



# Women on Super Boards: The Inside Story

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# Women on Super Boards: The Inside Story

Qualitative survey, data collection and analysis completed  
by Rob Demasi, AIST

## About AIST

The Australian Institute of Superannuation Trustees is a national not-for-profit organisation whose mission is to promote and protect the interests of Australia's \$450 billion not-for-profit superannuation sector. AIST's membership includes the trustee directors and staff of industry, corporate and public-sector funds, who manage the superannuation accounts of nearly two-thirds of the Australian workforce.

As the principal advocate and peak representative body for the not-for-profit superannuation sector, AIST plays a key role in policy development and is a leading provider of research.

AIST provides professional training, consulting services and support for trustees and fund staff to help them meet the challenges of managing superannuation funds and advancing the interests of their fund members. Each year, AIST hosts the Conference of Major Superannuation Funds (CMSF), in addition to numerous other industry conferences and events.

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## OVERVIEW

Governance issues have become an important topic of debate, not only within the superannuation sector but also across corporate Australia. As a result, diversity – particularly in terms of gender – is an important focus, especially given the relatively low levels of female representation on both superannuation and ASX-listed company boards. While the superannuation sector has generally fared better than listed companies in terms of its gender diversity, the sector still does not adequately represent its membership.

Much has been written regarding the lack of women directors in corporate Australia: female representation currently hovering around the 15 per cent mark. But appointing more women as directors of super funds is not just about balancing the gender equation. In fact, many studies have examined the links between gender diversity on boards and financial performance of companies.

For example, a 2007 Catalyst study on board diversity and financial performance found that those companies with the highest proportion of women on their board of directors outperformed those with the lowest percentage of women by 66% on the basis of return on invested capital.<sup>1</sup>

Another study completed by Francoeur, Labelle and Sinclair-Desgagné in 2007, found that “firms operating in complex environments do generate positive and significant abnormal returns when they have a high proportion of women officers”.<sup>2</sup>

In 2008, the Credit Suisse Research Institute conducted a study of more than 2,000 multi-billion dollar organisations, revealing a greater correlation between the stock performance of the company and the presence of women on the board.<sup>3</sup>

There is no doubting the importance of the specialised skills that a director must bring to the boardroom. Not-for-profit superannuation funds, through their sponsoring organisations, search for the ideal board nominee to satisfy the needs and requirements of a particular board. To ensure a diversity of skills that works to the benefit of that board, the criteria of the search generally takes into account background, culture, professional qualifications, and experience.

In 2012, AIST completed a study of not-for-profit superannuation fund boards that revealed 21% of directors on the boards surveyed were women. Whilst this percentage compares favourably with ASX200 boards, where 13.9% of corporate directors are women<sup>4</sup>, it falls well short of being representative of the working population - as women make up 45.6% of Australia’s labour force.<sup>5</sup>

In order to have a better understanding of how women are appointed to the boards of not-for-profit superannuation funds, AIST conducted face-to-face interviews with 48 of its female director members.

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1. Catalyst, *The Bottom Line: Corporate Performance and Women’s Representation on Boards*, (2007).

2. Claude Francoeur, Re’al Labelle & Bernard Sinclair, ‘Gender Diversity in Corporate Governance and Top Management’ (2008) *Journal of Business Ethics* 81, 83.

3. Credit Suisse Research Institute, *Gender diversity and corporate performance* (August 2012).

4. Women on Boards Boardroom Diversity Index (available online; accessed 24 August 2012) <http://www.thesustainabilityreport.com.au/women-make-gains-on-corporate-boards/2341/>

5. Australian Bureau of Statistics, ‘Labour Force, Australia, Status by Sex: Cat. 6202.0’ (June 2012).

### ***Women on Super Boards: the inside story examines***

- how the women directors in the study were appointed;
- the skills and qualifications they bring to their respective board;
- the barriers they believe exist in the appointment of women to boards; and
- the current state of affairs in terms of board composition and the impact on board operation.

The study aims to identify any barriers to women being appointed as trustee directors. It is hoped this information will enable super funds to undertake a variety of initiatives to increase the number of women directors in the not-for-profit superannuation sector.

AIST's vision is for all fund boards within this sector to achieve a minimum 40% representation of each gender. This vision is shared by the national policy and networking group, Women in Super, who provided support for this research. Both organisations propose that funds adopt, and publicly disclose, a gender diversity policy for their board with a target of 40% female directors by 2017, underpinned by an interim target of 20% by the end of 2013 for funds with board representation below this threshold.



**Barbra Norris**

VicSuper – Director since 1998

“ Generally women work very well at getting everybody included and coming up with a consensus. Women bring a mindset in that they actually want an outcome. They don't bring ego into the room. Men tend to play nicer in the room when women are around.”

# EXECUTIVE SUMMARY

This report presents a broad overview of 48 women trustee directors within AIST's membership. It includes details of participants' work experience, education, how they were appointed, their advice relating to the future appointment of women, and their views on gender balance.

## Key points and themes:

- **96% of women have completed a bachelor's degree**

Nearly all participants had a tertiary qualification of a bachelor's degree with 25% having further completed a Masters. A small number have completed their doctorate or PhD studies. (refer pg 13)

- **Almost 90% of respondents had previous board or committee experience**

Prior to their appointment, the majority of women had some experience on a board or committee ranging broadly from union/employer organisation committees, hospital boards, school boards/committees and many others. (refer pg 9)

- **Over 80% of women undertake a minimum of 30 hours of super-related training per year**

The majority of women (61%) undertake between 30 to 60 hours of super-related training each year, with a further 20% indicating they attend well over 60 hours of training per year.

Furthermore, almost 90% of women interviewed completed additional professional development external to their minimum CPD requirements as a trustee director. This varies from attending various conferences and events, to maintaining their licence in their field of work i.e. nursing, law etc. (refer pg 14)

- **More women directors on funds with higher female demographic**

Generally, funds that have a higher proportion of female members tend to also have boards with a balanced gender composition. (refer pg 21)

- **Two-thirds recommend governance training for new directors**

Roughly two-thirds of respondents agree that governance training is paramount for a newly appointed trustee director. (refer pg 24)

- **Women bring a different perspective to the board**

More than half acknowledged that women bring a different perspective to the board room. Many felt that women directors are more collaborative and take a whole-of-membership approach to matters being raised in the boardroom. (refer pg 15)

- **The appointment process needs to be revised**

Approximately two-thirds of the surveyed participants believe barriers to board diversity stem from some funds being associated with industries that are male-dominated. Others felt that males were more likely to be appointed by default, given they tend to occupy more senior roles. (refer pg 18)

– **Super is a ‘boys club’**

In relation to the barriers that exist, the majority of women commented that the super industry is male-dominated, creating a difficult environment for women to become noticed, promoted and supported in career advancement towards a trustee director role. (refer pg 18)

The study also revealed the topic of board gender diversity is generally not discussed at board meetings. Many of the interviewed women were the only woman on their board. Only 27% of women indicated that a discussion around gender diversity arose in the board room when the board is recruiting a new director. (refer pg 20)

– **Over half were appointed via a network contact**

More than half of the participants within the survey revealed they were head-hunted, or contacted directly by the board or fund executive when their director role became available. This suggests these women were active and remained highly networked within the industry. (refer pg 7)

– **Boards still lagging on gender diversity policies**

Almost half of the interviewed participants revealed their board does not have a policy around gender diversity, which propagates the gender imbalance of many of the boards represented in the survey. (refer pg 20)

All the women interviewed take a serious and dedicated approach to their role as a director, and recommended women considering a trustee director role should also be passionate about the fund they will represent on commencement of their board term, and throughout their service.



“ Knowing you have contributed to the income of members and helping them have a solid retirement is rewarding for me as a director.”

**Michelle Blicavs**

Australian Christian Super  
– Director since 2010

## METHODOLOGY

The data for this research was collected over a three month period through qualitative interviews conducted on a one-on-one basis. All 125 of AIST's female director members were invited to participate in the survey, with 48 agreeing.

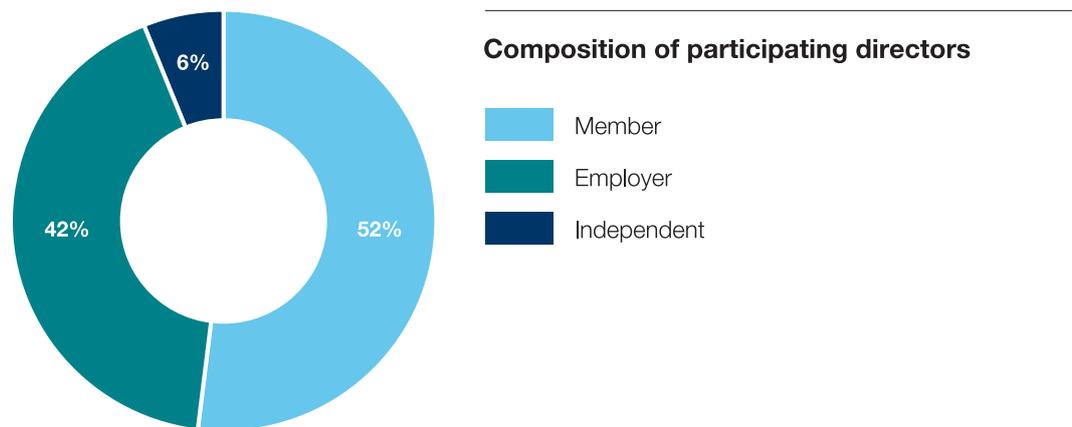
The interviews collected biographical information about the individual director, and a number of open-ended questions were also asked to encourage a more in-depth response from participants on key topics.

The interviews focused on their experiences as a director, including how they were appointed as well as their qualifications and their views on gender representation on boards. There was an assortment of experience amongst the participants with some relatively new to their board positions, while others had been directors for almost 20 years.

### Participant composition

The participants in the survey hold board positions in super funds across Australia and represent a number of different sponsoring bodies. Some are also independent (in accordance with S10 in the *Superannuation Industry (Supervision) Act* definition of independence<sup>6</sup>).

The sample represents almost 40% of all women directors within AIST's membership.



In total, 33 super funds were represented by the 48 participants from the three sectors in the not-for-profit super space: industry, corporate and public-sector funds.

<b>Industry</b>	74%	35
<b>Corporate</b>	10%	5
<b>Public sector</b>	16%	8

6. *Superannuation Industry (Supervision) Act 1993* (Cth) s10

# PART 1: WHO ARE THE WOMEN AND HOW WERE THEY APPOINTED?

## Age at appointment

The survey revealed that 50% of the interviewed women first became a trustee director of a not-for-profit super fund between the ages of 36 to 45 years. Many of these women had either little or no career break in order to reach these positions at that age.

Age	% of women
26-30	2.0%
31-35	12.5%
36-40	25.0%
41-45	25.0%
46-50	16.7%
51-55	8.3%
56-60	4.2%
61-65	6.3%

## Sponsoring organisations

Not-for-profit superannuation funds have the unique configuration of an equal mix of directors appointed by sponsoring union (member) and employer organisations. Some funds also appoint directors outside of sponsoring organisations to their boards, usually for their specific skills. Occasionally, sponsoring organisations will nominate a director who is not associated with their organisation as their representative to a super fund's board.

## When and how they were appointed

	% of all women within the study	% of women from industry funds only	% of women from corporate funds only	% of women from public sector funds only
<b>Nominated themselves for a member election</b>	15%	12%	3%	0%
<b>Nominated by their sponsoring body</b>	34%	25%	6%	3%
<b>Recommended through a professional contact (i.e. the board directly, their own executive, etc.)</b>	51%	33%	6%	12%

The majority of women who participated in the research were appointed as a trustee director through a network contact within the industry. For most women, they were either headhunted or personally ‘tapped on the shoulder’ by a board member or senior executive (usually by the director stepping down).

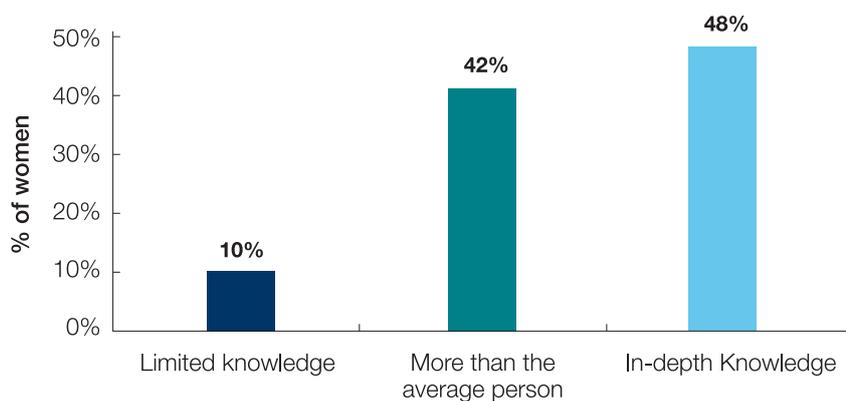
This is consistent with a 2012 study conducted by Groysberg and Bell, which found 80% of women surveyed were appointed because they were known to the board or a current director.<sup>7</sup> The *Women on Super Boards* study reveals that, in almost all cases, the women were working for an employer or member organisation at the time they were appointed.

Just over 30% of women were appointed to their current board positions directly through their member or employer body and were not known to the board.

Finally, 16% of women nominated themselves to be considered for a board election. They were voted in by the members or appointed directly by the board.

## Super knowledge on appointment

### Self-reported knowledge of superannuation prior to becoming a director



The interviews revealed that 90% of all women felt they had, at a minimum, a good base knowledge of superannuation. Half of these women confirmed their knowledge of superannuation was in-depth due to either their union background, involvement in industrial awards or their employment history in various human resources roles.

7. Professor Boris Groysberg & Deborah Bell, *Australia and New Zealand Board of Directors Survey 2012* (2012: Heidrick & Struggles).

## Other related experience

Most of the women interviewed had previous or current experience of being on a board or committee, with just 13% saying they did not have relevant governance experience prior to their board appointment.

Of those women who did have board or committee experience, this experience varied broadly across union or employer organisation committees, government advisory boards, hospital boards, school boards and committees, local council boards and committees, private and retail-sector boards, voluntary organisations, and boards or committees in the finance sector.



**Deborah Wixted**

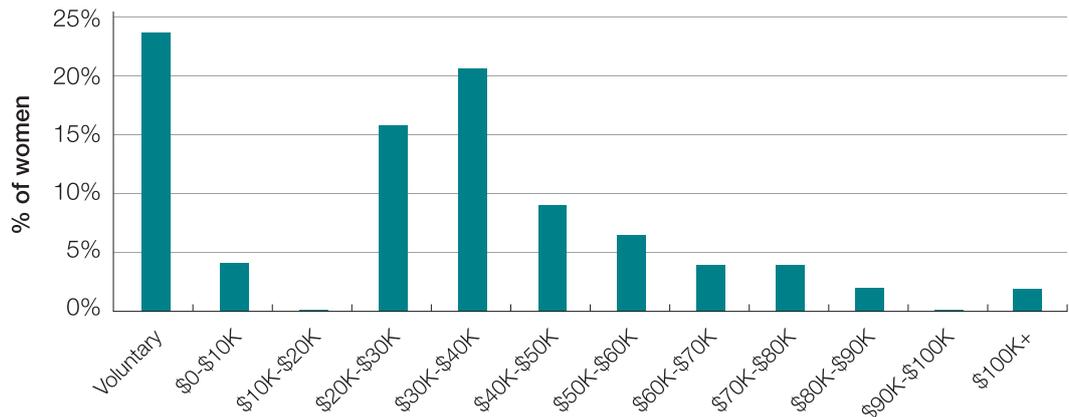
Commonwealth Bank Group Super  
(previously Officers' Superannuation  
Fund) – Director since 2011

“ I get to interact with a wide variety of people across the business. I'm taking my skills as a director and putting them into my day job. I get to meet people with different backgrounds and experiences.”

## PART 2: INVOLVEMENT WITH THE BOARD

### Remuneration

#### Director remuneration



More than 80% of the women interviewed provided details of their remuneration for services to their board. Of these, half reported they are directly remunerated for their services as a director. Just under half of the participants were paid within the vicinity of \$20,000 - \$40,000 per year.

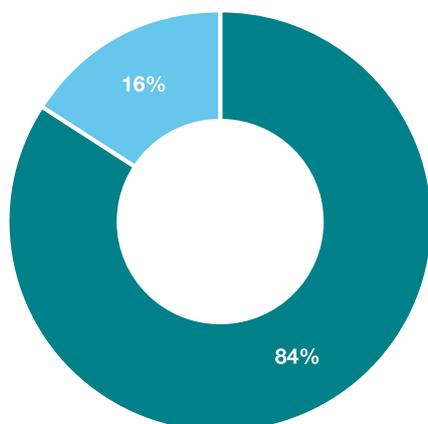
Just under a quarter of women said they volunteered their time to their board, whilst 19% of all respondents reported their fees are paid directly to their sponsoring organisation.<sup>8</sup> This arrangement occurs when directors attend board meetings and conduct board-related work whilst also continuing to be paid by their employer. A similar arrangement often occurs when employees are nominated for jury duty.

More than half of the participants who volunteer their services were directors on industry fund boards, while the remainder sat on the boards of corporate funds.

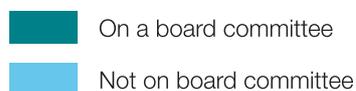
Almost half of the women who disclosed their remuneration arrangements noted their payments also covered services to their board's sub-committees.

8. This was irrespective of whether they provided specific details of their remuneration.

## Board committees



### Women serving on board committees



The majority of the women surveyed contribute to a board committee, with 84% responding that they sat on a board committee in addition to their role as a director.

## Number of women on board committees

Number of committees	% of interviewed women
1 committee	31%
2 committees	52%
3 committees	14%
4 committees	3%

Approximately half the women interviewed serve on two board committees, with 31% serving on just one board committee.

Three participants indicated their entire board also operates as the board's investment/audit committee.

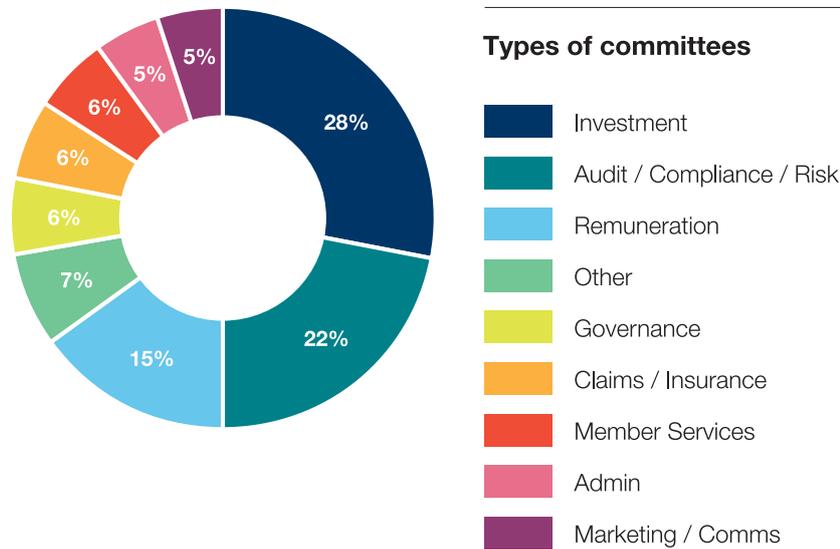


**Elana Rubin**

AustralianSuper – Director since 2007

“ Superannuation is one of the great social equity policies of the 90’s and being involved with that is very satisfying and rewarding. It has been a fantastic initiative for ordinary workers. It’s also been a great opportunity for me to be exposed to a new industry.”

The most common board committees that the interviewees participated in were the investment committee (28%), audit/compliance/risk committee (22%) and the remuneration committee (15%).



### Multiple directorships (not-for-profit superannuation boards only)

Single directorship	46
Multiple directorship	2

Overall, the survey revealed that the majority of women were directors on just one not-for-profit superannuation board. Only two participants sit on another not-for-profit super board and in these instances, the super funds represented different industries.



**Ged Kearney**  
Cbus – Director since 2011

“ I’m a firm believer in affirmative action. We need funds to set measurable targets - have X number of women by a certain date. There should be specific training for women interested in these positions, courses that are specifically targeted and designed for women.”

## PART 3: SKILLS AND QUALIFICATIONS

### Work history

The participants' occupations were wide-ranging including lawyers, nurses, consultants, teachers, accountants, general managers/CEOs and partners of firms.

The fields of work included the finance sector (superannuation, investment, banking etc.), industrial relations, information technology, human resources, science, defence, journalism, farming, media and some volunteer work.

Almost half the women surveyed spent a portion of their working life as a union organiser, union official or an industrial officer.

Around a third of those interviewed held or still hold directorships on boards outside the not-for-profit superannuation sector, whilst also working full time.

### Tertiary qualifications

Doctorate	3%
PhD	3%
Masters	25%
Grad diploma	14%
Grad certificate	12%
Bachelor's degree	96%
Advanced diploma	4%
Diploma	19%
Certificate	6%
Nil	3%

### Additional qualifications

CPA	6%
Registered nurse	6%
Fellow of AICD	3%
Fellow of AIST	12%
FIAA (Actuary)	3%
CFA	3%

Of the women surveyed, 96% held a bachelor's degree as a minimum tertiary qualification. Around half of these women had also completed at least one other qualification, ranging from a diploma to a masters. A 2008 APRA study of directors on not-for-profit and retail superannuation fund boards revealed that 65% of directors had a university degree.<sup>9</sup> While this is still more than half, it is considerably lower than the education of the participants in this survey.

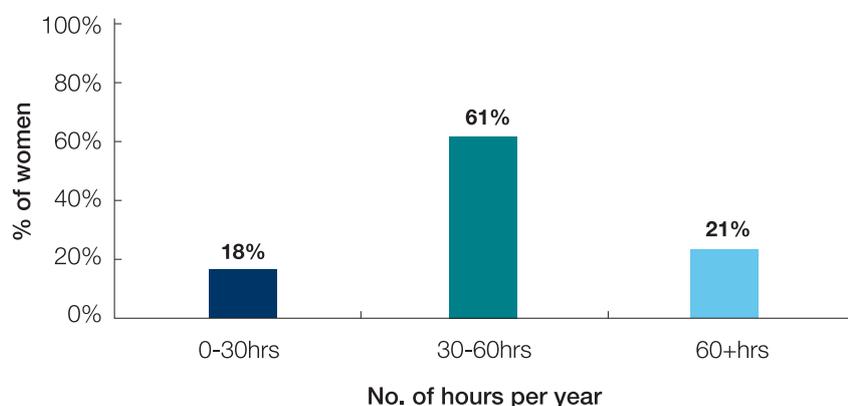
In fact, just two women revealed they had no 'formal tertiary' qualifications. However these women have attended and completed various workshops and training sessions over their career for a variety of senior positions held in their organisations and as a director.

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9. Wilson Sy, Chris Inman, Neil Esho and Renuka Sane, 'Superannuation fund governance: trustee policies and practices' (July 2008) APRA Working Paper.

## Ongoing professional development: superannuation

### Super-related training undertaken by directors



The majority of women (61%) undertake between 30 to 60 hours of super-related training each year, with over 20% indicating they attend well over 60 hours of training per year.

## Ongoing professional development: additional

Professional development	% of women
Briefings / reading / workshops / conference (including AIST events)	46%
AICD	21%
Nil	14%
Corporate governance training	10%
Maintaining law practice	10%
Transferrable skills from day job	6%
Maintain nursing practice	6%
Maintain CPA	4%
Cert 4 – training and assessment	2%

The additional training that contributes to their role as a trustee director for almost half of all women surveyed includes attending conferences, briefings, and workshops as well as reading various industry publications as part of their professional development.

Some 21% of participants also completed or are currently completing a director's course at the Australian Institute of Company Directors.

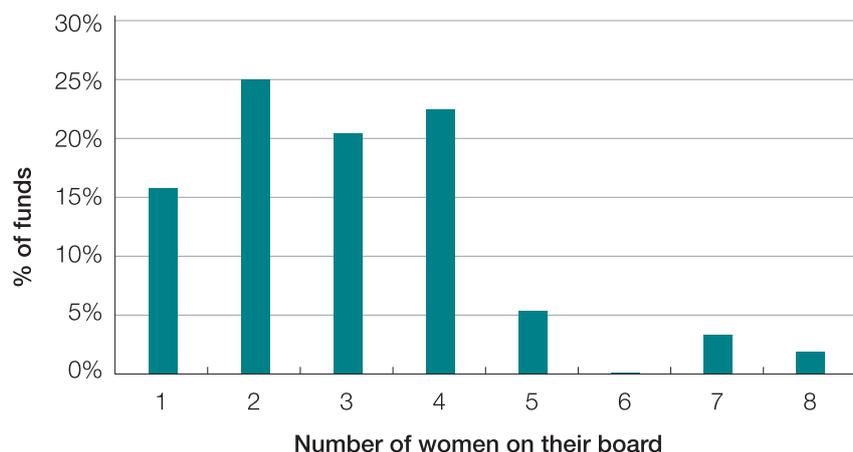
Meanwhile 20% of women surveyed continue to attend workshops or conferences on a yearly basis in order to maintain their licence in their professional field i.e. nursing, accounting, law etc.

Corporate governance training accounted for only 10% of current training plans, despite many participants acknowledging this as a growing area of professional development for both senior professionals and directors.

## PART 4: GENDER ON BOARDS

### Number of women on their board

#### Number of women on their board



More than 70% of the women interviewed indicated their board consisted of between two to four women, with an average board size being nine to ten directors. However, there were instances where a board consisted of just one woman among 15 directors, another containing two women out of 16 directors, and two occasions of one woman director out of ten directors in total.

Overall, the interviewed women indicated their boards are, on average, made up of around 30% women.

### Observations of other women's contributions

In relation to the participants' views regarding the contribution women make to boards, there were some common themes. Overall, more than half acknowledged that women bring a different perspective to their board. Many believe that women are more collaborative, that they bring a softer approach in their contributions, and take a whole-of-membership focus to matters raised in the board room.

Furthermore, the survey revealed that women will often take on less-glamorous roles on the board or its committees, and are generally not afraid to ask the 'silly', but arguably necessary questions that need to be asked that others in the room may be unwilling to ask.

The research also revealed that due to the male-dominated environment, the participants felt the need to further prove their skills and capabilities. Many women stated they read their board papers from cover to cover, indicating they are meticulous, analytical and diligent when it comes to their responsibilities as a director - a comment expressed by the majority of participants, and who perhaps felt some of their male counterparts did not necessarily follow suit.

## On women's contributions to the board...

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*“ They don't speak unless they need to, they don't repeat what's been said before and they don't speak to hear themselves. They have a style that is less aggressive but still assertive. A rich dimension of discussion that goes into the decision making.”*

**Maree O'Halloran - HESTA**

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*“ I've had feedback that my prepared approach to the meetings and willingness to ask questions helps ensure we look at things through different perspectives. Diversity of skills and experience on a board is essential. I also read broadly to help increase my understanding of the key issues and opportunities and ask plenty of questions in the meetings to clarify that understanding.”*

**Suzanne Young - Commonwealth Bank Group Super (previously Officers' Superannuation Fund)**

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*“ Women can be intuitive, quite lateral in their thinking and out of necessity are usually able to multi-task combining careers, work responsibilities and family demands.”*

**Margaret Sansom - NGS Super**

This was a controversial topic of discussion for some participants, despite more than half agreeing that women brought a different perspective to the boardroom. Some participants felt quite strongly against the proposition that women contributed in a way that was different to men.

## On the differences between men and women...

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*“ Same as the contributions made by males. You have good ones and not so good ones.”*

**Juliet Brown - Local Super**

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*“ [Women are] As equal as men. They are on the board because they have the qualifications to be there.”*

**Michelle Kempster - Northern Territory Government Public Authorities' Superannuation Scheme**

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*“ Everyone makes a contribution. I don’t believe that women’s contribution is different in kind to that of men.”*

**Christine Goode - AvSuper**

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*“ There is no real difference to the contribution that women make. The Chair is focused on receiving a good contribution from all the board members and takes an active role to enhance the performance of the board.”*

**Deborah Wixted - Commonwealth Bank Group Super (previously Officers’ Superannuation Fund)**

However, despite the mix of opinions, all agreed that diversity at all levels makes for a better-functioning board.

### What are the rewards in being a trustee director?

Learning	58%
Helping people retire	52%
Personal interest	27%
Financially rewarding	8%

While most of the women interviewed found that their position as a director could be challenging, they enjoyed the opportunity to expand their knowledge and skills. Many commented that they felt rewarded and honoured in the knowledge that as a director of a superannuation fund, they were assisting thousands of Australians to save for their retirement and build a better future.

### On being a director...

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*“ It’s been an amazing journey. The skills, the opportunities...and the opportunity to make life more beneficial for other people.”*

**Angela Briant - Tasplan**

## Barriers to appointment for new directors

The appointment process	67%
Women not confident / not putting themselves forward	27%
The fund's industry / sector	25%
Not enough women in senior positions	23%
Career breaks for women	10%
Women not aware of how to apply	4%

With regard to the barriers preventing women from being appointed to a superannuation board, there was a particular theme that many women identified: 'it's a boys club!'

Over 40% of the women interviewed felt that the appointment process was controlled by men – whether this was the result of the fund being heavily linked to male-dominated industries or sponsoring organisations, or whether it was the origin of the super fund itself.

Approximately 27% of respondents suggested women needed to develop the confidence to put themselves forward and network more, so that they would be considered for future director roles. There was also an underlying feeling that an insufficient number of women are employed in senior roles within organisations that would be deemed ideal to make the transition to director.

## On the appointment process being male-dominated...

.....  
*“ Barriers are at the union end and the industry itself. For example, construction industries, transport industries etc. There's a possible incorrect thinking that males understand males so there are some perception barriers. Employers and unions are responsible for sponsoring people. It begins with them.”*

**Christine Goode - AvSuper**

.....  
*“ Women need to be in the network and need to be known and networking.”*

**Glenys Roper - AvSuper**

.....  
*“ The representative model involves unions from industries where there aren't many women, such as the construction industry – they would have to cast a wider net for women.”*

**Ged Kearney - Cbus**

.....  
*“ The process used to select those people. Like attracts like, men attract men to these roles. They tend to know more men.”*

**Catherine Nance - GESB**

The work patterns faced by women differ considerably to that of their male counterparts. Some women found this to be a significant barrier in their careers, as it also leads to a possible lack of confidence in women not believing they can fulfil the role successfully.

### On confidence...

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*“ Work patterns/career breaks make it harder for women in any sector. When they return to work, they come back to part-time positions and generally are placed in less challenging roles.”*

**Christine Forster - VicSuper**

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*“ Women might think they are not good enough. With work and families etc., this role requires a lot of commitment. I think there are too many men. It’s hard to break into. It was easier for me as I was elected rather than appointed.”*

**Rosemary Scarlett - Catholic Super**

But not all women believed the issue resulted from the nature of the sector or the appointment process. Several participants commented that women don’t always support other women and that this is also a significant barrier to the appointment of women.

### Barriers for women surveyed when appointed

No barriers	84%
Male dominated board	6%
Time commitment	6%
A lot to learn	2%
Family balance	2%

Overall, the majority of women indicated that when they were appointed as a trustee director there were no significant barriers for them, and no current barriers to fulfilling their duties. This is consistent with over 50% of women being recommended through a professional contact, or earmarked for their trustee director role.

Many women commented that they have a level of confidence, both within themselves and their understanding of the super system, which ensures they would not feel intimidated if they were to enter a board room at the present time being the only woman.

However, several women noted there were challenges in managing their professional lives with the demands of family.

## Discussions of gender diversity: board

No	57%
Yes	16%
Only when needed	27%

More than half of the women surveyed stated that discussion of board gender diversity does not generally take place in board meetings. In fact, 27% of women surveyed said that gender diversity is only discussed at their board meetings when the board is looking to replace a director.

Overall, the majority of participants commented that board gender diversity is only discussed if the subject matter becomes topical through the media or through the regulators.

## Discussions of gender diversity: sponsoring organisations

### Is gender on their agenda?

No	35%
Yes	33%
Not sure	32%

Regarding the sponsoring organisations' approach to gender diversity on boards, the results were evenly split. While a third of women said gender diversity was a consideration for their fund's sponsoring organisations during succession-planning, a third of respondents were unsure whether this was a consideration. The remaining third said their sponsoring organisations were not taking this issue into account. However, some women indicated that their board nomination committee is responsible for liaising with the appropriate sponsoring body at the time a director appointment is required. Therefore, this committee needs to ensure that it communicates effectively with the sponsoring organisations on this point.



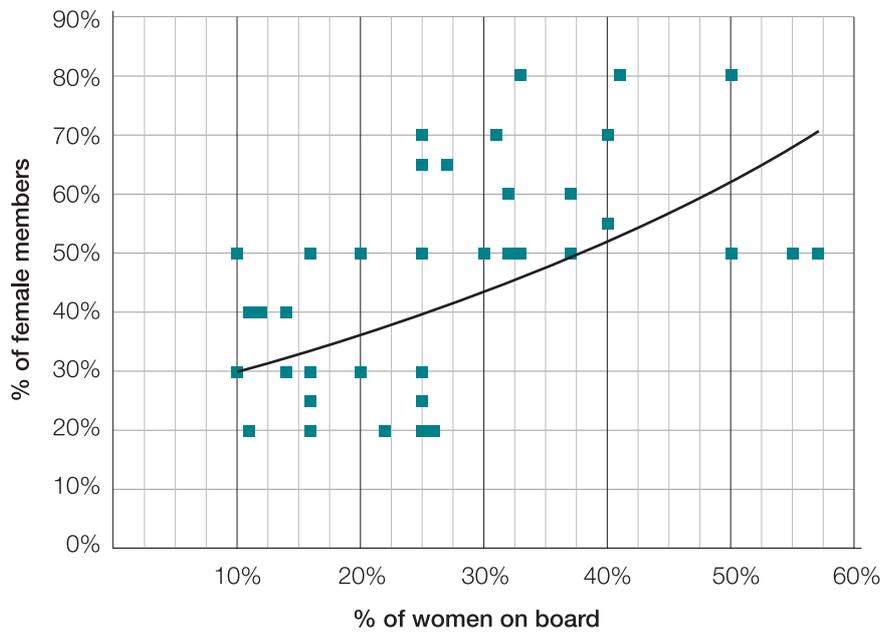
**Cristina Cifuentes**  
First State Super – Director since 2000

“It’s a boys club! Boards will usually choose people who are similar to themselves. They choose people with similar attributes therefore men are hiring men. In my sector with the investment background, very rarely can women be found. Women are not often in senior executive roles. Particularly in the union side, there aren’t many women who are trade unionists and if they are, they’re just not known.”

Of the 35% of women that believed gender diversity was not front of mind for sponsoring organisations, they generally believed that the senior representatives of sponsoring organisations were male, and males are less likely to be cognisant of the importance of gender diversity. In most cases, when a board is looking to appoint a new director they will request the necessary skill set required to complement the existing board, and the appointment is made with this in mind.

## Number of women directors vs. female members of the fund

**% of women directors vs. female members**



The above graph compares funds (represented by the women surveyed) against the percentage of women in their membership. The graph shows a clear trend: boards with more than 30% women directors generally have a membership consisting of at least 50% women. This might indicate that funds with higher levels of female membership are more likely to have a gender-balanced board.

## PART 5: WHAT IS THE SOLUTION?

### Suggestions for improvement

Many of the funds represented in this survey have made improvements and are continuing to work to improve the gender balance on their boards. However, it is clear more needs to be done.

The participants in this survey provided a myriad of options and suggestions for funds, sponsoring organisations and regulators to work on, so that female representation on boards could increase, including implementation of mandatory quotas, sponsorship programs and mentoring programs.

### On ways to improve...

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*“ Networking, writing articles for journals and having women speak at conferences is a fantastic promotion for the not-for-profit sector.”*

**Yvonne Chaperon - HESTA**

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*“ Women in organisations from which we can draw need to be identified early on and can be trained up. Funds should communicate with sponsoring organisations, tell them they will have vacancies and that they would like women in these roles, so they can train them up early.”*

**Cristina Cifuentes - First State Super**

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*“ Get them into events/conferences where they can meet people. They can learn a lot and the networking is vital.”*

**Michelle Kempster - Northern Territory Government Public Authorities Superannuation Scheme**

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*“ There should be a push to have quotas – start a discussion to bring in quotas which will start the debate.”*

**Lisa Darmanin - Vision Super**

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*“ Women on existing boards can alert other women as it is also word of mouth. Women can alert their own boards to other appointees.”*

**Christine Goode -AvSuper**

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## Board strategies and policies on gender diversity

Just over 50% of participants revealed their board has implemented some sort of policy around gender diversity.

### On gender diversity policies...

.....  
“ *HESTA has addressed the gender equity issue. There are slightly more women on HESTA’s board than men.*”

**Yvonne Chaperon - HESTA**

.....  
“ *We ask the sponsoring bodies to consider gender when looking to recruit a board replacement.*”

**Maree O’Halloran - HESTA**

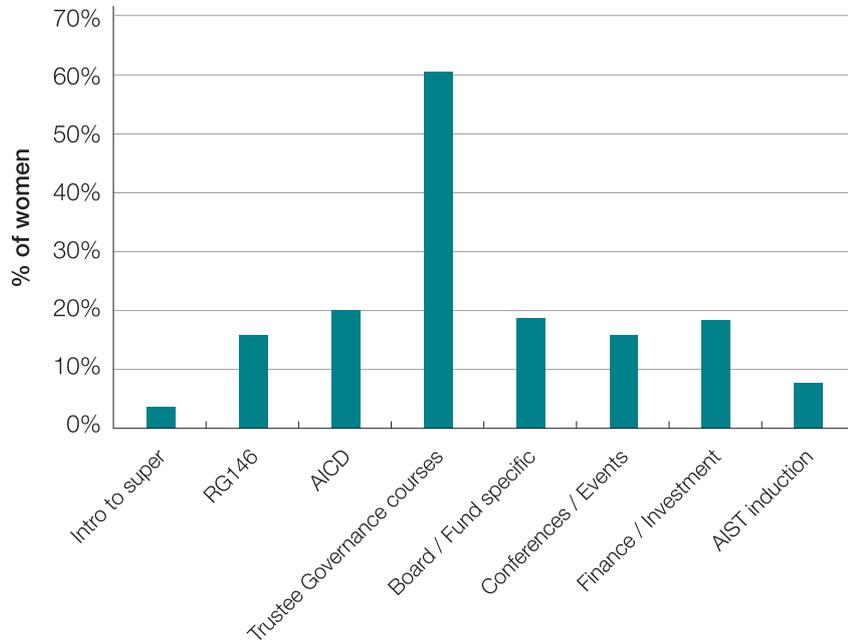
.....  
“ *There is a strategy –the aim is to keep the numbers balanced.*”

**Barbra Norris - VicSuper**

However, in contrast to these responses, there is still a considerable number of funds (although less than half in the survey) that are yet to implement a gender diversity policy. Many women indicated that their fund’s policies to prevent skill gaps are not tied to gender.

## Super-related training for new directors

### Recommended training of new directors



In keeping with director-specific professional development, 23% believed the completion of advanced director training would also be a great benefit for new or aspiring directors.

Director training aside, 21% highlighted that training around the fund they are appointed to is important, i.e. the industry they represent and the tailored approach of the fund's strategy towards investments, insurance options etc.

Around 20% of survey participants also suggested some investment and finance training (particularly around how to read financial statements), RG146<sup>10</sup> and attending various conferences and events, which give individuals the ability to network and learn from more senior professionals.

10. The RG146 course formally addresses the National Competency Standards, which are approved by ASIC as meeting Tier 1 compliance as defined in their Regulatory Guide 146.

## PART 6: CONCLUSION

This research has provided insights into the experiences of female directors in the superannuation industry – how they were appointed, their backgrounds, their thoughts on gender diversity and ways to rectify the current gender imbalance that exists across much of the industry.

For many of the participants, the ability to learn as well as help people with their retirement provided much greater reward than being financially compensated for their role as a director. Nearly one quarter of those surveyed volunteer their time as a director and are not remunerated (other than their travel costs covered for board meetings).

Another common theme in the survey was the commitment and devotion each participant expressed about their role as a trustee director. Many women subscribed to a theory of having to work harder for their position on a board simply because they were female. This diligent and meticulous approach flows into their work ethic, with many undertaking a generous amount of additional super-related education. More than two-thirds of participants attend a minimum of 30 hours of super-related training each year whilst 50% of all participants attend and complete training external to the superannuation sector that they find useful to their role. The vast majority (84%) of women reported that they serve on their board's sub-committees, with just over half serving on at least two committees.

The interviewed women see their position as a director as a privilege, and continue to work with this mindset. However, despite the interest, skills and attitude demonstrated by these women, the support for greater gender diversity on boards by the industry tends to be broadly lacking.

Principally, the main obstacle identified by respondents was the appointment process and the male-dominated environment from which this originates. Over half of the women that took part in this study were appointed through the recommendation of a professional contact in their network, or through the appointing board directly. This indicates that women are more likely to be appointed and, in most cases, made aware of a board vacancy by someone they know rather than being freely nominated by a sponsoring organisation or through a super fund's member/employer election.

Given the unique character of the equal representation system, many felt direct appointment by the board or through a network contact was a more likely avenue for women to transition onto a board, as the majority of senior positions held within union or employer sponsoring organisations are generally held by men. Almost 70% of participants identified this as a significant issue in the appointment of women to boards. Whilst some believe women lack confidence or consider their career breaks to work against them, most feel the problem is structural given that the selection pool predominantly consists of men. This led to almost half the participants feeling the appointment of directors was completely controlled by men. Notwithstanding these barriers, the appointment process in the not-for-profit sector has nonetheless delivered a higher percentage of women directors (21%) than in the corporate sector (15%).

More than 80% of respondents indicated they did not face any barriers when they were appointed, yet surprisingly the not-for-profit super board landscape remains largely male-dominated – further supporting the theory that the recruitment of directors continues from a highly dominated male environment.

One factor that may have contributed to their appointments was that the women were relatively highly educated, with 90% reporting to have a good to very good knowledge of super prior to their appointment, and 96% having completed a bachelor's degree as a minimum tertiary qualification.

It was also revealed that funds with a high proportion of female members tended to have more women directors on their boards.

## What next?

The gender-imbalance cannot be rectified within days or weeks. It will take years and will involve a change in processes, a change in attitudes, a turnover of directors currently serving, and possibly a change in industry and government standards.

Some possible solutions and recommendations to address the lack of gender balance for super fund boards and the industry as a whole to consider include:

- AIST & Women in Super's Scholarship program – this program aims to train and build the credentials of women who will be sponsored through the program by a not-for-profit fund with little or no gender diversity on its board. At the conclusion of the program, all women will be board-ready and hopefully transition to a trustee director role.
- AIST Trustee Register – this facility offers senior professionals the ability to submit their interest in a trustee director role via the AIST website, where their information will be shared with prospective boards looking to recruit a new director.
- Setting targets – this is the current practice in ASX-listed companies. Measurable gender targets in publicly disclosed gender policies are a much more robust strategy in achieving gender balance. Funds should look to increase women's participation by setting measurable and timely targets. In addition, funds should be aware that from 1 April 2013, all organisations with 100 or more employees must prepare and lodge a public report containing information relating to gender equality indicators as outlined in the Act to the Workplace Gender Equality Act 2012.<sup>11</sup>
- Mentors/ambassadors – ensuring existing trustee directors (both men and women) play a more pivotal role in grooming aspiring women to achieve a better board composition. It was clear from some respondents that boards should work to foster women through the ranks within their organisations and look to appoint mentors to these women in helping them build their confidence for director roles.
- Recruit women to board committees – begin to expose women to the functionality of a board by recruiting them to a board's sub-committee. This exposure can work as a valuable introduction to a trustee director role.
- Alternate directors – another method for aspiring women to be appointed and develop experience as a director.

Due to the complexity of attracting, recruiting and training the best candidates for trustee director roles, the process can become time-consuming for boards and sponsoring bodies. The Cooper Review states: *"As superannuation fulfils many social policy objectives and covers almost all Australian workers... it is important that the Code of Trustee governance include a principle so as to ensure that the gender equity is pursued on trustee boards with reasonable haste"*.<sup>12</sup> Given the delicate approach the stakeholders must take in carefully selecting the most appropriate director, their allocation of time is fast becoming a precious resource and now is the time for change.

Research indicates that a positive change of this nature will benefit the board, the fund's operations and of course, working Australians, as well as improving financial performance.

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11. This law was passed on 19 June 2012.

12. Super System Review: Final Report: Part Two, (2010: Commonwealth of Australia) p64.

## APPENDIX: LIST OF PARTICIPATING WOMEN (in alphabetical order by surname)

AIST would like to thank the following trustee directors for their time and candour.

Director names		Super fund
Denise	Allen	AvSuper
Bernadette	Baker	Australian Catholic Super & Retirement Fund
Andrea	Ballantyne	WA Local Government Superannuation Plan
Nupur	Bhushan	IBM Australia Limited Superannuation Fund
Michelle	Blicavs	Australian Christian Super
Angela	Briant	Tasplan
Juliet	Brown	Local Super
Sue	Buckland	Quadrant Superannuation Fund
Robyn	Buckler	HOSTPLUS
Sue-Anne	Burnley	Care Super/REST Industry Super
Yvonne	Chaperon	HESTA
Cristina	Cifuentes	First State Super
Cheryl	Clayton	Mercy Super
Louise	Connor	Media Super
Susanne	Dahn	MTAA Super
Lisa	Darmanin	Vision Super
Angela	Emslie	Care Super/HESTA/Vision Super
Julia	Fellows	AUSCOAL Superannuation Fund
Nadine	Flood	Commonwealth Superannuation Corporation Board
Katrina	Ford	Media Super
Christine	Forster	VicSuper
Christine	Goode	AvSuper
Ged	Kearney	Cbus
Michelle	Kempster	Northern Territory Government Public Authorities' Superannuation Scheme
Lynn	Mason	Quadrant Superannuation Fund
Tracy	Matthews	Tasplan
Beth	Mohle	HESTA
Catherine	Nance	GESB
Barbra	Norris	VicSuper
Maree	O'Halloran	HESTA
Jo	Powell	Australian YMCA Super Fund
Glenda	Ralph	REST Industry Super
Glenys	Roper	AvSuper
Elana	Rubin	AustralianSuper
Linda	Rubinstein	AGEST
Sr. Angela	Ryan	Catholic Super
Margaret	Sansom	NGS Super
Rosemary	Scarlett	Catholic Super
Julie	Scotti	HIP

Alison	Terry	AustralianSuper
Kristin	van Barneveld	AGEST
Linda	White	legalsuper
Alisha	Wilde	Asset Super
Kathy	Williams	Transport Industry Superannuation Fund
Maria	Wilton	AGEST
Deborah	Wixted	Commonwealth Bank Group Super (previously Officers' Superannuation Fund)
Cate	Wood	Care Super
Suzanne	Young	Commonwealth Bank Group Super (previously Officers' Superannuation Fund)

(The above information was correct at time of interview)

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