



Review of the ASX Corporate Governance Principles and Recommendations

YWCA Australia welcomes the opportunity to comment on the Consultation Draft of the third edition of the *ASX Corporate Governance Principles and Recommendations* (Principles and Recommendations).

YWCA Australia

YWCA Australia is the national association of YWCAs in Australia and is part of the World YWCA movement. We are a women-led organisation that achieves positive change by providing advocacy, programs and services for women, families and communities.

YWCAs undertake advocacy and deliver services and programs that develop the leadership and collective power of women and girls, support individuals, their families and communities at critical times, and promote gender equality and community strengthening.

YWCAs in Australia support the leadership development of women, particularly young women, in a number of ways (see below).

Increasing the number of women on boards and in senior management

YWCA Australia congratulates the ASX Corporate Governance Council (Council) for its significant leadership in addressing the underrepresentation of women on the boards and in senior management of listed entities. In our view, the gender diversity policy recommendations and commentary in the Principles and Recommendations have played a large part in lifting the number of women holding ASX 200 directorships from 8.4% in 2010 to 12.3% in 2012.

We are heartened by the significant movement on this issue in the corporate sector generally. We have also welcomed the Business Council's of Australia's new toolkit for [*Increasing the Number of Women in Senior Executive Positions: Improving Recruitment, Selection and Retention Practices*](#), as well as Sex Discrimination Commissioner Elizabeth Broderick's *Male Champions of Change* program.

Principle 1: Lay solid foundations for management and oversight

We support relocating the diversity-related recommendations from principle 3 (ethical and responsible decision - making) to principle 1 (lay solid foundations for management and oversight) as it makes diversity a fundamental principle of governance, and better highlights the economic and business benefits of diversity.

Recommendation 1.5

We welcome the explicit recognition that research shows increased gender diversity on boards is associated with better financial performance. We would recommend also adding some more recent research to the footnote.

We support giving entities the flexibility to report their “Gender Equality Indicators” under the *Workplace Gender Equality Act 2012*. This will streamline reporting requirements and is wholly appropriate.

In our view, the guidance in relation to the definition of ‘senior executive’ for these purposes is very important to ensure transparency, particularly give the very low number of women in senior executive positions.

We welcome the commentary that introducing a diversity policy or diversity council ‘is unlikely to be effective unless they are backed up with appropriate numerical targets.’ This guidance is important to combat entities paying ‘lip service’ to diversity without striving for real change.

The gender pay gap persists and we welcome the Council encouraging ‘listed entities to benchmark their position on diversity and to undertake gender pay equity audits to gain an insight into the effectiveness of their diversity policies’.

We also welcome recognition that diversity issues extend beyond gender to matters of age, disability, ethnicity, marital or family status, religious or cultural background, and sexual preference, and the guidance to eliminate conscious or unconscious biases in company practices. As a general comment, we prefer the term ‘gender equality’ to ‘gender diversity’ so that concepts of diversity are not limited.

Principle 3: Promote ethical and responsible decision-making

We welcome recognition in the *Consultation Paper* of the difficulty that people with disability face in securing meaningful employment and the role that listed entities can play in helping to address this. However, we recommend the Council strengthen the proposed language in the Commentary to Principle 3 relating to employing people with disability or from other disadvantaged groups in society to capture this message.

Further information about our leadership work

Building the leadership skills of women is fundamental to the work of YWCAs and we offer a range of leadership programs and mechanisms including:

- A 30 per cent quota for young women (aged 30 and under) on the YWCA Australia National Board.
- The *SHE Leads Program* - a twelve-month professional development program aimed at early career young women, delivered by the [YWCA of Adelaide](#) and [YWCA of Canberra](#) (and incorporating the YWCA of Adelaide’s *SHE Leads Conference*).
- The YWCA of Canberra’s *Board Traineeship Program*, a twelve-month program offering women the opportunity to experience governance without the legal

responsibility of being a director.

- YWCA QLD's [Y Bloom](#) program, a mentoring program for teenage girls who show potential as leaders but are unlikely to achieve this without some support.
- Providing opportunities to participate in national and international forums and advocacy.

In 2011-12 we collaborated with the Australian Council of Social Service (ACOSS) and Women on Boards to produce the first survey of women's leadership in the Australian not-for-profit (NFP) sector¹. We found that the participation of women on NFP boards and in senior management positions is higher than in other sectors, but still has some way to go to achieve gender equality, especially in organisations with larger financial turnovers.

More information

YWCA Australia would be pleased to provide the Council with further information.

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¹ Available at www.ywca.org.au/sites/ywca.org.au/files/images/NFP%20Boards%20and%20Gender%20Diversity%202012%20final.pdf