

MARCH 2017

## WOMEN IN CONSUMER AFFAIRS

Gender equality in consumer agencies and organisations discussion paper

### ABOUT US

Set up by consumers for consumers, CHOICE is the consumer advocate that provides Australians with information and advice, free from commercial bias. By mobilising Australia's largest and loudest consumer movement, CHOICE fights to hold industry and government accountable and achieve real change on the issues that matter most.

To find out more about CHOICE's campaign work visit [www.choice.com.au/campaigns](http://www.choice.com.au/campaigns) and to support our campaigns, sign up at [www.choice.com.au/campaignsupporter](http://www.choice.com.au/campaignsupporter)

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## 1. Why workplace gender equality matters

The Women's Gender Equality Agency (WGEA) identifies workplace gender equality as important primarily because it's 'fair' and the 'right thing to do'. It also identifies a number of other benefits for both organisations and the broader economy, including:

- improved national productivity and economic growth
- increased organisational performance
- enhanced ability of companies to attract talent and retain employees
- enhanced organisational reputation.

According to WGEA, the aim of workplace gender equality is to achieve broadly equal outcomes for men and women. This requires:

- equal pay for work of equal or comparable value
- removal of barriers to participation
- elimination of gender-based discrimination, including in relation to family and caring responsibilities.

Importantly, achieving workplace gender equality also involves access to all roles, including leadership positions, regardless of gender.

The issue of workplace gender equality is of particular importance to the consumer movement, given that women have played a key role in its development in Australia. The best example is the founder of CHOICE, Ruby Hutchison. A number of women have followed her into key roles in the consumer movement, including Louise Sylvan, Jenni Mack, Carolyn Bond, Catriona Lowe, Nicole Rich and Fiona Guthrie.

## 2. Gender equality at the ministerial level

Of the current representatives of the Australian Commonwealth, state and territory governments at the Consumer Affairs Forum (CAF), 30% are women. The current representatives (February 2016) are:

Commonwealth:	The Hon Michael McCormack MP, Minister for Small Business
Australian Capital Territory:	Mr Shane Rattenbury MLA, Minister for Justice and Consumer Affairs

New South Wales:	The Hon Victor Dominello MP, Minister for Innovation and Better Regulation
Northern Territory:	The Hon Natasha Fyles MLA, Attorney-General and Minister for Justice
Queensland:	The Hon Yvette D'Ath MP, Attorney-General, Minister for Justice and Minister for Training and Skills
South Australia:	The Hon John Rau MP, Minister for Consumer and Business Services
Tasmania:	The Hon Guy Barnett MP, Minister for Building and Construction
Victoria (Chair):	The Hon Marlene Kairouz MP, Minister for Consumer Affairs, Gaming and Liquor Regulation
Western Australia:	The Hon Michael Mischin MLC, Attorney-General

Given regular changes in portfolios, this number changes frequently. For example, at the March 2016 CAF meeting, the Australian and New Zealand governments 20% of representatives were women, while at the June 2015 CAF meeting, 50% were women.

### 3. Gender equality in leadership of consumer affairs agencies

Australia has two national consumer agencies, as well as one in each state and territory. All ten of these agencies are currently led by men:

1. Rod Sims, Chairman, Australian Competition and Consumer Commission;
2. Greg Medcraft, Chairman, Australian Securities and Investments Commission;
3. Rod Stowe, Commissioner for NSW Fair Trading, New South Wales Fair Trading within the NSW Department of Finance and Services;
4. Simon Cohen, Director, Consumer Affairs Victoria, within the Victorian Department of Justice;

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<sup>1</sup> As at February 2016, using the most senior direct line of responsibility. Some roles will report to departmental Secretaries, or Deputy Secretaries, many of whom are women.

5. David Ford, Commissioner for Fair Trading, Queensland Office of Fair Trading, within the Queensland Department of Justice and Attorney-General;
6. David Hillyard, Acting Commissioner for Consumer Protection, Western Australia Department of Commerce – Consumer Protection;
7. Dini Soulio, Commissioner, Consumer and Business Services, Consumer and Business Services Division, within the SA Attorney-General's Department;
8. Dale Webster, General Manager, Consumer, Building and Occupational Services, within the Tasmanian Department of Justice;
9. Dave Peffer, Deputy Director General Access Canberra, within the ACT Chief Minister, Treasury and Economic Development Directorate; and
10. Gary Clements, Commissioner of Consumer Affairs, NT Consumer Affairs, within the NT Department of the Attorney-General and Justice.

In comparison, across Australian organisations in general (public and private), women account for 16.3% of CEO/head of business roles.<sup>2</sup>

Some other key leadership roles in consumer affairs are held by women. Delia Rickard is Deputy Chair of the ACCC, Sarah Court and Christina Cifuentes are ACCC Commissioners, and Cathy Armour is an ASIC Commissioner. Women have previously held these and other senior roles in consumer agencies (for example former deputy chairs Louise Sylvan and Belinda Gibson, former commissioners Jennifer McNeil, Jill Walker and Rhonda Smith). However, neither the ACCC nor ASIC has had a female chair.

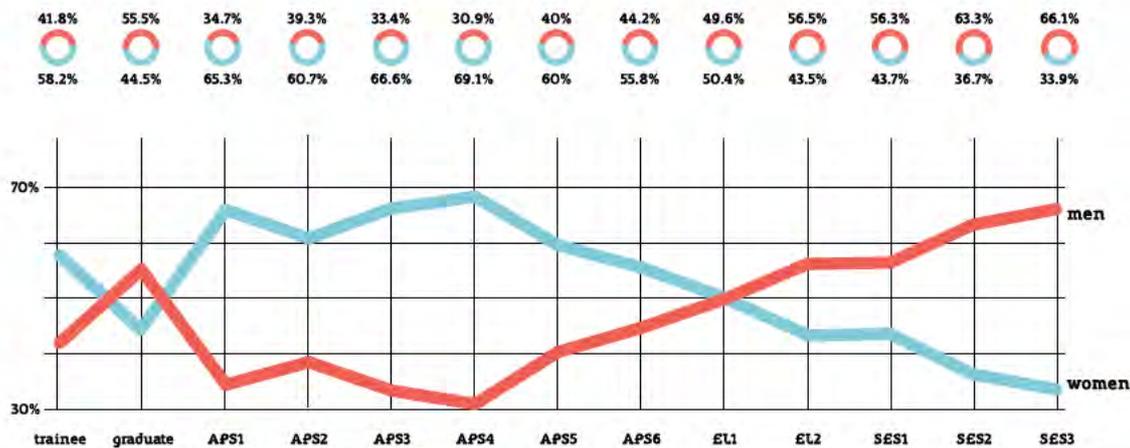
The ACCC's members (Chairman, Deputy Chairman and Commissioner roles) have historically been male dominated. Since the formation of the ACCC in 1995 (after the Trade Practices Commission, which only had male appointments) there have been a total of 7 female appointments (27%) and 19 male appointments (73%).

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<sup>2</sup> Australia's gender equality scorecard: Key findings from the Workplace Gender Equality Agency's 2015-16 reporting data, November 2016, p3 accessed at [https://www.wgea.gov.au/sites/default/files/80653\\_2015-16-gender-equality-scorecard.pdf](https://www.wgea.gov.au/sites/default/files/80653_2015-16-gender-equality-scorecard.pdf)

## 4. Gender equality in the workforce of consumer affairs agencies

As at 31 December 2015, women made up 58.7% of the Australian Public Service (APS), but only 41.8% of the Senior Executive Service (SES).<sup>3</sup> The graph below demonstrates the general APS employment trend by employment categories. Women are overrepresented until the Executive Level 1 category and then become increasingly less represented in the more senior levels of employment.<sup>4</sup>



source: APSED

Although both ASIC and ACCC are at, or very close to, equal representation at EL1 and EL2 level, they diverge significantly at SES level. In 2015-16, women made up 53.7% of the ACCC/AER employees but only 29.4% of SES and ACCC/AER members.<sup>5</sup> In 2015-16, women represented 39.5% of SES at ASIC.<sup>6</sup>

This is a common pattern in the public sector, which the NSW Public Service Commission attributes to the following factors:

<sup>3</sup> Balancing the Future: The Australian Public Service Gender Equality Strategy 2016–19, p4

<sup>4</sup> Balancing the Future: The Australian Public Service Gender Equality Strategy 2016–19, p8

<sup>5</sup> ACCC & AER Annual Report 2015-16, p222

<sup>6</sup> ASIC Annual report 2015-16, p110

firstly, recruitment, selection and promotion of women at the pinch point and beyond requires careful examination and monitoring. Secondly, unconscious bias affects the way women are perceived in terms of their leadership capabilities and willingness to take on senior roles, and this affects their career advancement in multiple ways... Thirdly, the use of flexible work arrangements and career breaks can also have adverse effects on women by reducing their access to opportunity.<sup>7</sup>

## 5. Strategies to address gender inequality in the public sector

In April 2016 the Commonwealth Government launched the *Balancing the Future: The Australian Public Service Gender Equality Strategy 2016-19*. The strategy is “for harnessing the best talent, changing cultures, and challenging assumptions that hold us back”<sup>8</sup>. It envisages a public sector workforce in which “men, as well as women, have both caring and work responsibilities, and where everyone is given the same opportunities to develop and to lead”.

The strategy is informed by research from the WGEA that found that organisations with the greatest gender equality outperform those with the least, that increasing the proportion of women in leadership is associated with better financial performance and that gender equality promotes an environment where innovation can flourish.

As part of this strategy, agencies are required to set tailored, but ambitious, gender equality stretch targets across all leadership levels, towards an overarching goal of achieving 50-50 gender balance.

Prime Minister Malcolm Turnbull has stated his desire to have as close as possible to 50 per cent men and women in leadership positions in the public service.<sup>9</sup>

ASIC’s Diversity and Inclusion Strategy focuses heavily on women, and in particular supporting women in leadership and senior positions.<sup>10</sup> ASIC has adopted targets of 50%

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<sup>7</sup> A Better Picture: State of the NSW Public Sector Report 2014, p16 informed by *Advancing women: increasing the participation of women in senior roles in the NSW Public Sector*

<sup>8</sup> *Balancing the Future: The Australian Public Service Gender Equality Strategy 2016-19*, p3

<sup>9</sup> Address to the Australian Public Service, 20 April 2016 accessed at <https://www.pm.gov.au/media/2016-04-20/address-australian-public-service-canberra>

<sup>10</sup> *Diversity and Inclusion Plan* accessed at <http://asic.gov.au/about-asic/what-we-do/how-we-operate/diversity-at-asic/diversity-and-inclusion-plan/>

female employment in each of the SES, EL1 and EL2 employment categories. The EL2 target has been achieved, the EL1 is close to being achieved and the SES is moving in the right direction but still lags behind at just under 40%. (The ACCC is also at or close to 50% for EL1 and EL2.)

ASIC’s key strategies adopted to reach these targets include mentoring programs (Women in Law Enforcement Strategy, known as WILES, Women in Banking and Finance and a pilot a mentoring program for Executive Level 1 women) and KPIs. In a recent interview, ASIC commissioner Cathy Armour said that the decision to make gender targets part of individual KPIs had done wonders, acknowledging that “the pipeline of women is there... more than half our workforce is female”.<sup>11</sup>

The ACCC’s workplace diversity strategy has a stated intention to “Develop strategies to encourage more equal representation of women in ACCC and AER senior leadership positions” and an action to “Identify and promote leadership development opportunities for ACCC and AER women”.

A number of State Governments also have strategies to address gender equality, including:

- the Victorian Government’s “Safe and Strong” gender equality strategy
- The Queensland Public Sector Gender Equity Strategy
- The South Australian Government’s Strategic Plan

## 6. Gender equality in the non-government consumer movement

Non-government organisations arguably have a better record than regulators of employing women in leadership positions: key consumer organisations like CHOICE and Consumer Action Law Centre have been led by women, and CHOICE has had a woman as Chair of its Board continuously for over a decade. Although the CEOs of CHOICE and CALC are both currently men, other key organisations like Financial Counselling Australia, Energy Consumers Australia and the Financial Rights Legal Centre are currently led by women.

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<sup>11</sup> *Sydney Morning Herald*, 8 September 2016, “Australia’s corporate watchdog is paying staff more if they hire qualified women” accessed at <http://www.smh.com.au/business/workplace-relations/australias-corporate-watchdog-is-paying-staff-more-if-they-hire-qualified-women-20160908-grbowa.html> on 20 January 2017

CHOICE is the only non-government organisation of sufficient scale to undertake comprehensive gender equality reporting.

Currently at CHOICE:

- 54% of the workforce is female
- 29% of senior managers are women
- 43% of the Leadership Team are women
- 51% of all managers are women

CHOICE has a Diversity and Inclusion Action Plan that includes gender equality as a key priority. One of the targets in this plan is for 50% of the members of all key decision-making groups (including at senior management level) to be women by June 2018.

To help achieve this goal, CHOICE:

- is improving career development, to provide more internal opportunities for career advancement
- is committed to workplace flexibility, to support the needs of employees as they change over time
- offers 12 weeks paid parental leave
- pays superannuation payments to employees on parental leave for up to 52 weeks
- provides up to 5 days of paid leave for staff experiencing domestic violence.

CHOICE is also committed to reducing pay inequity. Following CHOICE's first report to WGEA in May 2016, which identified 11% salary gap in favour of men (compared to an Australian average of 16.2%), CHOICE undertook a pay audit and made a number of targeted salary adjustments to reduce the gender gap.

## 7. Conclusions

While gender equality at ministerial level in the consumer affairs portfolio has been relatively strong, women are underrepresented at senior levels of consumer affairs agencies. Neither of the Commonwealth regulators has been led by a woman.

While the non-government consumer movement has a relatively strong record of gender diversity, organisations need to ensure that they live up to this record. This is particularly important for larger organisations such as CHOICE.

While the gaps in gender equality at senior levels in consumer agencies and organisations to some extent follow patterns in other organisations, the strong history of women in senior consumer affairs roles across the public and non-government sectors suggests that we should expect to be doing better. CHOICE is committed to continuing to report publicly on gender equality in consumer affairs, to create pressure for consumer agencies and organisations to achieve equality at all levels.