

**DCA DIVERSITY LEADERSHIP BRIEFING:**  
**REVIEW OF EOWA AND STATE OF PLAY FOR WOMEN AT WORK**

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100 Queen Street  
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Good Morning Everyone

I speak to you this morning as someone who has had a very long involvement in monitoring the status of women, including women's employment and remuneration.

My background as a policy advisor, as a femocrat (as we used to be called when I worked in the federal bureaucracy), as an author and as an activist have all contributed to the views I put to you today.

I first became involved at a policy level during the Hawke government when I was heading the federal Office of the Status of Women.

In 1986 the Hawke government introduced the Affirmative Action (Equal Employment Opportunity for Women) Act. I was intimately involved in the drafting of this legislation and the consultation processes with business, the unions, women's organisations and the higher education sector that preceded its introduction. As head of the Office of the Status of Women I had been charged with developing legislation that would be acceptable to all sectors but would still meet Labor's key policy objective of improving women's employment opportunities.

To try to balance these competing and, in reality, contradictory objectives I set up a year long Pilot Programme involving 28 private sector companies and three higher education institutions to test the practices that, we hoped, would be eventually enshrined in the legislation.

At the same time, we set up a Working Party comprising representatives of business, trade unions, higher education and the women's movement. The Working Party's job was to monitor the progress of the Pilot Program and to draft the legislation.

When it was finally introduced into Parliament, the legislation reflected the compromises that had been heavily negotiated. The fact that there even was

legislation that required companies to report to the government on their affirmative action plans was quite an achievement.

Everyone had been scared to death of the notion of “American-style quotas” so we avoided that language. Instead, we came up with the language of “objectives” and “forward estimates”. The “objectives” were intended to be qualitative and therefore rather vague, whereas the “forward estimates” were supposed to be quantitative and therefore measurable.

Perhaps not surprisingly, in the second year of the operation of the legislation 71 per cent of the 521 companies reporting had set objectives, but only 34 per cent of them had managed any forward estimates. Where they had reported their plans, these were far from ambitious. They included “increasing women’s participation in non-traditional areas, for example apprenticeships...” or “increasing women’s participation in training - on and off the job”. In other words, this was a very tame form of affirmative action.

Even so, there was a high degree of non-compliance. In the early 1990s, the director of the Affirmative Action Agency, as EOWA was then called, recommended the Minister utilise the provisions of the Act that allowed him to “name and shame” companies that had failed to submit plans. One year, more than 200 companies were named in Parliament. The next year, 300.

This had a galvanising effect. The companies that had been named suddenly submitted their reports the next year.

The legislation made some inroads but it was certainly not radical.

But it was still too much for the Howard Government which in 1998 reviewed the Act and in 1999 changed everything about the legislation from its name to its intentions.

All reference to objectives and forward estimates was removed, as was the language of “affirmative action” with the resultant watered down legislation requiring companies merely to lodge a report on their “strategies to prevent discrimination”. Nothing measurable, and no sanctions. The worst that could happen was that a company could be “named and shamed” for not submitting a report; the contents of the report were subject to neither verification nor evaluation. There apparently has been some “naming and shaming” by EOWA but it has not attracted much media coverage. Maybe this is changing.

Just yesterday EOWA issued a media release on twelve companies having been named in Parliament this week for non-compliance. I was disappointed by this news - for two reasons. Firstly, two of the companies named make products that I like. But from now on, no more Tyrells wine or Rivers clothing for me. (And, I hope, all of us.) But secondly, I was disappointed that the list was so small. In its submission to the EOWA review, EOWA itself said that non-compliance with the legislation was high, with only 65-70 per cent of companies meeting their full

reporting requirements.<sup>1</sup> So, I would have thought a lot more than twelve companies could have been named.

THE CURRENT review of EOWA and the legislation established some months ago by Tanya Plibersek, the Minister for the Status of Women, provides a unique and, I would say, most timely opportunity to review the scope and content of the legislation.

We have already heard from Sally Moyle about some of the opinions and proposals for reform the review process has thrown up. I think it is fair to say that everyone - myself included - has been astonished at the radicalism of these views as expressed in submissions, roundtable consultations and other mechanisms for seeking community inputs into the review process.

There is a pent up impatience, even anger, that the review has unleashed and which the government now has to accommodate.

I think we all remember the genesis of this anger.

It was the release, just over a year ago, of the latest EOWA Census results on the numbers of women in executive management and on corporate boards. The results were truly shocking.

We learned :

- the number of women executive managers had declined from 12% in 2006 to 10.7% in 2008, which was below the level measured in 2004
- In 2006, 39.5 per cent of companies had NO women executive managers; in 2008 that figure has risen to 45.5%
- Women in line management roles had dropped from 7.4% in 2006 to 5.9%, below the levels of 2004
- There were fewer women on boards, fewer women chairing boards
- Only 54.5% of ASX200 companies had at least one woman in management, compared with 85.2 per cent in the United States<sup>2</sup>

At the very time that women were having stunning political victories, when for the first time we were getting a woman as Deputy Prime Minister, when four women were members of the Rudd Cabinet, and we had just seen the historic appointment of a woman as Governor-General, elsewhere in the economy women were doing badly.

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<sup>1</sup>[http://www.eowa.gov.au/Information\\_Centres/Resource\\_Centre/EOWA\\_Publications/EOWA\\_review\\_Sub\\_Exec\\_Sum.pdf](http://www.eowa.gov.au/Information_Centres/Resource_Centre/EOWA_Publications/EOWA_review_Sub_Exec_Sum.pdf) p. 3

<sup>2</sup> Equal Opportunity for Women in the Workplace Agency, 2008 "EOWA Australian Census on women in leadership" Media release, 28 October, 2008

The results were so shocking that Katie Lahey, CEO of the Business Council of Australia said that maybe it was time we looked at introducing quotas.

In saying this, Katie unleashed a debate that is still raging, and has become a central part of the EOWA review.

Everyone is talking about quotas. So much so, that those who are against quotas, especially those in the corporate world, are falling back on the notion of targets. In other words, targets are becoming the default position of the conservatives in the corporate world.

I don't need to point out to you that targets of the kind that are being proposed - disclosable, measurable, reported against - would be a far more effective step in achieving change than anything that has previously existed in Australian legislation. It would go further than the 1986 legislation's "forward estimates" - in language, intent and accountability.

We now need the political process to support and implement what the corporate world is tending towards.

But we also need to go further than that.

The EOWA reform process should not be just about increasing the numbers of women on boards and executive management.

It is important that these numbers improve but this is not the primary purpose of the reforms. What the government should be looking to do is to improve women's employment prospects overall. Specifically:

- increase women's workforce participation from its very low rate, compared with other countries
- improve women's opportunities within employment by removing barriers to promotion and broader workforce experience, and
- remove the inequity in women's pay compared with men's.

We all know the problems.

The recent World Economic Forum Global Gender Index summed it up starkly:

In its report, released in mid-October, Australia had retained its position as equal Number 1 for women's educational attainment, but we had dropped from 40th to No 50 in terms of women's labour market participation, a fall of ten places in the space of a single year.<sup>3</sup>

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<http://www.weforum.org/eng/Communities/Communities/Women%20Leaders20%and%20Gender%Parity/GenderGapNetwork/index/htm>

In other words, we educate women and then we abandon them. We give women the tools and the ambition to be part of the wider economy but we let them down when it comes to taking advantage of these tools and ambition. This is tragic for individuals, and a total waste for the economy.

We know from other research that if women's participation increased, our GDP would benefit.

Research conducted in 2007 by Goldman Sachs has concluded that "closing the gap between male and female employment rates would have huge implications for the global economy, boosting US GDP by as much as 9%, Eurozone GDP by 13% and Japanese GDP by 16%." <sup>4</sup> Sadly, the research did not include Australia but since our gap between female and male employment is even higher than the countries studied, the results for the Australia economy could be even more dramatic.

The Australian Productivity Commission's research into Australia's participation rates compared with the rest of the OECD in 2006 showed that our rates fall off precipitously for women aged 25-44, in other words women in their childbearing and rearing years. <sup>5</sup> We all know that losing significant time from the workforce during those years makes return difficult and entry into the promotional stream virtually impossible.

We all know the gender pay gap figures - women earning at least 17 per cent less than men, and the further up the ladder they go, the less they earn - so I won't repeat them here. This material will be covered in detail in the House of Representatives Pay Equity Inquiry Report which is due for release this week.

So, in my view, the EOWA review needs to find a way to link measures to remove barriers to women's equal employment opportunities to policies to increase women's overall participation and to increase their remuneration.

The EOWA review, in other words, needs to become part of the overall economic reform agenda which, the government says, is designed to increase growth by increasing participation. The only problem is that when senior government ministers talk about growth, talk about the economy, talk about where the country is headed - they never mention women. The missing link in the economic equation is female participation, and all that is needed to increase that. That is the gap we need to close: the gap between the government's blindness to the issue, and what is needed to increase women's workforce participation.

We know some of the things that will help: improved and affordable childcare; paid maternity leave; greater flexibility in employment; improved pay and opportunities. These are all factors that discourage women from returning to, or staying at work.

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<sup>4</sup> <http://www.ftd.de/wirtschaftswunder/resserver.php?blold=10&resource=globalpaper154.pdf>

<sup>5</sup> Joanna Abhayaratna and Ralph Lattimore, *Workforce Participation Rates - How Does Australia Compare?* Staff Working Paper Australian Government Productivity Commission, December 2006

But there may well be other issues that we have not considered and for this reason I believe we need some additional research to help us close the gap.

We need to do a quick survey of the successful measures taken in comparable economies where women's participation is so much higher than Australia's (most of the countries of Europe, for instance).

I certainly don't want to slow down the momentum that has already gathered pace as a result of the EOWA review, but nor do I want to see a small package of reforms that sits on the side of the big picture and is irrelevant to the overall economy. In truth, I don't think such an outcome is remotely likely.

I cannot see federal cabinet agreeing to impose radical changes, such as quotas or targets, for corporate boards unless these are part of a bigger economic reform. Indeed, I think the only way to achieve such radical changes is to "sell" them to the government as measures that will help the overall economy.

Sadly, for too long now, women's issues have been sidelined and no longer part of the main game. We need to insist that this major reform be inserted into, and be part of the sequence of, the major economic and business reforms that are already in the pipeline.

The government will be receiving the Henry review of taxation at the end of this year, and will spend several months considering its response before making the report public. Henry was asked to report on participation and while I do not expect that he will single out women's participation -- although it would be a wonderful surprise if he did -- I cannot see the reforms we need being undertaken in isolation from whatever the government does in response to Henry.

The government will also be receiving the final report of the Productivity Commission's inquiry into executive salaries. That, too, will touch on the question of women on boards and the EOWA reform proposals need to be in sync with whatever is in that final report.

Although there is some support from enlightened corporates for strong measures to increase the numbers of women in leadership positions in Australian companies, we need to remember that more than half of ASX listed companies have no - that is, zero - women on their boards and are not likely to embrace change as willingly as the enlightened ones.

So while there has been a lot of very encouraging talk from corporates, and while there is clearly an overwhelming demand from women, especially corporate women who are heartily sick of their ongoing exclusion from the centres of power, I do not believe the federal government is yet on board. I think the EOWA report will need to feed into processes that are already underway, or about to begin, if we are to have a chance of succeeding in really opening up opportunities - at all levels - for women in employment.

