working Group. We are supportive of ACSI's efforts and other investors that are taking a more activist approach to this issue.

It is evident that the business case for board diversity is still not widely known or accepted by individuals in powerful positions, namely men that can appoint women to their boards. It is concerning that despite all the research on the financial and business benefits, diversity is still considered a side issue and not a fundamental performance and competitiveness issue that should be inextricably linked to a company's strategy and KPIs.



Rhian Richardson

Board Diversity Manager,
Australian Institute of Company Directors

The 30% Club also held an event with Xplore for Success, hosted by PwC, on inclusionary leadership and engaging men as allies on 15 August. This event featured Dr Michael Kimmel, one of the world's leading researchers and authors on gender equality, men and masculinity; Sam Weiss, Chair of listed company Altium Limited and; Peter O'Brien, Managing Director of Russell Reynolds Associates. Each panelist discussed their actions and commitment to change and their view of the current state of play in Australia for female directors and executives. Unfortunately, there was general acknowledgement that progress has been incredibly slow, with CEOs often unable or unwilling to think laterally about diverse hires and promotions to senior executive roles. As Dr Kimmel outlined, only when men become stakeholders in gender equality and truly understand not only the value diversity brings but also the benefits gender equality will bring to their lives, will we see adequate change. We can only hope that this shift occurs sooner rather than later.

The 30% Club will increase our communication regarding the business benefits of diversity during the next 16 months and ensure access to relevant and up to date international research. If you are currently engaged in producing this type of research or know of individuals that are, please do refer them to us.

“It is incredibly exciting to witness the increased appointment of female chairs, something we hope becomes less noteworthy in the future.”

There will also be some change to the Australian Chapter over next year. Rhian Richardson, current executive of the 30% Club is going on parental leave and her replacement as Board Diversity Manager at the AICD, Naomi Menahem, will manage the 30% Club in her absence. Naomi’s details are included below for any queries regarding the 30% Club.

Lastly, we have three new chair members of the 30% Club, Ilana Atlas of Coca-Cola Amatil, Rebecca McGrath of Oz Minerals and Tracey Horton of Navitas, increasing our total to 85 chair members. It is incredibly exciting to witness the increased appointment of female chairs, something we hope becomes less noteworthy in the future.

One is the loneliest number

2017 has been a disappointing year in terms of the number of female appointments to ASX 200 boards.

It is difficult to continue to find methods to stimulate, promote and sometimes provoke a positive response from chairs who have the power and ability to appoint female directors to their boards.

The AICD has shone a spotlight on the companies that have achieved the 30 per cent target and those that have no female directors on their boards. There has been significant progress in this area, with the number of companies with no women on the board falling from 13 in May to 11 in this Quarterly Report.

Yet there is a significant number which is often ignored – the 64 companies which have only one female director. Some of these companies have recently appointed a female director to boards that had none which is to be applauded as progress. Others appointed a female director one to two years ago and have had no subsequent appointments or one additional male appointment. Time will tell whether additional female appointments are made to the board, demonstrating a real commitment to diversity.

However, there are ten companies where the lone female director has been on the board for three or more years and in the succeeding years multiple male directors have been appointed. This begs the question, why haven't there been other female appointments to these boards considering there have been multiple vacancies?

There are two notable cases: Harvey Norman whose board has remained consistently male for the past 30 years and the Tatts Group board which hasn't appointed another woman to their board since 2005.

One female director on the board does not equate to gender diversity, as research has proven that critical mass needs to be achieved (30 per cent) in order to see the benefits of diversity truly being realised.

The ten companies are listed below, with the appointment dates of the female director and subsequent number of male appointments. We look forward to seeing further female appointments to these boards in the near future.

Ten ASX 200 companies with one female director and multiple subsequent male appointments

Company	Chair	Year female NED appointed	Male appointments post the female appointment (NEDs, EDs and MD/CEOs)
Alumina Limited	George Pizzey	2011	4
Australian Pharmaceutical Industries Limited	Peter Robinson	2008	3
Beach Energy Limited	Glenn Davis	2012	6
BWP Trust	Erich Fraunschiel	2012	4
Cleanaway Waste Management Limited	Mark Chellew	2011	7
Harvey Norman Holdings Limited	Gerald Harvey	1987	9
Pact Group Holdings (Australia) Pty Ltd	Raphael Geminder	2013	3
Primary Health Care Limited	Robert Ferguson	2012	3
Tatts Group Limited	Harry Boon	2005	8
The A2 Milk Company Limited	David Hearn	2013	4

Figures are correct as of 30 June 2017

Why the gender pay gap is board business



Libby Lyons

Director, WGEA

Equal Pay Day on 4 September was met with a predictable measure of frustration: “It’s 2017. Why are we still talking about the gender pay gap?”

That is fair enough. The current gender pay gap of 15.3% is an improvement on 12 months ago but having hovered between 15 and 19% over the past two decades, it remains to be seen whether the recent downward trajectory continues.

The national gender pay gap is the difference between women’s and men’s average full-time weekly earnings, expressed as a percentage of men’s earnings. It is a measure of women’s overall position in the paid workforce. And while it is often misunderstood as purely a measure of discrimination, it tells a much bigger story. It tells us that although Australian women are highly educated, there remain significant barriers to their progression into senior and high-paying roles.

Research shows that the biggest contributing factors to the gender pay gap are:

- bias and discrimination: whether conscious or unconscious, bias impacts hiring, pay and promotion decisions
- gender segregation: Australia’s workforce is highly segregated by occupation and industry, with men dominating managerial ranks

and trades and technical roles and women dominating administrative, health and caring roles

- unpaid care work and time out of the workforce: for every hour of unpaid care work that men perform, women perform an hour and 46 minutes.

The impacts of the gender pay gap on women are severe. Full-time working women earn over \$250 a week less than full-time working men. With women also much more likely than men to work part-time and to take extended periods out of the workforce due to caring responsibilities, women are currently retiring with just half the superannuation savings of men.

The impacts of the gender pay gap on business and the economy are also stark. As an indicator of women’s progress into senior and higher-paid roles across the economy, the gender pay gap shows that women’s talent is not being fully utilised.

Improving workplace gender equality is increasingly seen as not just a matter of fairness but an economic imperative.

Goldman Sachs & JBWere have calculated that the rise in female employment since 1974 has boosted Australian economic activity by 22% and that a 6% increase in the female participation rate would boost the level of GDP by 11%. Similarly, the Grattan Institute argues that removing barriers to women's participation in the paid workforce would increase the size of the economy by \$25 billion annually.

At an organisational level too, employers are taking gender equality more seriously. Agency data tells us that over 70% of employers now have an overall gender equality policy or strategy.

We are seeing regular announcements of new gender equality initiatives from large employers aimed at addressing stubborn gender equality challenges including superannuation payments during parental leave, improved parental leave provisions for men and targets to bring balance to heavily segregated workforces.

But too few employers are drilling into their data to understand their organisational gender pay gap and what it represents. Conducting a data analysis is the only way to really understand how gender pay gaps manifest – and to point the way to fixing them. Gender pay gaps in organisations may emerge in 'like-for-like' roles where remuneration policies are not rigorous enough to prevent them. Unequal starting salaries, pay reviews and bonus payments are all common hotspots for pay gaps to emerge.

Understanding the organisation-wide gender pay gap is also critical. The average base and total pay of women compared to the average base and total pay of men reveals the overall position of women and men in a workplace. If women are clustered in low-paid roles and under-represented in senior leadership, the organisation-wide gender pay gap will reflect this.

Currently, only around one in four Australian employers reports to the Agency that they have conducted a gender pay gap analysis. Of those, only a small fraction report their pay equity metrics to the board.

With a growing acceptance that diverse, inclusive teams improve organisational performance and culture, boards need to make it their business to understand the gender pay gaps in their organisation and what the executive team is doing to address them.

Driving the national gender pay gap down depends on driving down the gender pay gaps in thousands of workplaces around the country – work that must be led by informed and committed boards.

That is why we need to keep talking about the gender pay gap, especially at board meetings. History tells us it will not go away by itself.

Ten questions directors could ask:

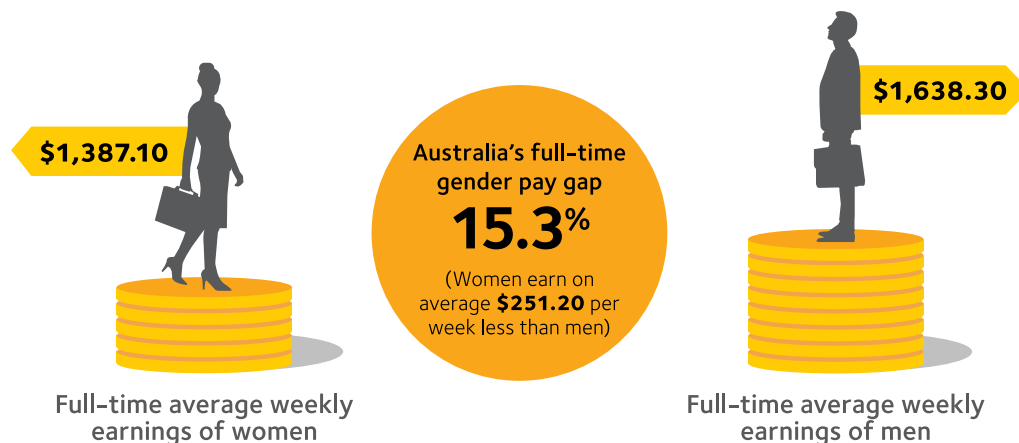
1. How often is a pay equity analysis done?
2. What are the key findings and actions arising from the data analysis?
3. What pay equity indicators are you able to report to the board?
4. What are the findings of the annual performance review analysis by gender?
5. How do our diversity and remuneration policies address pay equity?
6. What is our pay equity strategy and action plan to address any pay equity issues?
7. What progress has been made on addressing pay equity issues?
8. What are the key barriers inhibiting progress on pay equity?
9. How is the CEO held accountable for pay equity?
10. What is the process for ongoing monitoring of pay equity in the company?

Five red flags to look out for:

1. Senior management is unaware of the issue of pay equity.
2. No gender pay gap analyses are conducted.
3. Negative employee perceptions about fairness are observed in engagement surveys.
4. Remuneration policies and procedures do not specifically address pay equity.
5. Inadequate (or no) action taken to address pay inequities.

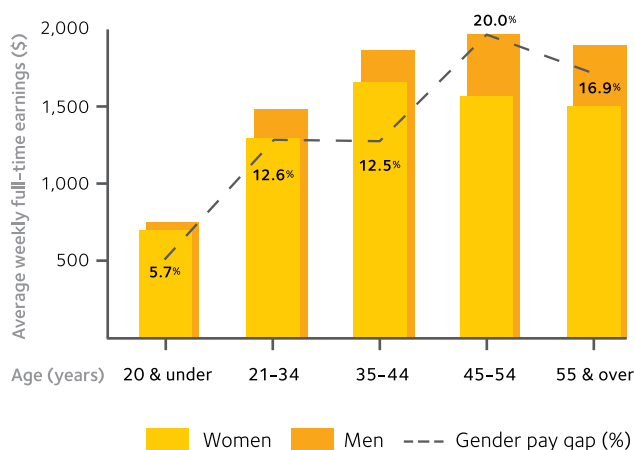
Full-time working women in Australia earn on average over \$250 a week less than full-time working men.

Data source: ABS (2017)
Average Weekly Earnings.

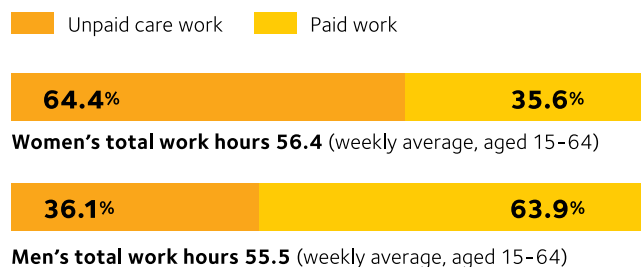


The gender pay gap starts when women enter the workforce and widens with age, peaking in their 40s and 50s.

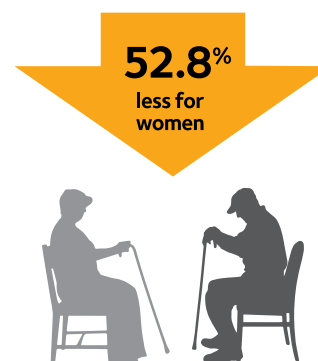
Data source: ABS (2016) Employee Earnings and Hours.



Women are more likely to take time out of the workforce, due to unpaid caring and domestic responsibilities. For every hour of unpaid work a man does, a woman performs an average of one hour and 46 minutes.



After a lifetime of working and caring, women retire on average with just half the superannuation balance of men.



Groundbreaking research on Cultural Diversity and ASX Directors



Dimitria Groutsis

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In a collaboration between the Australian Institute of Company Directors (AICD) and the Australian Human Rights Commission (AHRC) and led by an expert team of researchers at the University of Sydney Business School, a landmark research project seeks to understand cultural diversity among ASX NEDs.

Through their research, Dr Dimitria Groutsis, A/Prof Rae Cooper and Prof Greg Whitwell seek to understand the insights of the senior leadership group and leading industry key informants in the ASX 100 with regards to pathways to directorships.

The Australian workforce is culturally diverse. Collectively, Australians report originating from over 250 ancestries, more than 200 countries of birth and speak almost 400 languages (including 164 Indigenous languages) in homes across Australia (Groutsis et. al 2016). The Australian Bureau of Statistics (ABS) (2012) reports that 28% of the Australian resident population was born overseas and of this group around 10% hail from main-English speaking countries and 18% from non-English speaking countries (ABS 2011). When we include individuals with one parent born overseas, the proportion of the population in this category is 44% (ABS 2012; ABS 2015). Current trends forecast that continued population growth will see Australia's

population rising to 27.2 million by 2026, with migration accounting for 55% of this growth and more than two-thirds of this growth relying on individuals from non-Anglo-Celtic backgrounds (OriginsInfo 2016).

However, the cultural diversity of the Australian population is not reflected in the senior and strategic leadership of our institutions and businesses. For instance, we know from research by the Australian Human Rights Commission (AHRC) and the Diversity Council Australia (DCA), that men with Anglo-Celtic heritage overwhelmingly occupy the senior executive level of large private sector organisations (AHRC, 2016; DCA, 2011; 2013; 2014; 2017). Specifically, the AHRC Blueprint on cultural diversity in leadership illustrates that in ASX200 companies, over three quarters of CEOs are of Anglo-Celtic heritage, 18% have European heritage, 5% are from a non-European background and no CEOs have Aboriginal or Torres Strait Islander heritage (AHRC 2016).

For the researchers, it is important to go beyond a ‘head counting’ exercise as a measure of cultural diversity in senior leadership. Instead, this research will seek to explain how and why some groups gain access to these positions while others seem restricted.

Of particular interest to this interview-based research are the following key areas:

1. how senior leaders view cultural diversity and its benefits;
2. how senior leaders have perceived their career progression into the senior leadership suite;
3. how senior leaders use strategic networks;
4. how leaders use relationship capital, that is: mentors and sponsors; and
5. how cultural capital is harnessed by senior leaders and boards.

We aim to get the conversation started by gaining your expert insights on cultural diversity in the Director arena.

Outcomes from the research will be launched in June of 2018.

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Australian companies truly supporting gender equality



Valeria Ignatieva & Gemma Lloyd
Co-CEOs and Founders,
DCC Jobs

DCC Jobs was founded in 2015 to empower women and fast-track gender equality. DCC is Australia's only jobs board that pre-screens companies before they can advertise to ensure they support women's careers.

DCC Endorsed Employers report on their progress via their profile pages, where women can assess each employer based on information such as amount of paid parental leave, focus on pay equity, flexible working arrangements, employee engagement scores plus much more. This information is not publicly listed elsewhere and forms a valuable tool for job seekers.

We have seen amazing results from DCC Endorsed Employers in their efforts to promote gender equality at work. Compiled below is a list of the most impressive initiatives to date.

Pay Equity

A number of DCC Endorsed Employers have been working towards becoming a Workplace Gender Equality Agency (WGEA) Pay Equity Ambassador and we congratulate the newest CEOs on the list from Laing O'Rourke, Robert Bird Group and QinetiQ. To become a Pay Equity Ambassador, an organisation must have:

- Undertaken a pay gap analysis of its workforce in the last two years,

- Taken action on the results, and
- Communicated their pay equity initiatives to their employees.

Tackling the gender super gap is another priority for our Endorsed Employers, recognising the structural impediments currently resulting in women retiring with an average of 47% less in super compared to men. Schneider Electric along with BHP, Aurecon, Australian Super, BOQ, Avanaade, Cbus, CommBank, Thales and NAB all pay super whilst employees are on unpaid parental leave. This is an extremely important initiative to make super fair.

AECOM has invested in closing the gender pay gap and in the space of 12 months, reduced the gap by 3.4% across its 2,750 Australian employees.

When hiring women, AECOM compares their salary expectations to what their male peers at the company are receiving to make sure they are not selling themselves short. For example, if the company believed a senior engineer was worth \$100,000 but a female applicant asked for a \$90,000 salary because she had been underpaid in her past role, AECOM would offer her \$100,000.

When McCullough Robertson (McR) participated in the DCC 2016 International Women's Day #PledgeForParity campaign, Guy Humble, (Business Unit Leader for Litigation and Disputes Resolution

and Chair of Diversity Committee) voiced his concern at the gender pay gap of 34.3% within the legal industry. McR is addressing this through additional superannuation payments for women on maternity leave and Guy asked other firms to consider this.

Support for Working Parents

AGL Energy has recently set a new industry standard and increased their paid parental leave for primary carers from 14 weeks to 20 weeks, just 12 months after being approved by DCC. Laing O'Rourke offers an industry leading, 26 weeks of paid leave, 18 of which are at full pay, and eight weeks at half pay.

At Zendesk, all employees in Australia with more than six months service, have access to 16 weeks of paid parental leave. This includes both primary and secondary carers. This leave has no bearing on whether the employee's partner is also the recipient of paid parental leave, or government benefits.

Aurecon has launched Australia's first 'Shared Care' parental leave scheme among large engineering firms. Focusing on providing financial incentive options that support secondary carers to step into primary carer roles including paying a 150% salary if the Aurecon employee returns to Aurecon and their partner is taking over as primary carer and can't access paid primary carers leave through their own employer. This is a similar scheme to Aurizon's, which was announced in 2016.

QinetiQ Australia has just announced it is boosting its paid parental leave for primary carers to 16 weeks, and for secondary carers to three weeks. In addition, all staff who have been with the company for less than 12 months will be eligible for six weeks paid parental leave with no minimum qualifying period.

Schneider Electric and City of Melbourne have also removed the twelve months minimum tenure required for employees to be eligible for paid parental leave and at BHP, only a three month waiting period applies to both full time and part time staff.

Smaller businesses are also building more inclusive policies from day one, such as Common Code, a company with just over 30 staff who offer eight weeks paid parental leave to either the primary or secondary carers.

Normalising Flexible Working Arrangements

Flexible working arrangements was the second most important workplace initiative according to the women in our survey results and in 2016, DCC introduced the Flex Able Certification to help women identify the companies truly walking the talk on flexible working. The certification is awarded to employers who are audited and approved to have a flexible environment in which job seekers are assured they can discuss working flexibility at the interview stage.

Earlier this year, Colin Biggers & Paisley (CBP) became Australia's first legal firm to be awarded the Flex Able Certification. This is a big step forward in the legal profession well known for its conservative view on work/life balance. CBP allows all staff to negotiate their own flexible working arrangements. Marcus Carbone, a lawyer at CBP is a great example of utilising this flexible working policy to combine a professional career with a rugby career.

AECOM has formally abolished start and finish times from all staff contracts and all Australian and New Zealand team members have access to: flexible start and finish times, two weeks purchased additional leave, the option to work from home, part-time work and job sharing.

At Aurecon, employees do not have to put a business case forward to work flexibly. This is the foundation of Aurecon's Yes Flex initiative, which empowers staff to nominate their daily start and end times across their working week. Whilst some guidelines exist to ensure staff well-being and to support managers to lead flexible teams, Yes Flex takes pride in its own flexibility. Taking away reasons for flexible working has resulted in many more men taking up flexible working. There has also been an increase in staff well-being as people can coordinate exercise and self-care or mental health breaks into their weekly schedules when it suits them to do so.

For more information about these companies and their initiatives, please visit DCC's website or contact us on hello@dccjobs.com

About DCC Jobs

We work exclusively with the best employers for women. Prior to advertising with DCC, our Endorsed Employers are carefully pre-screened on equal pay, flexible working arrangements, paid parental leave and much more. If you'd like to explore our criteria and measure how your organisation ranks in terms of providing a supportive workplace for women, please visit www.dccjobs.com.

A little less conversation on gender equity



Troy Roderick

Independent Diversity & Inclusion Adviser

The race for gender equality in business is more crowded with contestants than ever and that's not a bad thing. Commitments, strategies, pledges abound and the "business case" certainly has more friends these days. There is, however a lingering gap in terms of action and outcomes. Who needs to do more and where should their time, energy and influence be focused?

Arguably, everyone has a role to play in making business and society more gender equal, because we all stand to benefit but men indeed have the lion's share of responsibility for improving a system which they (we) took enthusiastic responsibility for building in the first place. This article will explore men's unique role in gender equality, what it means to be truly inclusive and why CEOs and boards must reach beyond well-meaning commitments to deeper and more active involvement in the work of change.

First, why should gender equality demand the attention of not just those who have led the work for decades and longer, namely women, but also those who are often seen as its opponents? The research is clear and the experts like Dr Michael Kimmel for example, share a convincing refrain that gender equality is good for men too. Here's why:

- Company performance is better in gender-diverse organisations. A McKinsey January 2015 report found that gender-diverse companies are 15 percent more likely to outperform companies rated in the bottom quartile of diversity. Catalyst (2014) has compiled a collection of research sources that clearly show, among other things, that more-gender balanced leadership results in higher return on sales, higher return on invested capital, higher return on equity, performance that outperforms industry averages, higher operating results, better stock growth, smaller gender pay gaps, better economic growth, lower risk of insolvency, and higher market to book value – very convincing stuff!
- Men benefit too. This work is about changing the system to enable success for women, which by definition means that men benefit too. Gender equality means that every employee has access to the same benefits which is why equality is an issue for all.

Given the dominance of male leadership in most organisations and boards, men have a key role to play in gender equality – not to be heroed for doing something special, but certainly to be encouraged and supported, alongside women, for doing what's right.

So, what should men do? There are many examples and lots of advice. Very recently, Sheryl Sandberg of Facebook and “Lean In” fame (celebrated for her “inspiration value” and also roundly criticised for perhaps blaming women for not working hard enough) has broadened her footprint to give men some tips too (in my view, this time in the right direction of some of those who’ve perhaps been asleep at the wheel). Ms Sandberg’s suggestions include that men who want to champion gender equality in practical ways should:

- aggressively push against biases. This is specific and action (not talk)-oriented.
- give women the credit they deserve. Women are consistently denied credit for their ideas, promotions and equal salaries because men—who are usually the gatekeepers to professional advancement—do nothing, argues Sandberg.
- don’t make assumptions about what women want. Men should ideally check their belief or bias that they can read minds or decide what others want.
- make professional connections with women. Sandberg has suggested that men hoard opportunities by avoiding situations where they might be alone with another woman. “A huge percentage of men are literally afraid to be seen one-on-one alone with a woman,” she says. “Where do you think the mentoring happens?” People can decide to do dinners or something else, but “whatever you decide make it explicit, and make it equal,” Sandberg suggests.

There is a growing range of other resources and communities aimed at galvanising collective and individual men’s efforts to achieve gender equality. These include:-

- Male Champions of Change – founded in Australia in 2010 and now with around 150 business leaders, and growing, across 10 national and sector-based groups.
- McKinsey’s CEO Guide to Gender Diversity – to help CEOs, of all genders, to lead by example.
- Catalyst MARC (Men Advocating Real Change) Community – a global platform for men who take action to create more gender-balanced organisations.
- Diversity Council Australia’s Men Making a Difference: Engaging Men on Gender Equality – this recent report examines the evidence for what works and what

doesn’t, and recommends more effective ways to engage men to achieve gender equality at work.

The case remains clear, the research abounds and the support is increasingly available. What remains is for those at the helm of creating businesses designed to bring value to their shareholders, to contribute within their diverse communities and enable flexible and inclusive employment experiences. This means taking genuine, specific and intentional action on this critical ingredient of success. For leaders of any gender to do otherwise, whether at C-Suite or board director level, would mean the loss of a critical opportunity for good governance, growth and performance.

“Don’t make assumptions about what women want. Men should ideally check their belief or bias that they can read minds or decide what others want.”

Directorship opportunities across the listed space



Michelle Gardiner
Partner, Board Practice
Derwent Executive

Don't promote boardroom diversity because it's the "right" thing to do. Do it because it will better your business.

It staggers me that in this day and age when so much is known about the benefits of having a diverse boardroom, one that does not solely consist of male senior statesmen, that so many persist with this model.

And when I speak of diversity, I don't just mean in terms of female representation – though this is incredibly important – I am including diversity in cultural background, age and skills set.

Interestingly, it may be companies in the ASX 200 to 500, or those in the not-for-profit sector, that are taking this advice most readily.

Heith Mackay-Cruise, who sits on the boards of Literacy Planet, Bailador Technology Investments, Lifehealthcare, HiPages, ACG Education and Vision Australia, is a passionate believer in diversity of all types.

"I'm often surprised by the continued dialogue on gender diversity," Mackay-Cruise says. "My view is that equality of gender and gender pay is a no-brainer and anyone not complying in this day and age shouldn't be in business."

Gender however, is just one part of the puzzle.

"As the conversation starts to move to ethnicity, age and cognitive thinking diversity – true diversity – then that is where the board discussions and debates can be the most compelling," Mackay-Cruise says.

Often it is companies outside the ASX 200 that are more willing to give first-time directors a chance, a factor that often leads to greater skills diversity on their boards.

Ian Cornell, Chair of Baby Bunting, believes these smaller firms are often looking for directors with recent experience as executives.

"These people can offer fresh perspectives to the executive team who are genuinely looking for constructive input and vigorous discussion," says Cornell, who also sits on the board of Myer and William Inglis.

Baby Bunting is a case in point. When the retailer of everything from prams to nappies was preparing for its initial public offering in 2015, the company rejigged its board. It now consists of four men, including Cornell, Gary Levin, Stephen Roche, the chief executive officer Matt Spencer and two women with significant experience in the retail sector.

“With a relatively new board coming together in this way, a balance and norm are still developing and I think that this helps in generating a positive and energised boardroom,” Cornell says.

For the two new female board members, Baby Bunting was their first directorship. Donna Player previously held a senior executive role at David Jones and Melanie Wilson was Big W’s Head of Online.

When you take a step back, it’s hard to see why these two women, with their wealth of hands-on experience, weren’t snapped up earlier. Both have subsequently taken on additional board roles.

Player is considered one of the country’s heaviest hitters in the retail sector and Wilson has plenty of retail experience, especially in what is becoming the most important space of all, technology.

Hands-on experience in technology should be a critical part of any conversation about board renewal in today’s economy.

Just look at the looming arrival of Amazon.com in Australia, and the corresponding fears of slumping bricks and mortar retail sales to understand this point.

This begs the question, how can a board today discharge its corporate governance obligations without having at least one member who has first-hand knowledge of the disruptive forces of technological change?

Jeremy Samuel, Managing Director of private equity firm Anacacia Capital, certainly believes it’s critical. He too is a big believer in diversity of gender, age and experience.

“Having a diverse board is important,” Samuel says. “Investing in both private and public SMEs, we find that companies get to a certain stage and then really benefit from different perspectives from non-executive directors.”

Samuel cites artificial intelligence and machine learning company, Appen, as an example of success through boardroom diversity.

“Appen’s market valuation is now more than 50 times the value when Anacacia first invested and their board diversity has also expanded in step,” Samuel says.

Appen used Derwent Executive to help bolster its board and make it more diverse. Appen was founded by Dr Julie Vonwiller and the board now includes two female non-

executives and three male non-executives, with a broad background and skill set.

“I always appreciated having a mixture of gender, ages, experiences, countries, education levels coming together at Appen to help the CEO and management team develop and implement what has been a very successful strategy,” says Samuel, a former Appen board member himself.

The final major piece in the diversity puzzle relates to culture.

Former executive at Pacific Dunlop, Just Group and IBM Consulting, Wai Tang, says companies looking for offshore growth should be considering board members with exactly that diversity of cultural experience.

“As Australian businesses actively invest and seek growth into other markets such as Asia, it is vital for nomination committee to consider cultural diversity when it comes to deciding board composition,” says Tang.

Now an active non-executive director, Tang says there are many young talented executives of Asian background waiting in the wings to be groomed for board room roles. The ASX 200 - 500 market may be the best place for them to start searching.

“Non-executive directors with different cultural backgrounds can add significant value to the business by way of sharing their insights and experience of doing business in Asia,” she says.

Not only are smaller, younger companies often more willing to give different ages, backgrounds and skill sets a chance in the board room, it might also be easier for them to lock in these positions.

“They are often more agile and flexible in nature, versus the quite formal status of larger boards where renewal takes place in a slower and systematic basis,” says Baby Bunting’s Cornell.

The message is clear. If you are an executive with a fresh set of experiences, companies beyond the ASX 200 might be more willing to give you your first directorship. They might want you to be seen AND heard.

For more information please contact

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