

Friday 28 April 2023

Office for Women
Department of the Prime Minister and Cabinet
PO Box 6500
CANBERRA ACT 2600

Via email: OFWEngagement@pmc.gov.au

Dear Office for Women,

National Gender Equality Strategy

Thank you for the opportunity to provide a submission to inform the development of a National Gender Equality Strategy (**the Strategy**).

The Australian Institute of Company Directors (**AICD**) welcomes the opportunity to comment on the development of this important policy. The AICD is the largest director institute in the world, with a mission to be the independent and trusted voice of governance, building the capability of a community of leaders for the benefit of society. The AICD's membership of 50,000 reflects the diversity of Australia's director community, comprised of directors and leaders of not-for-profits, large and small businesses and the government sector.

The AICD supports the government's objective of establishing a national gender equality strategy to guide whole of community action towards restoring Australia's leadership on gender equality, enhancing the work of existing state and territory plans.

The AICD is committed to gender diversity in leadership as demonstrated by our decade-long work to increase the representation of women on Australian boards, including a joint campaign with the 30% Club.¹ Through our governance leadership role, we also retain a keen interest in the workplace regulatory environment.

To that end, we have focused our comments on those aspects of the discussion paper of most relevance to the AICD's public advocacy in this area – including, most notably, the under-representation of women in leadership and decision-making and mechanisms to measure progress.

Drawing on our targeted consultation with members and the 30% Club Australia, the AICD makes the following key points:

¹ More information about the 30% Club Australia is available at: <https://30percentclub.org/chapters/australia/>

- The main challenges to achieving gender equal leadership and representation as noted in the discussion paper and phase one consultation summaries include pay inequity, occupational segregation (including within organisations), disparities in caring responsibilities, leadership stereotyping, restrictive recruitment practices as well as the prevalence of workplace sexual harassment.
- Targeted measures involving transparency and accountability mechanisms can support efforts to address these systemic challenges. The AICD acknowledges the key role of Government in setting such standards and has supported recent reforms in the following areas:
 - **Gender pay gap reforms:** the passage of the *Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023 (Gender Pay Gap Reforms)* aimed at increasing transparency through the public disclosure of organisations' gender pay gaps by the Workplace Gender Equality Agency (**WGEA**), as well as requirements for larger companies to have policies or strategies across a range of gender equality indicators; and
 - **Sex Discrimination and Fair Work Act reforms:** the package of reforms implementing the Australian Human Rights Commission's (**AHRC**) Respect@Work Report recommendations, including the introduction of a positive duty on employers to prevent sexual harassment from occurring in the workplace.² The AICD has in recent years engaged extensively with members, and developed resources and education, on the board's role in preventing and responding to workplace sexual harassment.³ We further support requirements under the recent Gender Pay Gap Reforms for public reporting on prevention and response to workplace sexual harassment, including policies, strategies, training initiatives and risk management processes.
- The success of the AICD's joint campaign with the 30% Club Australia to increase the proportion of women on Australia's listed boards has demonstrated what is possible with intent and coordinated action. A 2021 report by the University of Queensland Business School⁴ (**UQ Report**) noted that Australia's successful journey to 30 per cent women on its top boards without quotas was underpinned by series reporting of company-level data against voluntary targets, backed by actions and a broader ecosystem of leaders, advocates and key organisations. Consideration of how a national strategy could leverage the blueprint for change outlined in the UQ Report to support the advancement of women in the leadership pipeline is worthy of consideration in future efforts to boost women's leadership participation.
- The AICD notes the Government's focus on gathering and engaging with data to inform and measure progress and impact of the Strategy. Since 2015, the AICD has monitored and reported company-level ASX data against a 30 per cent target for women on boards, female appointment rates, director career backgrounds and women in key roles including chair and executive directorships in the ASX⁵. Improved metrics, disclosures and reporting measures to support a national gender equality strategy could focus on evaluating the effectiveness of gender equity initiatives, particularly in relation to monitoring women's progress in the leadership pipeline.

² The *Anti-Discrimination and Human Rights Legislation (Respect at Work) Bill 2022*

³ AICD Director Tool: Preventing and Responding to Sexual Harassment at Work; [AICD-Clayton Utz Report: Sexual Harassment in the Workplace](#).

⁴ T W Fitzsimmons, M S Yates and V J Callan, 2021, *Towards Board Gender Parity: Lessons from the Past – Directions for the Future*, University of Queensland Business School. Available at <https://aicd.companydirectors.com.au/advocacy/board-diversity/towards-gender-parity-lessons-from-the-past-directions-for-future>

⁵ AICD [Gender Diversity Progress Report](#), September 2022 to November 2022.

Next steps

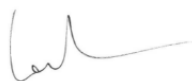
The AICD looks forward to work with Government to continue advocating for improved outcomes for women in leadership positions. Our role in supporting the development and implementation of a national gender equality strategy could include:

- Providing guidance to company directors on standards, principles and better practices to advocate for the outcomes a national strategy would seek to achieve;
- Facilitating engagement with the director community on the governance aspects of gender equality;
- Partnering with key influencers on targeted initiatives that support a pipeline of women to the boardroom;
- Supporting better practice in terms of metrics, disclosures and reporting on women's advancement into leadership positions.

The AICD would be pleased to facilitate access to our member network of directors, advisory committees and gender diversity partners including the 30% Club Australia to further this conversation. This could include roundtables to provide insights on the role of the board in working towards gender equality in Australian workplaces.

We hope our submission will be of assistance. If you would like to discuss any issues we have raised, please contact Joanne Gilroy, Board Diversity Manager at jjgilroy@aicd.com.au

Yours sincerely,



Louise Petschler

GM Education & Policy Leadership