

AHRI/UN Women Australia Gender Equity in the Workplace Summit

Speech by Gail Kelly, CEO, The Westpac Group

Thank you so much. What a great honour it is to be here.

It goes without saying that Westpac is delighted to be working in partnership with UN Women Australia in celebrating the 100 year anniversary of International Women's Day. It's actually not our 100th anniversary in Australia, it's our 83rd, so in 17 years time you'll get another opportunity to celebrate 100 years because our first celebration was in 1928.

As our speakers have already pointed out, it's always a good time at a milestone like this to look back and celebrate and recognise the steps that have come before and the barriers and issues that have had to be overcome. But then also very much look ahead and say what more needs to be done, what are the lessons we can take forward and what do we need to do.

Globally, and I know that many of us were at the breakfast this morning and have come away aware of this, many women are still shrouded in poverty, lacking basic human rights and freedom. There was something in the UN fact sheet that was at the breakfast tables that struck a chord with me. It spoke of across the world, 66 per cent of the world's work is done by women and 50 per cent of the work around food is done by women. And yet only 10 per cent of the income is earned by women, and one per cent of property is owned by women.

I know that nearly 60 per cent of those in sub-Saharan Africa infected with HIV/Aids are women; more than half a million women and children die in pregnancy and childbirth each year – 99 per cent of those are in developing countries. And in 2006 there were still 102 UN states that had no specific laws on domestic violence.

In Australia, as we heard from [Minister for the Status of Women] Kate [Ellis], we still have much work to do. We heard Kate indicate that women earn 83 cents in every dollar a man would earn. And I was blown away by her comments that one-in-three women in Australia experience domestic violence, and that one-in-five women in Australia experience some sort of sexual assault. Those are just staggering numbers.

For a moment, let's look back over our 100 years here in Australia and recognise that we have made real progress. There are certainly landmarks in the period that I know each one of us can recall, and landmarks that have directly affected us.

Close to my heart and perhaps symptomatic of many industries, the banking industry, I got some of my team to go back through the annals – we've got wonderful archives at The Westpac Group – to pick up a few facts and figures.

Banking in Australia was, and probably still is, seen as a male domain. The first woman in Australian banking was hired as a typist in 1886. Westpac is coming up for its 200th anniversary, so we opened our doors in 1817, but the first woman employed at all in the bank was 1886.

At that time these women were referred to as 'lady typewriters'. They were placed on 12 months probation at £80 per annum, and they worked in their own room separate from others and I'm told that the bank wanted to guard them against coming into too much contact with the male staff.

There's an amazing letter in this archives. It's dated June 1936 and it's to the Bank Officers' Association. It's written by a male, of course, and it goes as follows:

Females have no place in our association, which is an organisation for promoting professionalism amongst bank officers. The work of females is of inferior standard and they do not desire a banking career, but join the bank to make some pin money and to snare a husband. Doing so, they deny men of work. Their giggling and tittering disturbs the serious business of the banking chamber, makes customers uneasy and the junior clerks are distracted from their work.

I urge you to reject their membership of the BOA, for to accept them would be to approve of their employment in the bank.

Interestingly, it was only in 1961 – not that long ago – that the Bank of NSW employed the first female full-time teller, mainly as a trial to “gauge the reaction of the public”. After the 1960s (it's hard to believe this) the marriage bar required female bank employees across the industry to resign once they became married.

I found that it was a blurry in the middle of the 1960s, so originally there was this ban – if you married, you've got to leave. But then it became a bit blurry and so you can find in the bank rules that it actually said, alright, if you get married you need to come and get permission to stay on, and you need evidence that your husband is of good standing, good moral fibre. And if you want to have a child you need to tell us. That was banned in 1966.

From a customer point of view, women in the 1960s were routinely asked to have their husband or a male guarantor sign for a loan. Some of you or your mothers may have even experienced this, even when they were the sole earner.

Westpac was the first bank in Australia to grant loans without a male guarantor, and this was in January 1971; 40 years ago.

That reminds me of one of my early experiences, and I'm sure you all have early experiences of dealing with barriers and issues and ceilings.

I was just starting out as a school teacher in South Africa. Alan, my husband, and I were newly married, and Alan was a full-time medical student and I was the breadwinner. But first I needed his written permission to allow me to teach. By definition, I could only be employed (this is in Johannesburg in 1979) on a part-time basis because a worthy male might come along and I would then need to leave.

In terms of pay, there was a very graduated scale. At the top of the pecking order was a married male, next was a single male, next single female and last was, of course, a married woman. The pay for married woman I was told when I asked about this was “pocket money”. When I indicated I was the breadwinner they said “we can’t make exceptions”. That was 1979.

Australia is obviously more progressive, because it was in 1969 that the Equal Pay for Work of Equal Value Act was passed. I’m not sure we’ve always complied with it, but the Act was passed. And in the 1970s and 1980s those were fabulous years, really. We saw fundamental changes – decades of immense social change: the emergence of articulate, politically-focused women who campaigned in an organised way for equal opportunity in education, in the workplace, a focus on women’s health issues and adequate childcare facilities.

1984 saw the enactment of the Sex Discrimination Act and in 1986 the Affirmative Action Act. So those women in those generations and those decades deserve a huge vote of thanks for the hard work that they had to put into that and we certainly carry that legacy forward today.

Today we do have a female Prime Minister and Governor General, a paid parental leave scheme and corporate governance standards on gender diversity for listed companies. But of course, as we stand here in 2011 on this 100th anniversary, we have to acknowledge that much more needs to be achieved. There’s much more to be done.

I was in Davos [Switzerland] earlier this year where every year the Global Gender Gap report gets issued. Just having a look at that, in terms of educational attainment for women, not surprisingly Australia ranks joint number one. It’s not surprising when you think of our schools and universities. But on the important matter of participation rate in the workplace for women in the age group 25-34, Australia is 10th lowest of OECD countries. Clearly a gap issue there for us.

Educated women are expected to earn 45 per cent less than an educated man over a lifetime, and she will have substantially less superannuation savings [Minister Ellis referred to that] – 55 per cent less, in fact. And 80 per cent less if she takes time out of the workplace for children. Not surprisingly, it follows that Australian women are two-and-a-half times more likely to live in poverty in old age.

Despite the recent progress – and my notes here say 10.6 per cent of board seats of ASX 200 companies are held by women – but I was told by Liz Broderick as we walked in that we’ve got to 11, and we were doing a high five. Then you think, a high five at 11? Eighty five of those companies actually have no women on boards at all.

Let me return to Westpac and share a little of what we’ve been doing. Last year we were one of the first Australian companies and the first bank globally to sign the CEO Statement of Support for the Women’s Empowerment Principles. I think this is an important step in demonstrating commitment to gender equality.

Today we're issuing our first year report card on progress made, which we've called 'On Target' – there are copies for you. I'm told we're the only company that has actually produced a report card on how we're doing relative to the principles. There are seven Women's Empowerment Principles.

- 1 Establish high-level corporate leadership for gender equality.
- 2 Treat all women and men fairly at work – respect and support human rights and non-discrimination.
- 3 Ensure the health, safety and well-being of all women and men workers.
- 4 Promote education, training and professional development for women.
- 5 Implement enterprise development, supply chain and marketing practices that empower women.
- 6 Promote equality through community initiatives and advocacy.
- 7 Measure and publicly report on progress to achieve gender equality.

I'm not going to go through our progress on each one of them but it's captured in a brief fashion in this easy-to-read report [*On Target*, The Westpac Group]. So please have a look and if you want to follow up on any element, please don't hesitate.

What I'd like to do is discuss our approach to this work, how we set about trying to drive sustainable outcomes, sustainable cultural change. Because I think what we've learnt, what I've certainly learnt is that it won't happen by itself.

As Catherine Fox indicated, I joined Westpac in February 2008 and there was an awful lot going on: a global financial crisis and quite quickly after that we set about the merger with St George. So my first couple of years were really all hands to the pump on those sorts of matters, and fashioning a new strategy for the Westpac Group as well.

But because Westpac has this strong underlying culture of people caring for each other, respect and valuing diversity, I expected this diversity agenda, this work to simply carry forward. And yet my experience is that actually that doesn't happen. Without active leadership, ownership, taking charge, setting up the measures of the program, holding people to account – it actually doesn't happen.

It's a big lesson – these things don't happen by themselves; even in the very best companies with the very best inherent cultures it needs leadership, accountability and ownership, and a clear program all the way through.

At Westpac we talk about this in terms of hard wiring and soft wiring. What do I mean by this? Well, hard wiring is the policies, the structures, the measures, the targets, the full on interventions that you need to drive a rigorous program. Soft wiring is equally important; it's the story telling, the role modelling, the recognition systems, the cultural interventions, the calling out of behaviours and subtle biases. The elephants in the room.

I've actually got a toy elephant in my office, his name is Elly, and we take him into all of our executive meetings and he sits there in the room with us. And I say what's the elephant in the room, and that's on gender or any other issue for that matter.

On the hard wiring, Westpac has a lot in place. We have a comprehensive set of policies, and these are progressive policies. Policies of parental leave, child care, flexible work arrangements, selection and recruitment, training and development, health and safety. But having sound policies is not enough.

So last year we also established a diversity council and we set up a particular, really strong, fabulous individual to head up this agenda for diversity across the Westpac Group. Which, by the way, doesn't only go to gender diversity, but diversity in a range of areas: age discrimination, disabilities, indigenous communities. But the centrepiece for us over the most recent period has been gender diversity.

Rachel [Slade] leads the Diversity and Flexibility group and I'm so proud of her.

I chair this diversity council, which is really important because the CEO needs to lead by example. If you're serious about this the CEO needs to lead the council, that's what gives it teeth and clout. We developed a factual database of where exactly are we, so take the facts.

We then ran a diversity survey across our entire organisation. It was obviously voluntary, but Westpac is wonderful in that regard, because we had over 17,000 responses, which was just outstanding. That gave us first-hand feedback with lots of verbatim comments from people of what was working and what was not. What were people actually experiencing in the workplace, of barriers and obstacles and issues, which could be different by different professions, by different geographies in our different brands. And, of course, Rachel and her team have gone through that and had a really good look and understand what those pointers are.

We also established a target and a measurement system. The target we established was to increase the number of women in senior leadership roles to 40 per cent by 2014. Targets are important, because they drive focus, they drive accountability. I've come from South Africa where the affirmative action regime was legislated quotas and I saw the negative elements of that, but I must tell you I think targets in our environment are actually critical.

This target is on my scoreboard; I only have a handful of things on my scoreboard with the board, but this is one of them. Again, it signals how important it is. Which means, of course, it's broken down to all of the divisions and they all have their individual targets. So it's measured and tracked.

Other things we do: at least twice a year I run detailed review sessions with my team. We call them 'People Days' where we spend the whole day talking about development planning, succession planning, talent management, talent mapping, high-potential people and so on. And a healthy chunk of time at each one of these People Days is specifically devoted to female talent development. Of course, I run them, but each of my divisions similarly run their talent day, their People Days at least twice a year.

This is having the desired affect. I'm please to say that, over the past year, the ratio we're tracking to has increased from 33 per cent to 36 per cent. And many of the female appointments we've made are to

heavy-weight line-management roles. I can talk about this for a long time, but it's critical that we appoint women into solid, strong line-management roles where they're running businesses, running PNLs; accountable for risks, accountable for outcomes, accountable for sales, service, customer deliverables. That really matters, because we've got lots of women progressing and filling target numbers in so-called soft generics, so it's important to have role models in tough line management roles.

So what of the soft wiring? Well, we encourage story telling and the sharing of case studies. We encourage leaders to role model behaviours and we want to see those. As I think you heard Kate Ellis mention, as part of this diversity survey we found some surprises: 43 per cent of our people are operating flexibly at work (that surprised me) and 36 per cent of our men are working flexibly.

So it's a broad definition of flexible: it's not just about part-time and full-time; we're thinking about flexible in a much more mainstream way. It might be that you're working shifts or you might be working nine days out of every two weeks, or taking three or four days off once every week.

It's a range of activities: it might mean you're working from home or job sharing. But 36 per cent of our men are doing such activities as well. And in our institutional bank and phone system, women in that area are job sharing in training desks, they're working flexible. It applies across the bank.

Another thing I know Rachel will be very unhappy if I don't mention, we have about 1200 people across our group that are called 'diversity stars'; they've volunteered for this. We asked who wants to be a change agent here, who wants to be a champion for change? About 40 per cent of them are men and their job is a very simple one: they carry the flag; they raise awareness; they call out the elephant, good and bad behaviours, good and bad practices. They really are champions of change.

I should also mention that this is a whole-of-business approach and for over 10 years we've had a team exclusively dedicated to our women customers. Some of you may have experienced our women's markets group. It's sometimes known under the brand name of Ruby or the Ruby Connection. This is led by an extraordinary Westpac woman, Larke Riemer, who started it and continues to head it up. She and her work were recognised by the World Bank last year for being global best practice.

The value proposition for our women customers includes not only great products and services that are tailored to meet women's needs, women in small business needs, but also networking opportunities, education and support. They get together and I always love to go to their events because there's an amazing buzz in the room. So if there any women out there looking for a bank that understands women and helps women connect, I recommend it. We are the bank for women.

But it's all of these elements together that create sustainable cultural change, and create an environment where both men and women would choose to work and become change agents themselves.

I love the thought that Kate put into my mind about how by the policies and practices that we encourage, and that become part and parcel of who we are at work, can actually make home life better

too. We can actually make people go home more fulfilled, go home feeling less guilty and less stricken by the pressures and the tradeoffs we inevitably all face in our lives.

I hate that term 'work-life balance' because it implies that you have to balance your work and your life, whereas we're all living whole lives that include our work, our families, our friendships, our relationships. By running flexible practices at work you can encourage people to live full lives and therefore be happier, healthier and contribute more richly in everything that they do.

So, what's next? Well, firstly we're really happy to share with others what we've done and learned on our journey. We really want to keep learning from others.

In my whole business career, I tend to follow best practice and try and pick and learn from others. Whether it's retail banking, business banking, risk management or technology – and in this arena, too – what can we learn from others along the way? We're really happy and very welcoming of people who'd like to learn a bit from us on what we've done and how we've gone about it.

But secondly, because we believe, as we've heard discussed today, that diversity is an issue for the whole community, we want to lead by example. Because we realise that it's not just what happens in the workplace that matters. These barriers and prejudices and stereotypes are societal issues. I'm sure we all grew up with the inherent bias of what women do and what men do; women play with dolls and men go camping and what have you. It used to irritate the life out of me when my brother would go camping and I wasn't allowed.

So we're partnering with a number of leading organisations to try and further understand gender equity issues and find solutions. I'll just mention one or two of them – with Liz's office [Australian Human Rights and Equal Opportunities Commission]. And congratulations on the fabulous work you've done. You must feel so proud to see the growing momentum that's beginning to come through.

We're working with Liz's office to drive research into the value of unpaid work or so-called unpaid work. And we're working with Melbourne Business School to try and unlock some of the mysteries of unconscious bias that exist. And with the Diversity Council of Australia to develop solutions to really effectively mainstream flexibility in the way I was talking about it before. Flexibility isn't just part-time work for working mothers; if we mainstream flexibility it can be for all of us.

And we're working with the AICD [Australian Institute of Company Directors], a pilot partner of the new Board Readiness Program focused on improving the quality and diversity of future directors. We have four women and three men from Westpac on that program.

To close, I'm routinely asked, and I'm sure many of you are as well, the sorts of questions Catherine [Fox] that you and I discussed so many years ago at that Commonwealth Bank function: How do you do what you do? The four children, the role you have and the career progress over the 30-plus years?

There are no easy answers to this; there just is no silver bullet and I know all of you know that as well. But what I really appreciate is that you cannot actually do this without lots of help and lots of support, at

both work and home. And you need different help and different support at different times in your career, and organisations have a massive role to play in that.

I'm certainly lucky that I've had this kind of support, both at home and at work at different times of my career to help me navigate the particular needs that I had in my life.

To a good story. I remember in 1990 I was in South Africa still, working at Ned Corp Bank [now called Nedbank] and I resigned after I found out I was going to have triplets because I thought I can't deal with anything else on my agenda; I've got this big thing to deal with and I really need to focus on that.

So I resigned, but five months after the triplets were born – I then had four children, three and under – the organisation phoned me. I remember the day like it was yesterday. I had babies all around and milk everywhere, I was breastfeeding them all, and nappies. You can just imagine.

The phone call came through and it was the group executive of human resources or whatever, and she said we've got a wonderful general manager role coming up and we wondered whether you might want to come in and interview for that role.

I thought, you must be joking! Do you have any idea of the chaos that's going on in my life? But I didn't say that on the phone (smart person). I put the phone down and had a chat with Alan. He said 'You don't know until you try, so why not go for the interview'.

The interview was itself a test. I knew NedCorp and they are a fabulous organisation, so I arrived for my interview with two of my triplets – I left one behind with Mum and I had two with me. One I gave to the PA outside the office and the other (the 'good one') I took with me and sat on my lap while I had the interview.

I said if you offer me the job you have to understand that I can't come until the babies are at least one year old and that's seven months from now, so it won't be until December. And you'll have to understand that I'll need some help and flexibility at work because of what I have to deal with in front of me. No trouble, no trouble, no trouble was the comment.

And I must say they appointed me. I started in December and I used to do the breast pump thing at work and a year later they set up a child care centre at work for all the mums. There were many thousands of employees at this particular campus and it was the beginning of a whole new regime of support for women in the workplace at Ned Corp Bank. That's a great story.

I do hope today that you have a fabulous day and, as both Catherine and Narelle have said, the elephants are out there so let's have both conversations – the overt one and the more subtle one. Let's see what we can do, come up with new ideas, solutions and initiatives.

I'm so looking forward to all the new initiatives over the next couple of weeks. It's going to be lots of fun, isn't it? To celebrate women and women's achievements – wow, we do a lot, don't we?

Thank you so much.