

## **Opening Address**

### **Serious Women's Business Conference**

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Melbourne Convention Centre

Melbourne

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Good morning everyone.

It is my job this morning to set the scene for this conference of women who are serious about themselves and their business (whatever that is) and who are here to listen, to learn, to ask questions, to network and to come away with a better understanding of how to focus on what is important in our lives.

The theme of this year's conference is The Art of Focus.

We chose this theme as our response to the Global Financial Crisis. Many months ago, when the Committee debated how we would frame this year's conference, we were to a large extent reaching into the unknown. We did not know where the world - and Australia - would be in November 2009 when we held our conference. Would we be experiencing a financial meltdown? Would we have survived the crisis? Would we each still have our jobs? Or would we know people who had lost theirs? Maybe our own workloads would have increased because colleagues had been let go.

We simply did not know. We could not.

But, we decided, whatever the world held for us in November 2009 and beyond, we knew that we would have to find the skills and the resources to deal with it. We would have to focus. There is a lot of talk about *resilience* being a necessary survival skill in tough times. We agreed with that, but we wanted to take it a step further. We wanted to say: wherever and however we find ourselves, we need to focus. On the problem, on getting through it, on the solution.

AT SWB WE WORK IN "an atmosphere of learning and inspiration". We learn from the inspiration provided by others and we in turn take on the responsibility for leading and inspiring others.

As some of you will know, this conference is now in its eighth year and I think we can, with all due modesty, say that it has in that time acquired quite a reputation. I have had people tell me that this is "simply the best" conference in Australia for women in business.

That is praise indeed.

In our eight years we have had an interesting history, one that has contributed to the unique nature of this conference. I am very proud to have been associated with SWB since its inception, and to have been part of its evolution to where it is today.

We began life in 2002 on the Gold Coast as the Ladies Masters of Business Conference, held in conjunction with the Ladies Masters of Golf championship. After two years of this format, we decided to change – our name, our location and our focus.

We became a strictly business event, located in a major capital city where there is only one item on the agenda – business. Serious women’s business. That’s serious as defined by us, and it always includes some serious fun! For the past five years we have met in either Melbourne or Sydney, reflecting where most of our large companies are located. It is wonderful to be able to welcome you all this morning for what I am sure are going to be two days of stimulating and instructive talk.

We have an extraordinary group of women participating as speakers or panelists.

I have had the opportunity to speak to each of the panelists prior to the conference and so I have had the privilege of already hearing some of the things they will be saying to you. In the course of these conversations I have learned a great deal about some of the challenges they face and how they are dealing with these challenges – and so I know we are in for an informative and inspiring time.

This conference is unusual in several ways beyond the stellar line-up of participants. It is not a conventional conference, where a series of speakers say their bit while you, the audience, work hard at taking it all in.

Rather, it is a conference where we talk. We talk about subjects that are relevant to our theme, we talk about issues and women talk frankly about their experiences in the world of business and politics. So this year’s conference has been built around helping us all to develop the art of focus. Some of it will be honed and practical, as with some of our “Sound Bite” sessions on Mindfulness and on Thriving. Or the session “Me and My Mentor” in which Ann Sherry and Avril Henry will share their experiences of working - and succeeding - together to bring about change in a recalcitrant organisation.

Other sessions will look at broader themes: what does it take to be a good mother *and* a good worker; how do we deal with women who won’t help other women - especially if they are our boss? Or we will learn from the stories of others.

How has Tracy Grimshaw not just survived but thrived for almost three decades in the tough world of current affairs television? And how did a young girl from the tiny South American country of Guyana end up running the House of Lords, and then finding herself sent to Australia as Great Britain’s High Commissioner? The new face of Britain in Australia is very, very different from the crusty old knights they used to send out here. There will be many stories for us to learn and gain inspiration from.

But we will start this morning, after our KeyNote address, with an exploration of our current state. This will set the scene for what is to follow. We will look at the state of business, the state of government and the state of women - at the big picture as well as at some of the details.

But in focusing on the very big picture, we won’t neglect the personal. We will take time for ourselves: the inner woman must be satisfied – mentally, emotionally, physically - and I am confident that over the next two days she will be! There will be good talk, great ideas, physical exercise, wonderful food – especially at this evening’s dinner and, of course, there will be champagne. A perfect combination, I am sure you will agree.

IN SETTING THE SCENE for the conference, I also want look briefly at the Australian context in which we find ourselves. In particular, I want to look at the situation for women wanting to assume leadership roles in business or in politics.

But first I want to mention a couple of relevant international events. Since our last conference there has been a Presidential election in the United States, with the historic election of Barack Obama who appointed as his Secretary of State his former rival for the Presidential nomination, Hillary Clinton.

Hillary Clinton is not the first woman to be US Secretary of State. She is in fact the third, but she is the first to make women's rights a signature issue and a higher priority of US foreign policy than ever before. She has appointed a State Department Ambassador for Global Affairs, has announced that women will now be the focus of all US development aid, and she ensures that wherever she travels she meets with women's groups.

She also talks about women in her speeches. The *New York Times* noted in an article that in her first five months in office, Clinton has mentioned the words "woman" or "women" at least 450 times, or more than twice the number of times her predecessor Condoleeza Rice had done.<sup>1</sup> Her husband, former President Bill Clinton, has done the same, announcing that assisting women and girls is a major priority of the Clinton Global Initiative.

I mention these examples from the United States because I think they have a bearing on the status of women in Australia.

Hillary Clinton understand the importance of articulating an issue. You have to *talk* about an issue to make it relevant. She talks about women and thereby women become visible as a political issue.

We need the same thing to happen here.

A couple of weeks ago I attended the annual dinner of the Business Council of Australia, the organisation that comprises the CEOs of the country's 100 leading corporations. The dinner was addressed by both the outgoing and incoming Presidents of the BCA, who both talked about the business imperative, and by the Prime Minister, who talked about how Australia needs to grow, to improve its infrastructure and its productivity and, in order to do so, to increase workforce participation.

None of these three men - yes, they were all men - once mentioned women.

I was so struck by this that I mentioned it to the man sitting next to me. "How can the business and political leaders of the country talk about increasing growth without talking about how to increase women's workforce participation?" I asked him.

He looked at me like I was from Venus.

Elizabeth Broderick, the Sex Discrimination Commissioner, was at the same dinner and she noticed the same thing. "If we want to increase the nation's

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<sup>1</sup> Mary Beth Sheridan, "Women's rights key issue for Clinton" *New York Times* August 15, 2009

productivity, then increasing women's participation has to be the biggest game in town," she noted in an article in the *Financial Review* a couple of days later.<sup>2</sup>

She mentioned that even as we were dining on our barramundi, across the other side of the world the 2009 Global Gender Gap report, issued each year by the World Economic Forum, was being released. The next morning, Broderick scoured the report to see how Australia had fared.

The results were confronting.

Although Australia had retained its position as equal Number 1 for women's educational attainment, 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>

Something this drastic had happened in our economy and the head of the Business Council and the Prime Minister had not even noticed!

Houston, we have a problem.

This is not just a problem for those women who would like to be in the workforce but who are unable to because of lack of childcare or flexible working hours or who have been deterred because of the lack of opportunities for promotion or by the large, and growing, gender pay gap. It is also a huge problem for the economy.

Research conducted 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.

In 2006, the Productivity Commission undertook a comparative study of workforce participation in Australia and other OECD countries.<sup>5</sup> It found that while Australia ranked 10 in total workforce participation rates, when it came to child-bearing aged women, that is, aged between 25 and 44, we ranked 23 out of the 30 countries. In other words, the women who are - or should be - in the prime of their working lives are less likely to be in the workforce than most comparable countries.

The Productivity Commission estimated that if Australian women's participation rate were to increase by just 7.1 percentage points, so that it equalled Canada's, this would add 209,000 more women people to the workforce.<sup>6</sup>

That might help the economy by improving productivity. Someone should tell the Business Council. Someone should tell the Prime Minister.

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<sup>2</sup> Elizabeth Broderick, "Make room at the table for women" *The Australian Financial Review* October 29, 2009 p. 71

<sup>3</sup>(<http://www.weforum.org/en/Communities/Women%20Leaders%20and%20Gender%20Parity/GenderGapNetwork/index.htm>)

<sup>4</sup> Kevin Daly *Gender Inequality, Growth and Global Ageing*. Goldman Sachs Global Economics Paper No: 154 April 3, 2007 (Can be found at <https://portal.gs.com>)

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

<sup>6</sup> Ibid. p. 56

In fact there is probably no single change that would be better for our overall economy than to lift women's labour market participation. It should be a national goal, not a dirty little secret that no one seems to want to talk about.

WE ALL KNOW WHAT the problems are.

It was at this conference last year that we learned the results of the latest EOWA census of women directors and senior executives and heard the shocking news that the numbers had actually gone backwards.

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>7</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, and four women were members of the Rudd Cabinet, elsewhere in the economy women were doing badly.

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

A year later, the debate about quotas is a very real one because the federal government is reviewing its Equal Opportunity for Women in the Workplace legislation, and EOWA, the agency that runs it.

The review has been conducted by KPMG. It has collected submissions, held consultations and is due to report to the government on November 30 on the outcome of these inputs. If the report reflects the inputs of which I have knowledge, it will have to recommend to the government that it legislate for measurable targets or quotas at every level of employment, including Boards, and for companies to report on the gender breakdown of their pay scales. A revolution could be in the wings.

And not before time.

We know the barriers to women's equality in the workforce, especially when it comes to pay, and we know now - from the Goldman Sachs study and the report of the Australian Productivity Commission - that these barriers are actually hurting the Australia economy. It is time for radical change.

We know that in Victoria women on average earn 83.4 cents for every dollar earned by men. There has been only a marginal improvement in the past quarter-century with the Australia-wide gap narrowing from 18.5 per cent in May 1984 to 17.4 per in May 2009.

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<sup>7</sup> Equal Opportunity for Women in the Workplace Agency, "2008 EOWA Australian Census on Women in Leadership" Media Release 28 October, 2008

We know that the pay gap starts from the moment women leave university, with female graduates earning on average \$2,000 p/a less than male graduates. When it comes to the professions, women are far worse off. A House of Representatives inquiry into pay equity has heard evidence that women lawyers are among the least fairly treated of all women.

Although 56 per cent of law graduates are women, by the time they are aged 40 only 25 per cent of Australia's practising lawyers are women. One reason for the drop-off is the appalling gap in earnings. Women lawyers suffer a 62 per cent pay gap. And it starts in the first year. The Law Council of Australia has revealed that in 2007 in New South Wales male graduates were paid \$70,300 while women received only \$63,500.<sup>8</sup> This earnings gap is entrenched right at the start and continues to widen the longer the women stay in the profession. Is it any wonder that women get discouraged and leave?

It seems the higher up you go in an organisation, the worse the pay discrimination is. A recent report from EOWA revealed that women CEOs receive only 67 per cent of male CEOs salaries, while Chief Financial Officers are even worse done by, getting just 49 per cent of the salaries of their male counterparts.<sup>9</sup>

But the most startling statistic of all is the one that tells us that in Australia in 2009 there is a million dollar penalty to being a woman.

Recent research shows that if current earning patterns continue, the average 25 year old male starting work today would earn \$2.4 million over the next 40 years while the average 25 year old female would earn \$1.5 million. Over a life-time of working, a woman will earn almost one million dollars less than a man.<sup>10</sup> How fair is that?

The consequences of this gender pay divide is that women not only have less money than men during their working lives but that they are two and half times more likely to live in poverty in their old age than men. How fair is that?

We have a GFC all right - a Gender Fairness Crisis.

And that is bad for women and it is bad for Australia.

But let's hope the government will recognise this, and use the EOWW review process to introduce positive change.

I know the idea of affirmative action, or quotas, sometimes makes women a little nervous. I want to get my job on merit, they say. Well we would all like that.

The trouble is, we do not have a merit-based system in this country. We pretend to but we don't. If we did, we would not have the outcomes we have. If the system truly operated on merit, a lot more women would hold high-level jobs

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<sup>8</sup> Sue Dunlevy, "Women lawyers not equal" *Daily Telegraph* 12 August, 2009 p. 3

<sup>9</sup> Catherine Fox, "Female executives working for half pay," *Australian Financial Review* January 25-28, 2008 p. 9 Read the full report: [http://www.eowa.gov.au/Australian Women In Leadership Census/ 2006 Australian Women in Leadership Census/Top Earner Report/FINAL REPORT.PDF](http://www.eowa.gov.au/Australian%20Women%20In%20Leadership%20Census/2006%20Australian%20Women%20in%20Leadership%20Census/Top%20Earner%20Report/FINAL%20REPORT.PDF)

<sup>10</sup> Cassells, R. Miranti, R. Nepal, B and Tanton, R (2009) *She works hard for the money: Australian women and the gender divide* AMP/NATSEM Income and Wealth Report, Issue 22

People are promoted for all sorts of reasons - networks, connections (old school tie, golf buddies), competence, luck, nepotism and so on. Merit may sometimes be part of it, but you would not want to bet on it. In fact, we see examples every day of people of lesser merit being promoted over those who are more qualified.

There is growing support for some kind of planned and measurable means for increasing the number of women in senior positions and in ensuring gender pay equity. While most businessmen will not go so far as to support quotas, more and more are saying they accept that targets would be fair.

And even Sydney's *Daily Telegraph* has weighed in, saying "The key to breaking down opposition to quotas, and opposition to women at executive level and beyond, is to understand the depth of ability denied to our economy by limiting female involvement. If quotas succeed in opening these doors, they could be a very welcome innovation."<sup>11</sup>

If you are still not convinced, let me just remind you of someone we all admire, whose ability and competence is beyond question and who would not be where she is today without the affirmative action policy of quotas introduced by the Labor Party in the early 1990s to increase the number of women in parliament. I am referring of course to Julia Gillard.

She made three attempts to get preselection. On the first two, she was refused a spot and the third time she only succeeded because the seat she went for had been delineated as an "affirmative action seat", and had to be given to a woman.

Imagine the many Julia Gillards who could be occupying our companies and our government departments if a similar policy operated in employment.

LET ME CONCLUDE by quickly explaining how the conference will be run.

We will have two Keynote Speakers: we have already heard from our first. Julia Gillard, the Deputy Prime Minister was obliged to rearrange her schedule because she is Acting Prime Minister this week. In a few moments, Jill Lester who is President and CEO of The Hunger Project, based in New York, will address us.

As in previous years, most of the other sessions will be panel discussions.

Each of these will be conducted on an interactive basis, with the panellists sharing with you – and with each other – their ideas and their own stories. I will lead and facilitate each of these discussions.

Those of you who have attended this conference in previous years will know that one of the things that makes it very special is that our panelists and speakers have always been willing to share their stories, often in a quite personal way. They don't just stand up there and tell us what they think. They share with us key experiences of their lives and work. They make a unique connection with you, the audience.

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<sup>11</sup> "Gender Quotas" *Daily Telegraph* October 15, 2009

This really is unique. You don't find speakers doing this at other conferences. I doubt that you would find many men willing to speak on such a personal level. It is one of the many benefits of this conference.

We believe this less formal approach is one that reaps great benefits because it allows each person to react to each other's experiences as well as conveying their own. At the end of each session there will of course also be ample opportunity for you the audience to ask questions. And I hope you will not feel inhibited about doing so.

We intend to have frank and, I hope, provocative discussions throughout this conference. There is no media present so nothing that is said here will be reported. We will operate under the Chatham House Rule.

For those of you who are unfamiliar with this institution and this rule, Chatham House is Europe's leading foreign policy think-tank which brings together people from government, politics, business, NGOs, the academic world and the media and has developed a reputation for hosting important discussions of major foreign policy significance. The Chatham House Rule, famous worldwide for facilitating free speech and confidentiality at meetings, originated here.

The actual Rule is this:

*When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speakers, nor that of any other participant may be revealed; nor may it be mentioned that the information was received at a meeting of the Institute.*

In other words you can discuss what you have learned here over the next two days but you cannot say anything that would reveal the identity of the participants, either by mentioning their names, or by mentioning that it was at this Conference that you heard it.

What is said in the Conference stays in the Conference?

All of our participants are in important jobs – and I am sure they want to keep them! At the same time, I know that we would all appreciate hearing honest and frank accounts from them about what they do or have done and the issues, challenges and problems they have dealt with.

We have applied this rule over the past seven years at our previous conferences and I can report to you that it has had a very positive impact. Our panelists felt able to talk freely. There has not been a single complaint that anyone's confidence was betrayed. I have therefore assured each of this year's panelists that they can speak freely without fear of having their remarks end up in the media – or anywhere else for that matter.

Those of you who were planning to tweet from the Conference need to be mindful of this rule. If you are tweeting to someone else in the room, fine. But if you are engaging with people beyond the conference you must respect the rule that says you do not divulge the contents of what people have said.

At the end of the conference we hope that you will all be inspired as well as informed, energized and invigorated and that you will be ready to go out into the

world really focused on what you want to achieve, in both your personal as well as your professional life. I invite you to enjoy what the next two days have to offer.