

## **THE ECONOMY**

### Equal Representation of Women on the Boards of Public Companies.

Women's Electoral Lobby aims to remove all discrimination against women.. The 2008 report from the Equal Opportunity for Women in the Workplace Agency (EOWA) revealed that only 8.3 percent of board members in ASX 200 companies were female while almost 50 percent of ASX 200 Boards had no women at all. Subsequently, in November 2009, the ASX Corporate Governance Council announced a requirement that all companies must set measurable objectives for the achievement of gender diversity. The Sex Discrimination Commissioner Elizabeth Broderick congratulated the ASX on its initiative and pointed out that "while women continue to be excluded from decision making in the economic life of this country, they will be marginalised everywhere".

Not only women but the country as a whole will benefit from equal representation of women on boards. The investment bank Goldman Sachs JB Were finds that although Australia has made headway in raising female educational standards, there is still a skilled labour shortage which has contributed to a decline in labour productivity growth. The bank's chief economist Tim Toohey, believes this could be changed if there were more women in the workforce. He estimates GDP could be boosted by 11 percent. For this to occur, women need to be properly recognised and remunerated. Toohey notes that corporate Australia is pushing for a greater role for women, while in the public sector women already make up 37 percent of senior executives and 33 percent of appointments.

Another report noted by the UK Treasury Select Committee said the lack of women (on boards of London Banks) likely contributed to the "group think" in boardrooms. The report said "the lack of diversity on the boards of many, if not most, of our major financial institutions may have made effective challenge and scrutiny of executive decisions less effective".

Eve Mahlab, a lawyer, member of WEL, and a former member of the Westpac board: (AFR,1/4/2010 "Women are valuable because they're different") asserts that "We can no longer allow merit to be defined only in terms of the skills, experiences and approaches most commonly developed in men". "While the skill sets of male and female members will overlap, women bring an extra dimension precisely because, as a group, they are different from men and have different attributes."

WEL believes it is time to take firm steps to correct this systemic discrimination. Norway introduced legislation in 2003 to ensure that 40 percent of directors in public companies were female. This action was phased in over five years and resulted in over 90 percent compliance.

WEL recommends that the government rectifies the situation, and removes the systemic discrimination to female employment in Australia.

WEL recommendation:

that the Government amend the Corporations Act to require that 40 percent of directors in all public companies are female. This action is to be phased in over the next five years.