

### AGENDA ITEM 3: GENDER-BASED EMPLOYMENT TRENDS AT THE BANK

Women account for around 43 per cent of the Bank's staff, a proportion which has fallen slightly over the past decade and which is about three percentage points below the Australia-wide share (Graph 1).

This note examines gender-based employment trends at the Bank. Overall, there is little evidence of gender bias, with most of the apparent discrepancies explained by the occupational mix of the Bank's workforce. Nevertheless, three observations warrant further examination:

- females remain under-represented in management, especially at the executive level;
- the age distribution for females has become bimodal over recent years, owing to a marked reduction in the share of number in their thirties in employment at the Bank; and
- in terms of graduate recruitment, the proportion of women applying for positions has fallen over the past two years and, of those that have applied and been interviewed, females have typically been less successful than their male counterparts at attaining a position.

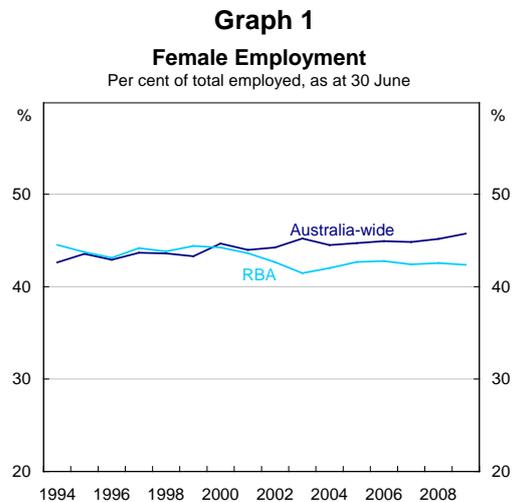
## A. EMPLOYMENT

### Employment by function

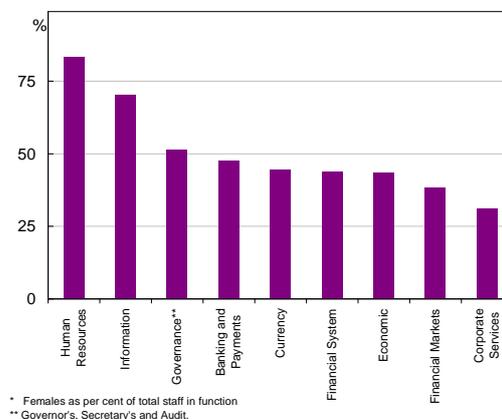
Human Resources has the highest concentration of females, while Corporate Services Group has the lowest (Graph 2). In terms of female representation, the policy groups are at the lower end of the spectrum.

### Employment by occupation

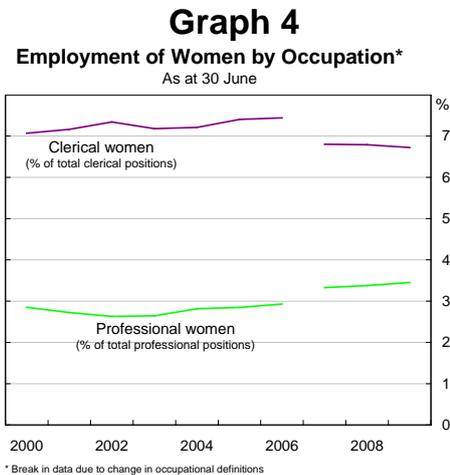
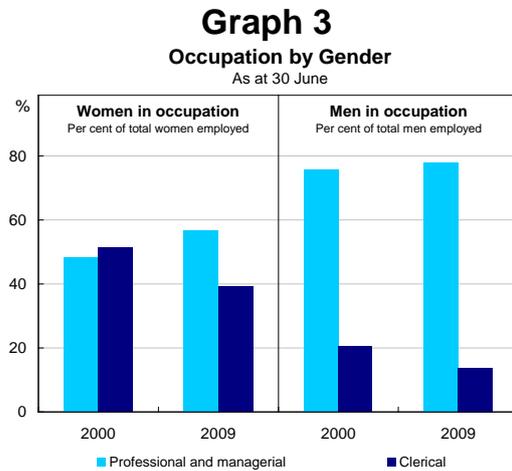
By occupation, the Bank continues to evolve from an organisation predominantly comprising clerical and administrative positions, to one of a predominantly professional



**Graph 2**  
**Female Share of Employment by Function\***  
30 June 2009

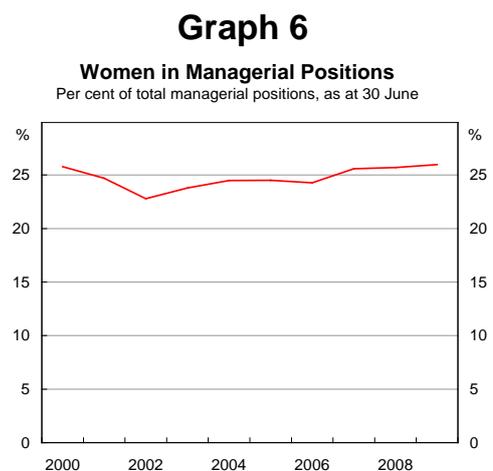
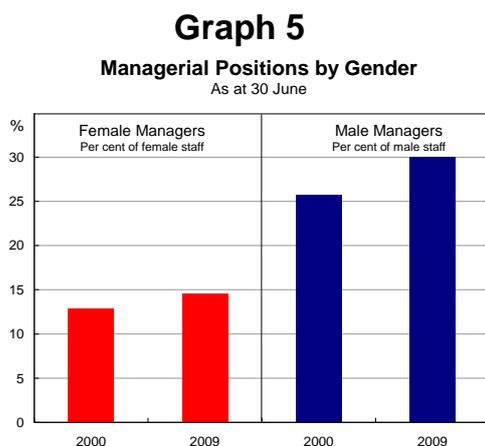


nature – a trend apparent in the financial sector more broadly. As a result, the majority of women at the Bank are now employed in professional roles rather than in clerical positions, which contrasts to the situation nearly a decade ago (Graph 3). Men continue to hold the majority of professional roles, with women accounting for one-third of such roles; while women continue to dominate clerical positions, holding around two-thirds of such positions (Graph 4). These proportions have changed little over the past decade.

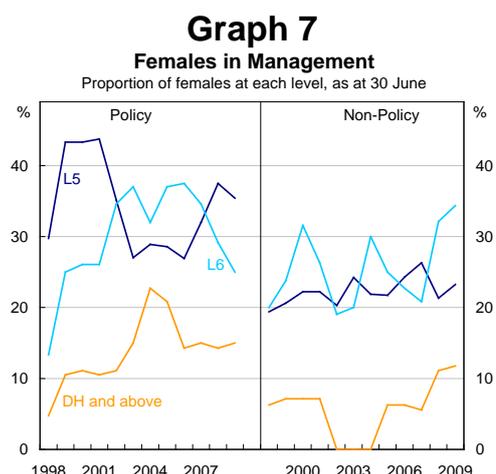


## Employment in managerial positions

Reflecting the shift towards professional occupations, a slightly higher proportion of females are now managers (Level 5 and above) than was the case a decade ago, although the percentage point increase has not been as large as that for men (Graph 5). In other words, the increasing number of women in professional roles has not been associated with any change in the share of women in managerial positions (Level 5 and above), with this proportion remaining static (Graph 6). Moreover, this proportion, at around 25 per cent, is somewhat below women's share of professional positions at the Bank, of about one-third.



The under-representation of women in management is largely due to the relatively low proportion of women at executive level (Deputy Head and above), at L6 in policy departments, and at L5 in non-policy departments (Graph 7). In contrast, the proportion of policy L5's and non-policy L6's compare favourably with the overall representation of females in professional roles.



**Table 1: Predicted probability of being a manager**

	Female (%)	Male (%)	Difference (pp)
<i>Policy</i>			
Median tenure and age	66.8	68.6	-1.7
2 years tenure and 30 years old	31.9	33.9	-2.1
<i>Non-policy</i>			
Median tenure and age	14.7	35.1	-20.4***
2 years tenure and 30 years old	2.5	10.0	-7.5**

Notes:

a) Base person is assumed to work full-time and have been promoted. Median tenure is 8 years and age is 40 years.

b) \*\* significant at the 5 per cent level, \*\*\* significant at the 1 per cent level

Another way of summarising gender differences in management is by estimating the probability of being a manager for staff in professional positions.<sup>1</sup> In this way, it is possible to estimate how likely it is that a female is a manager, taking into account their age, their tenure, and how long they have been at their current level. For example, a relatively new, young professional woman in a policy department has a 32 per cent probability of being a manager (Table 1). Overall, the results show that:

- the probability of being a manager in the policy groups is higher than that for non-policy groups (regardless of gender); and
- the gender disparity is statistically significant only for non-policy departments – in policy departments there is no significant gender-based difference in the likelihood of being a manager. This likely reflects the predominance of men in professional roles in non-policy areas such as IT and facilities management.

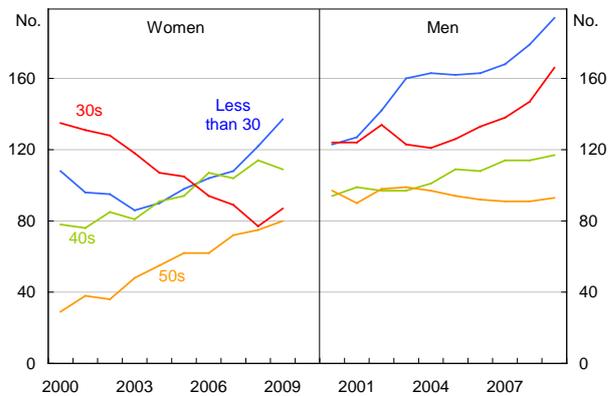
<sup>1</sup> That is, a probit regression of being a manager or not is estimated. The data cover all staff working at the Bank at 30 June 2008. The data descriptions and results are available on request. Note that the model could be omitting important variables such as ability and education.

## Employment by age

Like the occupational mix, the female age distribution has changed markedly over the past decade. In 2000, women in their 30s were in the majority, while women aged above 50 were in the minority (Graph 8). Now, however, the bulk of women are either less than 30 or in their 40s, and the number of women in their 30s has declined to such an extent that they are now in similar numbers to women aged 50 and over. In contrast, there has been an increase in all age groups for males, except those aged above 50. As a result, men are younger on average, while women have aged.

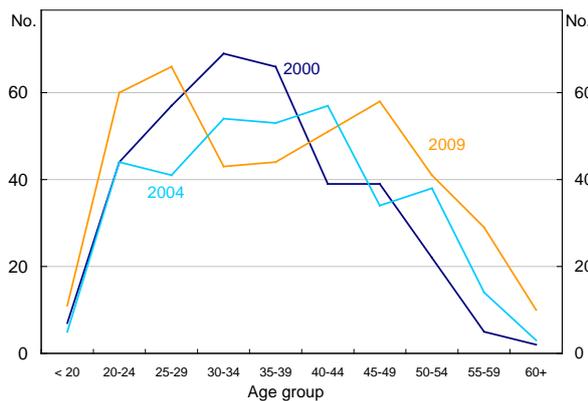
### Graph 8

Number of Staff by Age Group  
As at 30 June



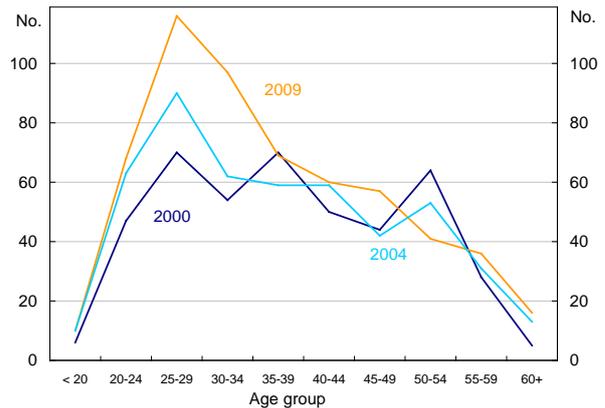
### Graph 9

Age Distribution of Female Staff  
As at 30 June



### Graph 10

Age Distribution of Male Staff  
As at 30 June

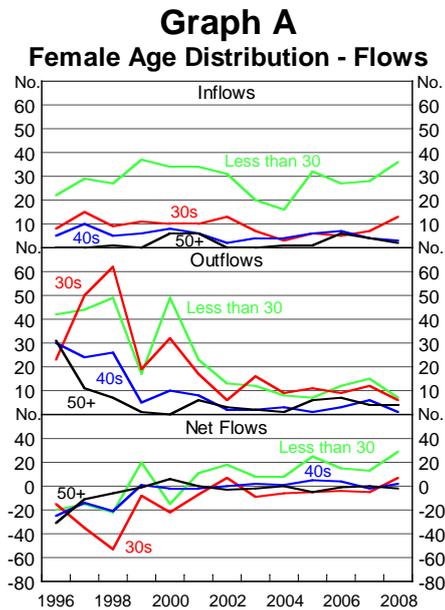


These trends in the female workforce have resulted in a bimodal age distribution at the Bank (Graph 9). This has not occurred for males, who have instead experienced an increase in younger age groups (Graph 10). The reasons for this change in the female age distribution are explored in the Box.

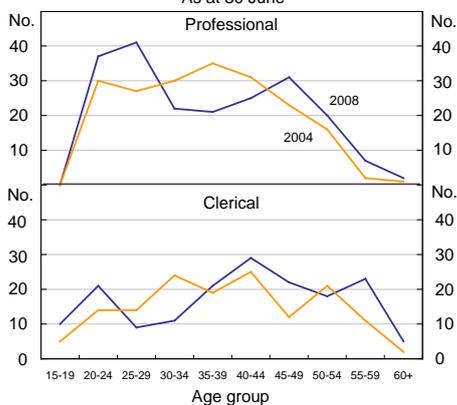
## BOX: EXAMINING THE BIMODAL FEMALE AGE DISTRIBUTION

For most of the past decade, there have been *net outflows* of women in their thirties (Graph A). There are a number of possible contributors to this.

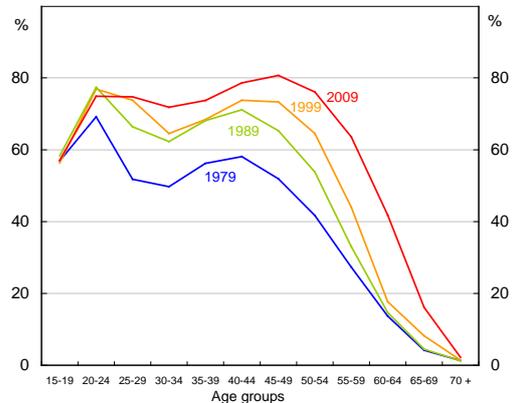
First, the restructuring that occurred between 1997 and 2003 had a disproportionately large impact on younger women. Of the women made redundant in this period, three-quarters of them were in their thirties or younger and they were mainly in clerical positions. The latter had an ongoing effect on the age distribution, to the extent that there was a drop in the demand for this type of work.



**Graph B**  
Female Age Distribution by Occupation  
As at 30 June



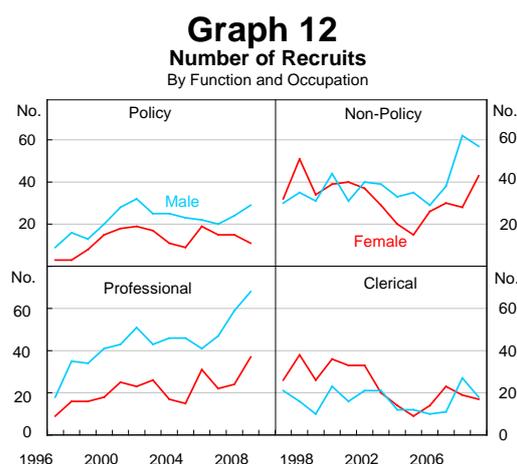
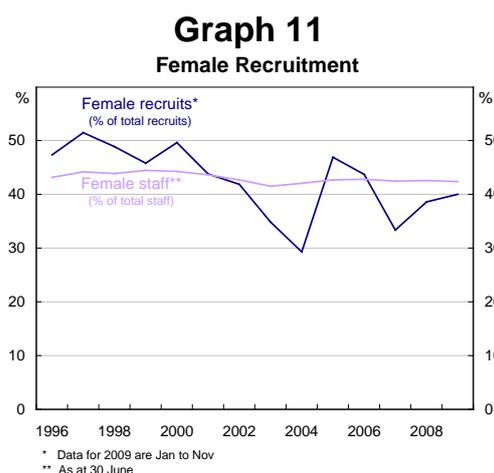
**Graph C**  
Australia-Wide Female Participation Rate



However, the restructuring of the Bank, which for females mainly involved the removal of clerical positions, does not fully explain the shift, as a similar change in the age profile is evident amongst female professional staff (Graph B).

One factor that could be contributing to this is the work/leisure (family) preferences of women in their 30s, as well as the impact that various factors may have had on those preferences, such as the Bank's work policies and practices, government policy, and the relative cost (and availability) of child care. While hard to discern, one indicator is whether the same trend is apparent economy-wide. Indeed, the distribution of the Australian female participation rate by age group is also bimodal (Graph C). Unlike the Bank, though, the participation rate has been bimodal for an extended period, and the mode has shifted towards women in their late 40s.

## B. RECRUITMENT

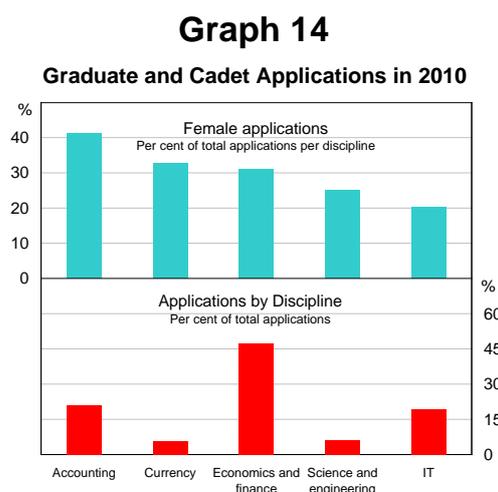
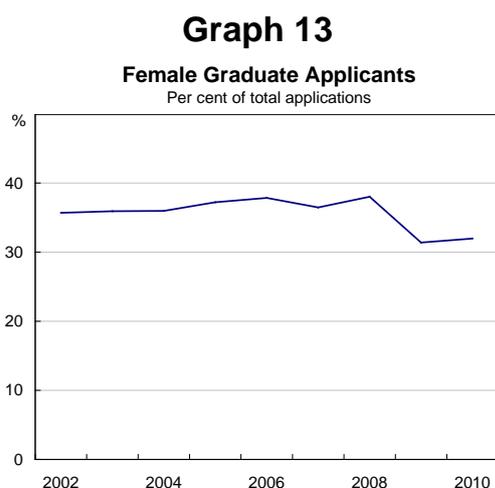


Women have accounted for just under 40 per cent of recruits over the past few years, a little lower than their overall representation at the Bank (Graph 11). This represents a fall from the second half of the 1990s where females accounted for just under half of all recruits. Again, these changes in recruitment link back to changes in the Bank's occupational mix (Graph 12). In particular:

- as discussed previously, the restructuring in the 1990s reduced the number of (female-dominated) clerical positions; and
- non-policy departments – the larger of which tend to be male dominated – have been heavy recruiters over the past five years.

### Graduate recruitment

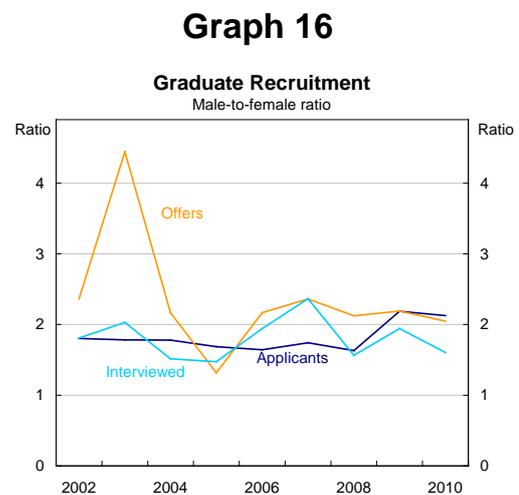
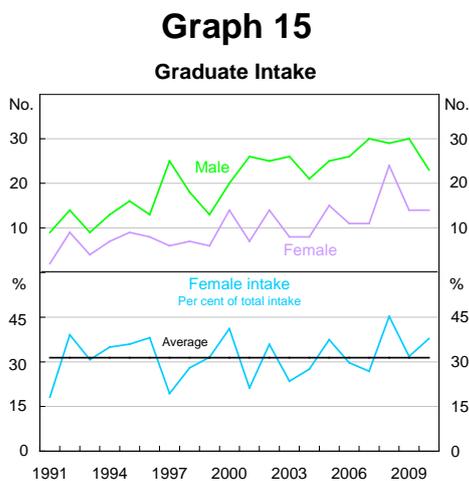
Graduates typically make up around one-third of the Bank's total recruits, and are an important source of professional (and therefore managerial) staff.



The Bank received around 1,100 **applications** to its cadet and graduate programs this year. The proportion of female applications to these programs was 32 per cent, similar to last year, but down 5 percentage points from recent years (Graph 13). There are two factors contributing to this fall:

- first, an increasing share of graduate applications are in the male-dominated disciplines of IT and science (Graph 14). These two disciplines accounted for around one-quarter of all applications in 2010, and females applicants only comprised 22 per cent of such IT/science applications; and
- second, and more importantly, there has been a fall in the proportion of women applying for graduate and cadet positions in economics and finance – women accounted for only 32 per cent of applications in 2010, down from around 37 per cent prior to 2009.

The graduate **intake** has doubled over the past decade and a half, from an average of 18 graduates in the first half of the 1990s to 42 over the second half of the 2000s. Female graduates have typically comprised around one-third of the intake, a proportion that has been relatively constant (Graph 15).



There appears to be a systematic difference in the success rate of female versus male graduate applicants, as demonstrated by shifts in the male-to-female ratios at various stages of the recruitment process.

- Between 2002 and 2009, male **applicants** to the graduate program (which includes those applying to the cadetship) outnumbered females at a rate of around 1.7 to one (Graph 16).<sup>2</sup>
- The male-to-female ratio of those receiving **interviews** is statistically similar to that for applicants, implying that there is no gender bias in choosing applicants for interviews.
- The male-to-female ratio for graduate **offers** has exceeded the same ratio for interviews and applications in most years. The average difference is 0.6 percentage points, and is statistically significant.<sup>3</sup>

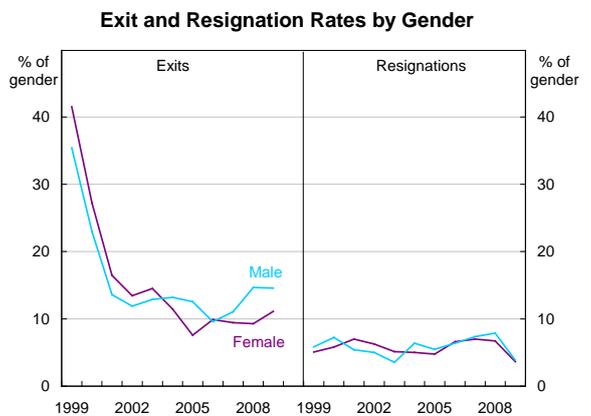
<sup>2</sup> Due to the lack of data, we cannot say whether this ratio and its movements is comparable to that of university students undertaking relevant majors, such as economics, finance and IT. An often cited statistic is that there are 70 men to 30 women studying honours in economics. This translates to a male-to-female ratio of 2.3, which is above the applicant and interviewed figure for the Bank, but below the offer statistic.

This raises the question of why females have been less successful at attaining a position once interviewed. It could, for example, be a function of the interview process: a report by Chief Executive Women (2006) suggests that women tend to fair better in longer interviews and that men and women answer case-study questions in a different sequence (even though both answers cover the same facts). Alternatively, the quality of applicants selected for interview may not be evenly distributed amongst the sexes. That is, there may be a predisposition to select a higher proportion of marginal female candidates than male candidates, be it based on academic results or suitability of course studied.

### C. OUTFLOWS

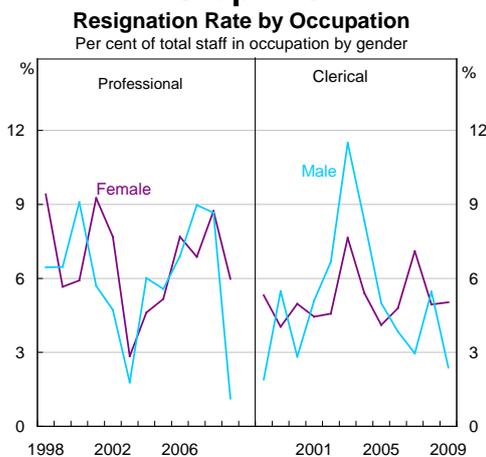
Prior to 2004, men and women’s **exit rates** were very similar, suggesting that the restructuring of the late 1990s affected men and women similarly, albeit in different occupations and age groups (Graph 17). More recently, males have had higher exit rates than females, due largely to an increase in exits for reasons other than resignation (typically retirement and contract expiry, the latter partly reflecting the use of limited-term contract staff in areas such as ST). **Resignation rates** overall have been broadly similar between males and females, moving from 4 to 9 per cent a year. Nevertheless, within the aggregate resignation rate, there are interesting divergences.

**Graph 17**

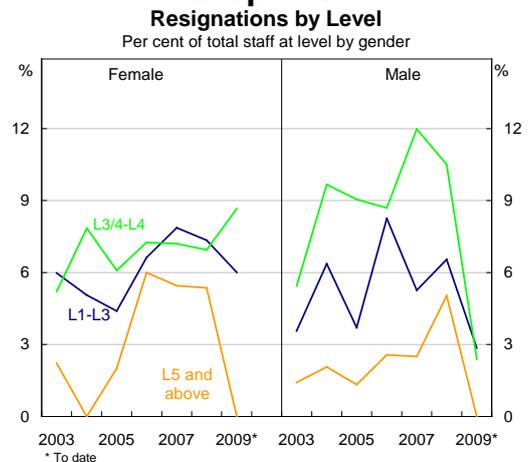


- Until this year, which has seen a substantial fall in resignation rates across almost all categories, the rise in resignation rates had been largely concentrated amongst professional staff. Overall, by occupation the experience of women has not differed markedly from men (Graph 18).

**Graph 18**



**Graph 19**

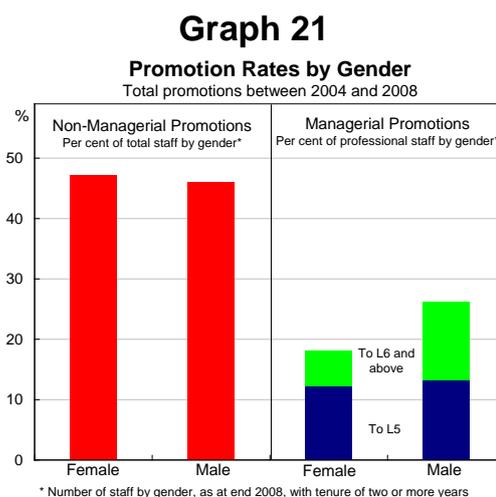
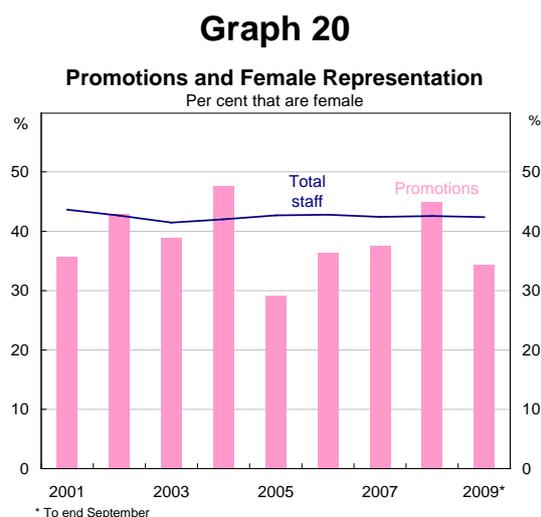


<sup>3</sup> Comparing offers with interviews and offers with applicants, tests for the equality of means and medians show they are statistically different at the 10 per cent level. However, the small sample size means these results should be treated with caution.

- By level, however, the pick-up in the resignation rate for men prior to 2009 was most pronounced at the graduate level, while for women it was for managerial staff (Graph 19). Moreover, the resignation rate was highest amongst male graduate staff, and was well above that for their female colleagues (in other words, the resignation rate was highest for younger, lower tenured male staff). For 2009, there has been a significant fall amongst all levels (particularly male graduates and managerial staff) except for female graduate staff.

So although the aggregate male and female resignation rates may be similar, there are some differences based not only on level (as shown in Graph 19), but also age, tenure and functional location. To better account for the impact of these factors on the incidence of resignation, the time-to-resignation is analysed using a duration model.<sup>4</sup> Consistent with the graphical analysis, the estimated model shows that while the risk of a female resigning, relative to a male, is statistically equivalent, the relative risk of resigning is highest for younger staff, those in policy groups and professional occupations. Managers have a lower likelihood of resigning.

## D. PROMOTION



On average, the proportion of promotions going to females is slightly below their overall representation in the Bank (Graph 20). Graph 21 shows that, for non-managerial positions and entry-level management positions, women tend to be just as successful as men.<sup>5</sup> Where gaps exist, however, is in women attaining more senior managerial positions.

<sup>4</sup> A duration model helps to control for censored observations, where a person's whole history cannot be observed in the timeframe under consideration. In this case, the model is controlling for the fact that while a person may not have resigned as yet, they may do so in the future (or exit in some other way).

We use staff records from July 1998 to June 2008. The detailed methodology and results are available on request. Note that, if one exited the bank for a reason other than resignation, they are considered as not resigning, as are staff who remain at the Bank in 2008.

<sup>5</sup> While it is not possible to derive 'promotion success rates' due to data unavailability, we approximate this by examining the number of women promoted as a share of total women that have been in the Bank for two or more years (that is, assuming that those that have been at the Bank for less than two years are not yet suitable for

**Table 2: Average Time-to-Promotion  
Years\***

	Promotion			Type of Promotion**	
	Policy	Non-policy	Overall	1 <sup>st</sup> promotion	2 <sup>nd</sup> Promotion
Clerical					
<i>Male</i>	1.8	2.9	2.6	2.8	1.7
<i>Female</i>	2.6	2.7	2.7	2.7	2.9
Professional					
<i>Male</i>	2.8	3.4	3.0	3.1	2.3
<i>Female</i>	2.9	3.4	3.1	3.4	1.9
To management (Level 5)					
<i>Male</i>	6.8	16.7	11.4	n.a.	n.a.
<i>Female</i>	6.1	14.0	9.6	n.a.	n.a.
Total	2.7	3.2	2.9	3.1	2.3

\* These times are approximate as we only have information on the year that someone was promoted, but not the date.

\*\* Only includes those hired from July 1998.

Also important to discern is whether there are any differences between men and women in the time taken to attain a promotion. Table 2 shows the average time-to-promotion for men and women hired since mid 1998.<sup>6</sup> This shows that:

- statistically, males and females have similar times-to-promotion overall, for both clerical and professional staff;
- the gender differences for professional staff are starker when we look at first and second promotions – while female professionals have experienced a longer time to their first promotion, they appear to get promoted quicker than males for their second promotion;
- male clerical staff in policy areas have experienced a faster time-to-promotion than their females colleagues and the opposite is the case in non-policy areas. For the second promotion, male clerical staff have a noticeably shorter time to promotion than females;
- professional staff experience a longer time to promotion than clerical staff; and
- while females had a slightly shorter time to promotion to a L5 position than males, the difference is not statistically significant.

The time-to-promotion can also be modelled using a duration model.<sup>7</sup> Again, the factors that the model is taking into account include age, tenure, level, occupation and functional location. The results show that:

- For all staff, there was no clear difference between the time-to-promotion for policy or non-policy groups and professional or clerical positions. Time-to-promotion

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promotion). For managerial positions, the number of women promoted is expressed as a share of women holding professional positions (as this is the occupational group from which managers are typically drawn).

<sup>6</sup> Due to data unavailability, only staff records from July 1998 to June 2008 are used. Promotions up to Deputy Head are included and we endeavour to exclude trainee, support and maintenance staff and promotions from graduates to L3/4, although this is not always possible.

<sup>7</sup> The detailed methodology and results are available on request. In this case, the duration model is controlling for the fact that while a person may not have been promoted as yet, they may be in the future.

increased with age and L5 and L6 staff have the shortest time-to-promotion, while L3/4 and L4 staff have the longest.

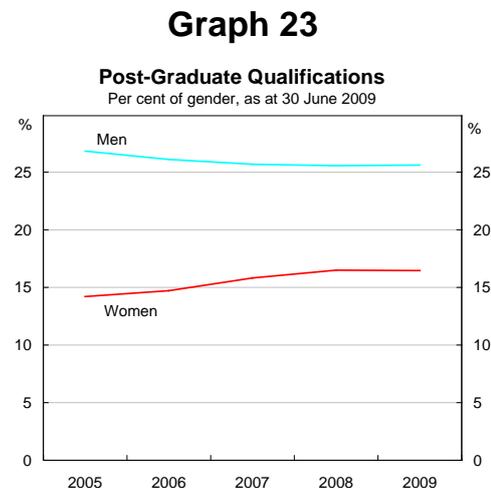
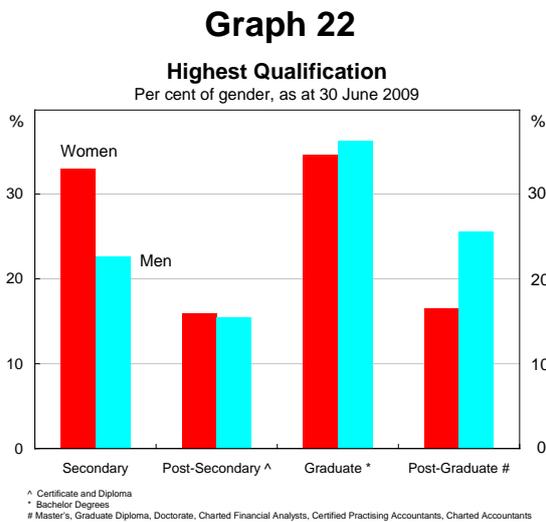
- For staff promoted to a L5 position, females experience a longer time to promotion to management than males. This may reflect the high share of female clerical staff that reach an apex in their careers at the L4 position. Indeed, far more females than males remain at the Bank over time as non-managers.

## E. DEVELOPMENT AND PAY

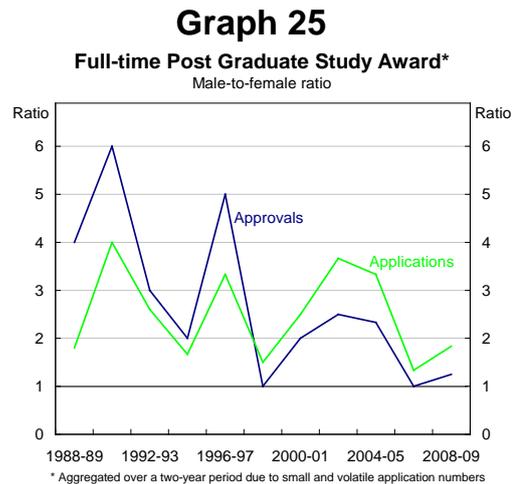
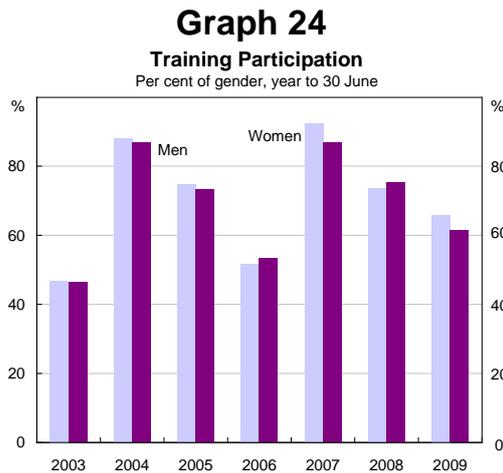
### Education and training

Three-quarters of staff at the RBA have a post-secondary or tertiary **educational qualification**. There is no significant difference in the percentage of women holding Certificate/Diploma or Bachelor qualifications when compared to men (Graph 22). Where differences exist, they are that:

- the HSC is the highest educational qualification for proportionately more women than men, reflecting the higher representation of women in clerical roles; and
- proportionately more men than women hold a post-graduate qualification, although this gap has narrowed a little over the past five years (Graph 23).



There does not appear to be any gender differences in the access to **Bank-sponsored training**, with the proportion of staff participating in such courses similar for both females and males (Graph 24).



In terms of the Bank's **Post-Graduate Study Award (PGSA)**, more males than females apply for, and are typically awarded, full-time PGSAs (Graph 25). From 1988 to 1997, the male-to-female ratio of those that applied was below those that were approved, implying males had a greater success rate. In contrast, from 1998 onwards, females have had a higher success rate. The fall in the male-to-female ratio in the most recent years is partly due to a greater proportion of awards (mainly domestic) going to females.

Males predominantly apply for part-time PGSAs. This reflects the fact that these awards are typically for more technical and business-related courses which are primarily relevant to those in the Corporate Services Group (which has a relatively low female representation).

### Pay outcomes

There is little difference between the salary review outcomes of male versus females at the Bank, regardless of whether they are on contract or part of the EBA (Graph 24). For example, the largest divergence occurs in 2005 for contract staff, but the magnitude of the difference is quite small with women receiving a pay increase of 0.2 percentage points more, on average, than men.

## F. CONCLUDING REMARKS

Overall, it would appear that women are under-represented at senior management levels. In part, the lack of senior female managers may link back to changes in the age distribution which have seen an erosion of women in their 30s. Certainly, these changes in demographics at the Bank will mean that the relatively low representation of females in management is likely to continue, short of hiring experienced professional women. It also perhaps highlights the importance of developing existing and emerging female talent through initiatives such as staff rotation and the Executive Development Program.

But our understanding of why we have observed such a change in the demographics is patchy. The restructuring of clerical positions has contributed, but the trend is still apparent amongst professional women. Overall, statistical analysis can only help so far in understanding these developments.

The paper also highlighted two issues relating to graduate recruitment. The first is that the Bank has been less successful in attracting female applicants over the past two years than has previously been the case. Also identified as an issue is the success rate of female versus male graduate applicants that are interviewed for a position at the Bank. Again, our understanding of why we observe this is limited. At issue is whether the reason females are less successful at interview relates to the quality/suitability of the applicants, or whether it is somehow the result of the interview process.

Ultimately, we would like to present the findings of this paper to the Executive Committee, with recommendations for action. We would like to seek input from the EDPC in formulating those recommendations.

**For discussion.**

15 December 2009

## NOTE FOR THE EXECUTIVE COMMITTEE

### GENDER-BASED EMPLOYMENT TRENDS AT THE BANK

The attached note examines gender-based employment trends at the Bank. Overall, the paper finds that there is little evidence of gender bias, with most of the apparent discrepancies explained by the occupational mix of the Bank's workforce. Nevertheless, three observations are of particular interest:

- the age distribution for females at the Bank has become increasingly bimodal over recent years, owing to a marked reduction in the share of females in their 30s;
- since 2008 there has been a discrete reduction in the share of graduate applications from women and, over a longer period, those women which have been interviewed have typically been less successful than their male counterparts; and
- women remain under-represented in management, especially at the executive level. Absent any fundamental change in our approach, this situation will not improve over the foreseeable future.

*What should we do about it?*

Some small changes could be made with the fairly modest aim of ensuring that the pool of candidates for management roles, both current and prospective, is reflective of the gender composition of the disciplines we draw from. The changes might include:

- ensuring that females account for at least one third of the economics/finance cadetships. More emphasis could then be placed on the work-experience period, than on the interview; and
- becoming more actively involved in career planning of women working part-time during their child-rearing years. This might involve an expansion of current training initiatives and a formal rotation scheme.

Other initiatives which are potentially of benefit to all staff include:

- cross-Departmental interview panels to ensure that graduate applicants get every opportunity to perform at their best. This might counter any suggestion that the interview process disadvantages females;
- surveying staff using a questionnaire or focus groups to, among other things, better understand the relatively high separation rates for women in their 30s. The results of this approach, which has the support of the Bank's Equity & Diversity Committee, might be used to help determine whether there are work policies/practices that could be altered to help retain such women; and

- extending the reach of the Executive Development Program to Level 5s that have the potential to progress further in the Bank.

Grass-roots initiatives might also be considered such as the Bank doing more presentations to high schools and universities (preferably by women). This might encourage students, particularly women, to consider economics as a career and the Bank as an employer, and could be viewed as the provision of a public good.

A more interventionist approach might include: altering our recruitment practices by drawing from other disciplines with a higher representation of females and/or recruiting graduates without honours; hiring experienced professional women; or explicitly targeting the number of women recruited, promoted or in managerial positions.

In pursuing any initiatives, however, the Bank has to balance the benefits of doing so against the costs. The potential benefits include improved retention of female staff, the hard-to-measure benefits of having a good mix of opinion and management styles and the broader benefit to society of having more women in senior roles. The potential costs are that it skews our employment practices in a way that is less than optimal (in terms of having the requisite skills) and has the potential to undermine the credibility and incentive structure of a purely merit-based system.

HR will brief the Executive Committee on a regular basis on relevant developments.

For discussion.

Human Resources  
10 June 2010

## NOTE

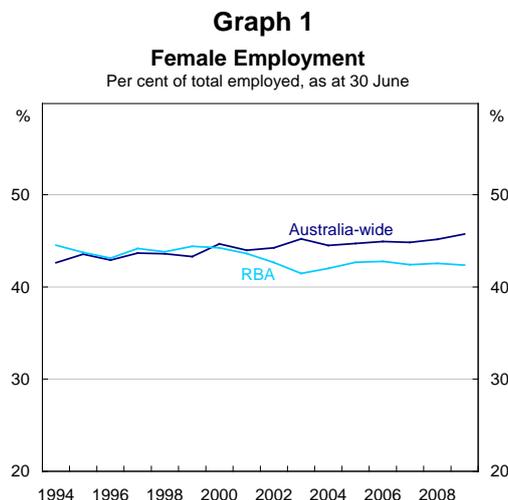
### GENDER-BASED EMPLOYMENT TRENDS AT THE BANK

This note examines gender-based employment trends at the Bank. Overall, there is little evidence of gender bias, with most of the apparent discrepancies explained by the occupational mix of the Bank's workforce. Nevertheless, three observations warrant further examination:

- females remain under-represented in management, especially at the executive level;
- the age distribution for females has become bimodal over recent years, owing to a marked reduction in the share of women in their thirties in employment at the Bank; and
- in terms of graduate recruitment, the proportion of women applying for positions has fallen over the past three years and, of those that been interviewed, females have typically been less successful than their male counterparts at attaining a position.

#### A. EMPLOYMENT

Women account for around 43 per cent of the Bank's staff, a proportion which has fallen slightly over the past decade and which is about three percentage points below the Australia-wide share (Graph 1).

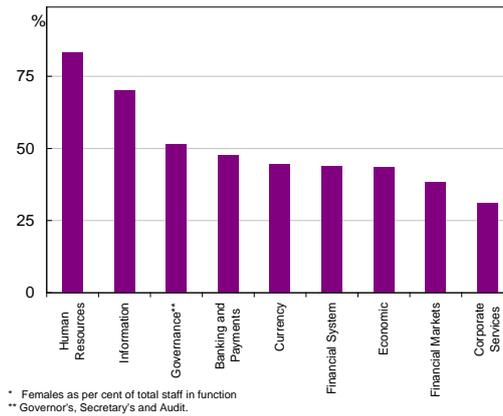


#### Employment by function

Human Resources has the highest concentration of females, while Corporate Services Group has the lowest (Graph 2). In terms of female representation, the policy groups are at the lower end of the spectrum.

**Graph 2**

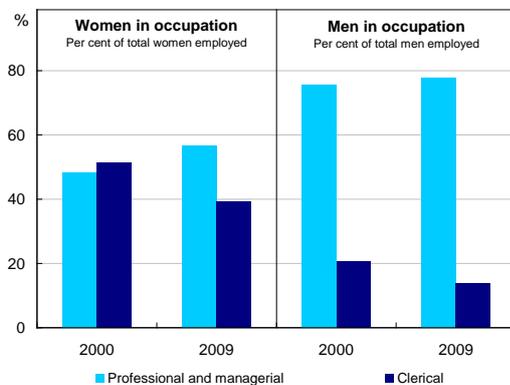
**Female Share of Employment by Function\***  
30 June 2009



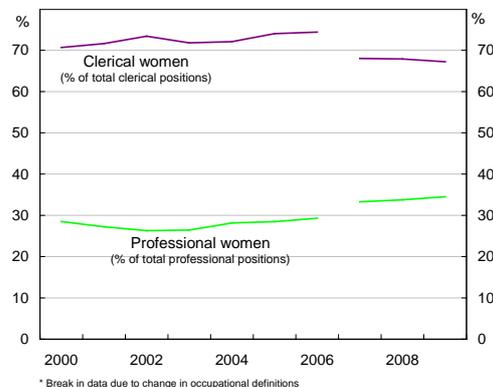
### Employment by occupation

By occupation, the Bank continues to evolve from an organisation predominantly comprising clerical and administrative positions, to one of a predominantly professional nature – a trend apparent in the financial sector more broadly. As a result, the majority of women at the Bank are now employed in professional roles rather than in clerical positions, which contrasts to the situation nearly a decade ago (Graph 3). Men continue to hold the majority of professional roles, with women accounting for one-third of such roles; women continue to dominate clerical positions, holding around two-thirds of such positions (Graph 4). These proportions have changed little over the past decade.

**Graph 3**  
**Occupation by Gender**  
As at 30 June



**Graph 4**  
**Employment of Women by Occupation\***  
As at 30 June

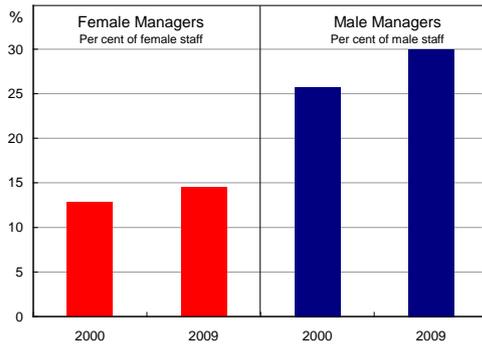


### Employment in managerial positions

Reflecting the shift towards professional occupations, a slightly higher proportion of females are now managers (Level 5 and above) than was the case a decade ago, although the percentage point increase has not been as large as that for men (Graph 5). In other words, the increasing number of women in professional roles has not been associated with any change in the share of women in managerial positions (Level 5 and above), with this proportion remaining static (Graph 6). Moreover, this proportion, at around 25 per cent, is somewhat below women's share of professional positions at the Bank, of about one-third.

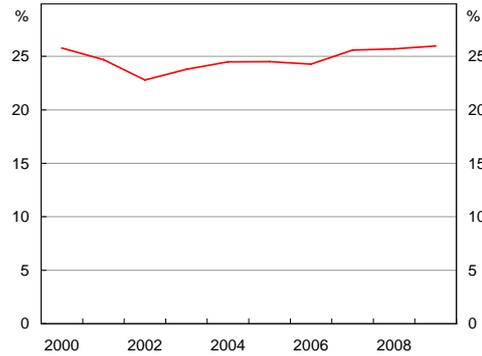
**Graph 5**

**Managerial Positions by Gender**  
As at 30 June



**Graph 6**

**Women in Managerial Positions**  
Per cent of total managerial positions, as at 30 June

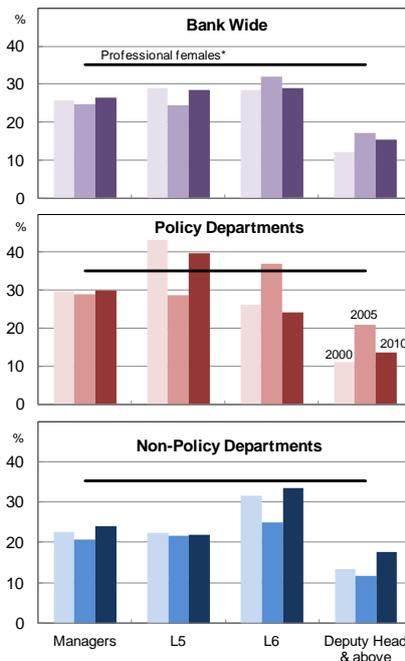


The under-representation of women in management is largely due to the relatively low proportion of women at executive level (Deputy Head and above), at L6 in policy departments, and at L5 in non-policy departments (Graph 7). In contrast, the proportion of policy L5s and non-policy L6s compares favourably with the overall representation of females in professional roles. Some things to note, however, are that:

- the fall in the number of women at L6 in policy departments over the past five years is a result of three less women in such positions, and the majority of this can be explained by transfers to non-policy departments; and
- while the share of women at Deputy Head or above has not changed significantly over the past five years, most of the women occupying these roles have moved from Deputy Head to Head of Department during this period.

**Graph 7**

**Women in Managerial Roles**  
Per cent of total staff at level



Another way of summarising gender differences in management is by estimating the probability of being a manager for staff in professional positions.<sup>1</sup> In this way, it is possible to estimate how likely it is that a female is a manager, taking into account their age, their tenure, and how long they have been at their current level. For example, a relatively new, young professional woman in a policy department has a 32 per cent probability of being a manager, compared with 34 per cent for a male (Table 1).

**Table 1: Predicted probability of being a Manager**

	Female (%)	Male (%)	Difference (pp)
<i>Policy</i>			
Median tenure and age	66.8	68.6	-1.7
2 years tenure and 30 years old	31.9	33.9	-2.1
<i>Non-policy</i>			
Median tenure and age	14.7	35.1	-20.4***
2 years tenure and 30 years old	2.5	10.0	-7.5**
a) Base person is assumed to work full-time and have been promoted. Median tenure is 8 years and age is 40 years.			
b) ** significant at the 5 per cent level, *** significant at the 1 per cent level			

Overall, the results show that:

- the probability of being a manager in the policy groups is higher than that for non-policy groups (regardless of gender); and
- the gender disparity is statistically significant only for non-policy departments – in policy departments there is no significant gender-based difference in the likelihood of being a manager. This likely reflects the predominance of men in professional roles in non-policy areas such as IT and facilities management.

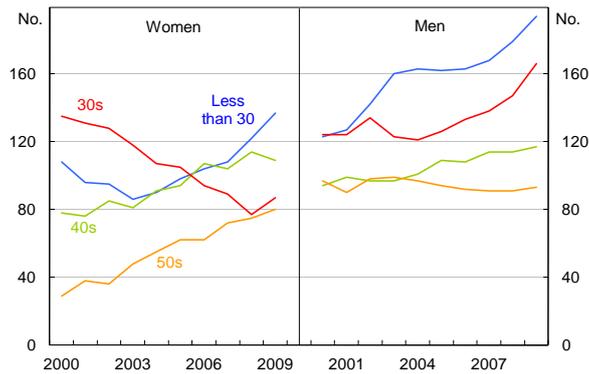
## Employment by age

Like the occupational mix, the female age distribution has changed markedly over the past decade. In 2000, women in their 30s were in the majority, while women aged above 50 were in the minority (Graph 8). Now, however, the bulk of women are either less than 30 or in their 40s, and the number of women in their 30s has declined to such an extent that they are now in similar numbers to women aged 50 and over. In contrast, there has been an increase in all age groups for males, except those aged above 50. As a result, men are younger on average, while women have aged.

<sup>1</sup> A probit regression of being a manager is estimated for staff working as at the Bank at 30 June 2008.

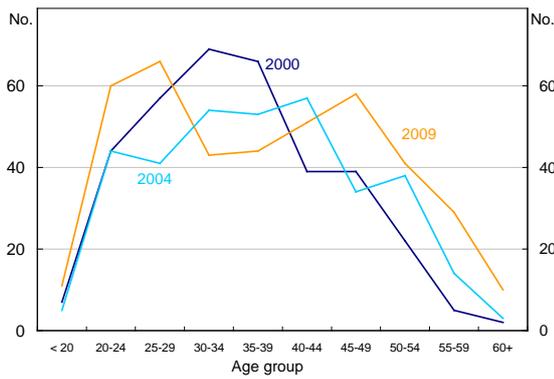
**Graph 8**

**Number of Staff by Age Group**  
As at 30 June

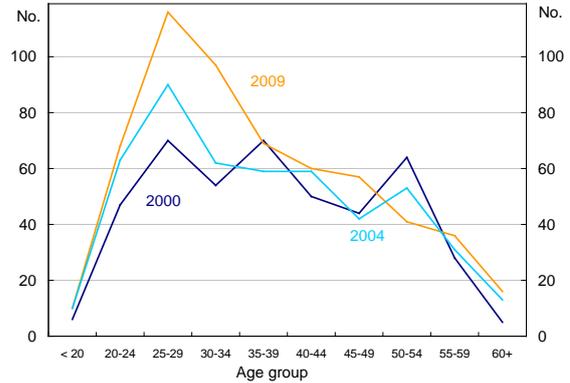


These trends in the female workforce have resulted in a bimodal age distribution at the Bank (Graph 9). This has not occurred for males, who have instead experienced an increase in younger age groups (Graph 10). The reasons for this change in the female distribution are explored in the Box.

**Graph 9**  
**Age Distribution of Female Staff**  
As at 30 June



**Graph 10**  
**Age Distribution of Male Staff**  
As at 30 June

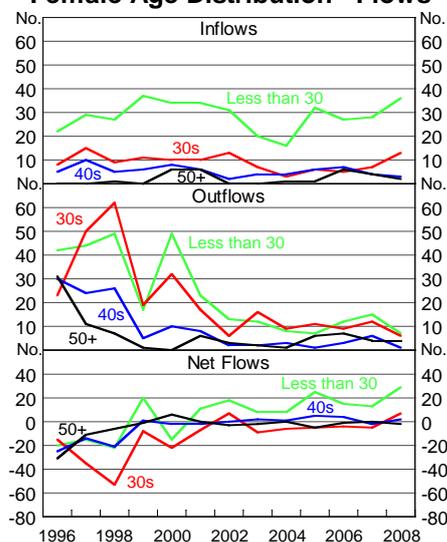


## BOX: EXAMINING THE BIMODAL FEMALE AGE DISTRIBUTION

For most of the past decade, there have been *net outflows* of women in their 30s (Graph A). There are a number of possible contributors to this.

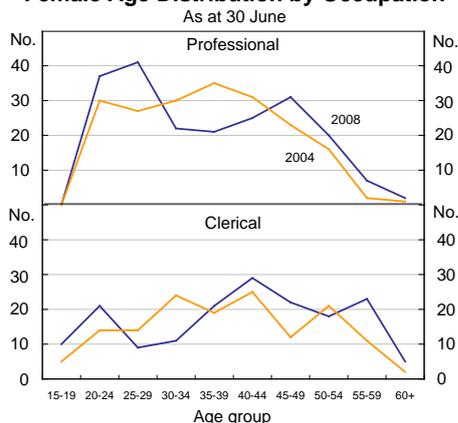
First, the restructuring that occurred between 1997 and 2003 had a disproportionately large impact on younger women. Of the women made redundant in this period, three-quarters of them were in their thirties or younger and they were mainly in clerical positions. The latter had an ongoing effect on the age distribution, to the extent that there was a drop in the demand for this type of work.

**Graph A**  
Female Age Distribution - Flows



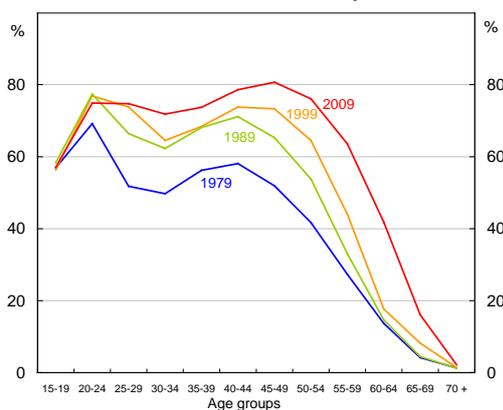
**Graph B**

Female Age Distribution by Occupation



**Graph C**

Australia-Wide Female Participation Rate

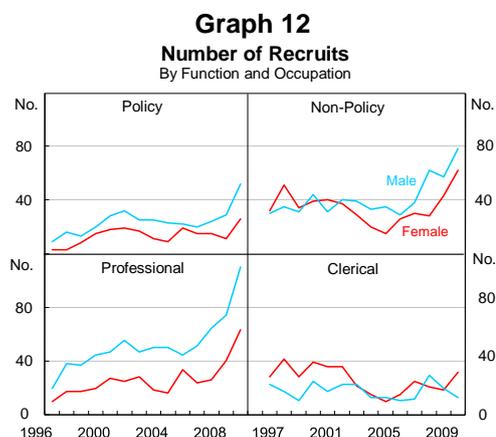
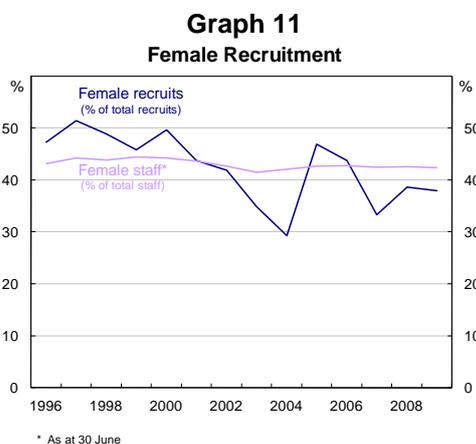


However, the restructuring of the Bank, which for females mainly involved the removal of clerical positions, does not fully explain the shift, as a similar change in the age profile is evident amongst female professional staff (Graph B).

One factor that could be contributing to this is the work/leisure (family) preferences of women in their 30s, as well as the impact that various factors may have had on those preferences, such as the Bank's work policies and practices, government policy and the relative cost (and availability) of child care. While hard to discern, one indicator is whether the same trend is apparent economy-wide. Indeed, the distribution of the Australian female participation rate by age group is also bimodal (Graph C). Unlike the Bank though, the participation rate has been bimodal for an extended period, and the mode has shifted towards women in their late 40s.

## B. RECRUITMENT

Women have accounted for just under 40 per cent of recruits over the past few years, a little lower than their overall representation at the Bank (Graph 11). This represents a fall from the second half of the 1990s where females accounted for just under half of all recruits. Again, these changes in recruitment partly link back to changes in the Bank's occupational mix (Graph 12).

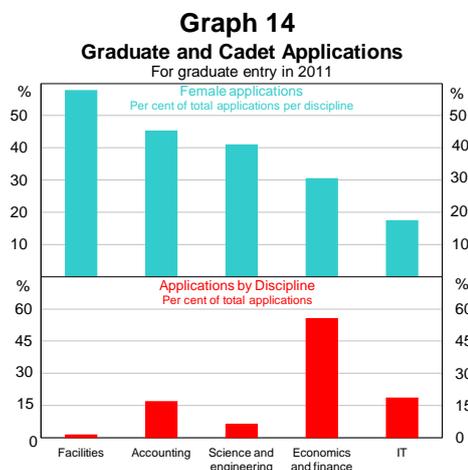
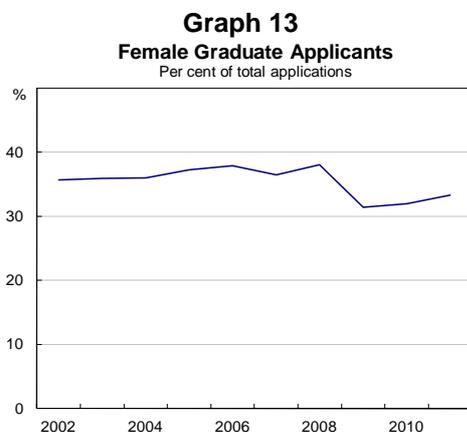


In particular:

- as discussed previously, the restructuring in the 1990s reduced the number of (female-dominated) clerical positions; and
- non-policy departments – the larger of which tend to be male dominated – have been heavy recruiters over the past five years.

### Graduate recruitment

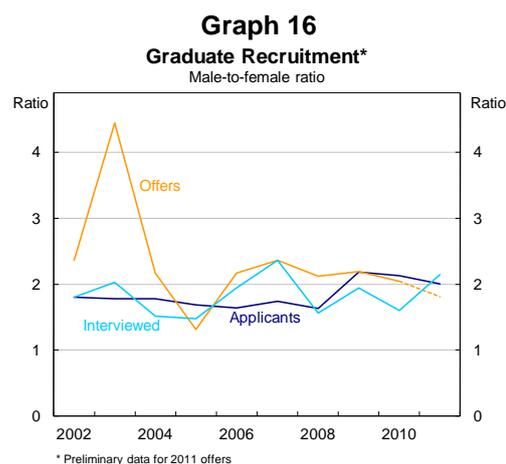
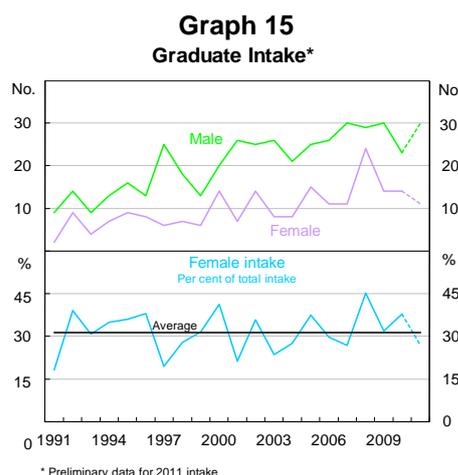
Graduates typically make up around one-third of the Bank's total recruits, and are an important source of professional (and therefore managerial) staff. The Bank received around 850 **applications** to its graduate program for 2011. The proportion of female applications was 33 per cent, similar to the past two years, but down 5 percentage points from recent years (Graph 13).



Some observations worth noting include:

- the number of applications the Bank receives has roughly doubled since 2008, as the graduate campaign has been opened up to disciplines other than economics/finance. However, this does not fully explain the fall in the female share of applicants, as the proportion of women applying for positions *other than* economics/finance is 35 per cent – even though just under half of these are in the male-dominated area of IT, the Bank received a similar number of applications from accounting students where the gender skew has been more towards females (Graph 14); and
- there has been a fall in the proportion of women applying with economics/finance, with women accounting for only 32 per cent of such applications in 2010. Prior to 2009, when the Bank was only targeting economics/finance graduates, the female share of graduate applications was around 37 per cent.

The graduate **intake** has doubled over the past decade and a half, from an average of 18 graduates in the first half of the 1990s to 42 over the second half of the 2000s. Female graduates have typically comprised around one-third of the intake, a proportion that has been relatively constant, despite the more recent fall in the proportion of women applying (Graph 15).



Nevertheless, there seems to be a systematic difference in the success rate of female versus male graduate applicants, as demonstrated by shifts in the male-to-female ratios at various stages of the recruitment process (Graph 16):

- the male-to-female ratio of those receiving **interviews** is statistically similar to that for **applicants**, implying that there is no gender bias in choosing applicants for interviews; while
- the male-to-female ratio for graduate **offers** has exceeded the same ratio for interviews and applications in most years. The average difference in the ratio, which is 0.6, is statistically significant.

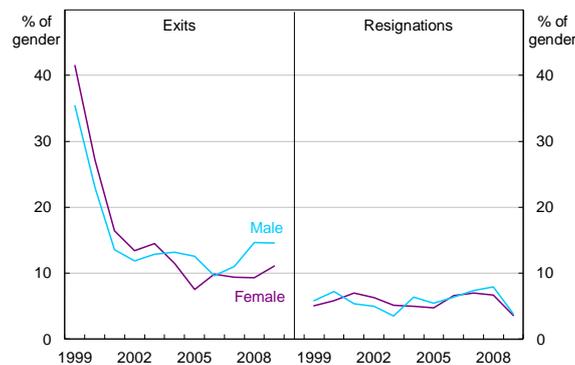
This raises the question of why females have been less successful at attaining a position once interviewed. It could, for example, be a function of the interview process and the high weight put on it – a report by Chief Executive Women (2006) suggests that women tend to

fare better in longer interviews and that men and women answer case-study questions in a different sequence (even though both answers cover the same facts). Alternatively, the quality of applicants selected for interview may not be evenly distributed amongst the sexes.

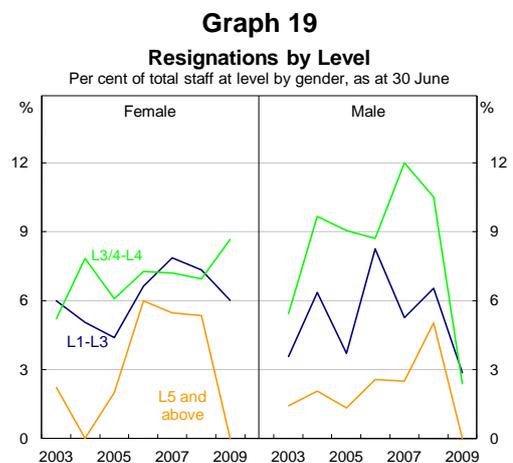
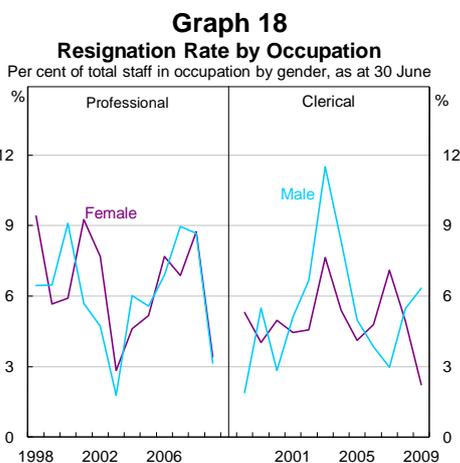
### C. OUTFLOWS

Prior to 2004, men and women’s **exit rates** were very similar, suggesting that the restructuring of the late 1990s affected men and women similarly, albeit in different occupations and age groups (Graph 17). More recently, males have had higher exit rates than females, owing largely to an increase in exits for reasons other than resignation (typically retirement and contract expiry, the latter partly reflecting the use of limited-term contract staff in areas such as ST). **Resignation rates** overall have been broadly similar between males and females, moving from 4 to 9 per cent a year. Nevertheless, within the aggregate resignation rate, there are interesting divergences.

**Graph 17**  
Exit and Resignation Rates by Gender  
As at 30 June



- Until 2009, where a substantial fall in resignation rates across almost all categories is in evidence, the rise in resignation rates had been largely concentrated amongst professional staff. Overall, by occupation the experience of women has not differed markedly from men (Graph 18).

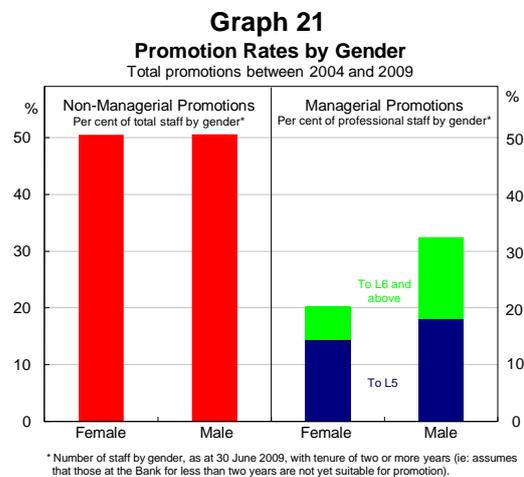
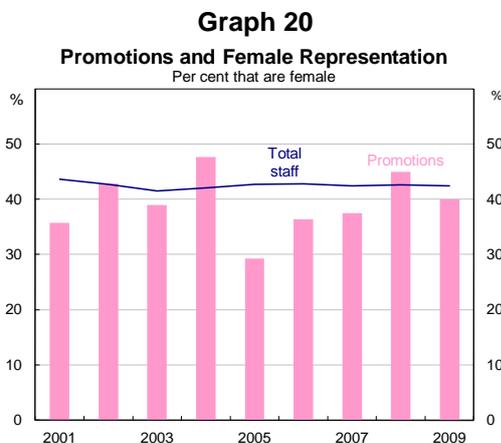


- By level, however, the pick-up in the resignation rate for men prior to 2009 was most pronounced at the graduate level, while for women it was for managerial staff (Graph 19). Moreover, the resignation rate was highest amongst male graduate staff, and was well above that for their female colleagues (in other words, the resignation rate was highest for younger, lower tenured male staff). For 2009, there has been a significant fall amongst all levels (particularly male graduates and managerial staff) except for female graduate staff.

So although the aggregate male and female resignation rates may be similar, there are some differences based not only on level (as shown in Graph 19), but also age, tenure and functional location. To better account for the impact of these factors on the incidence of resignation, the time-to-resignation was analysed using a duration model.<sup>2</sup> Consistent with the graphical analysis, the estimated model shows that while the risk of a female resigning, relative to a male, is statistically equivalent, the relative risk of resigning is highest for younger staff, those in policy groups and professional occupations. Managers have a lower likelihood of resigning.

## D. PROMOTION

On average, the proportion of promotions going to females is slightly below their overall representation in the Bank (Graph 20). Graph 21 shows that, for non-managerial positions, women tend to be just as successful as men. Where gaps exist, however, is in women attaining more managerial positions, particularly more senior positions.



Also important to discern is whether there are any differences between men and women in the time taken to attain a promotion. Table 2 shows the average time-to-promotion for men and women hired since mid 1998.

<sup>2</sup> A duration model helps to control for censored observations, where a person's whole history cannot be observed in the timeframe under consideration. In this case, the model is controlling for the fact that while a person may not have resigned as yet, they may do so in the future, and it uses staff records from July 1998 to June 2008.

	Promotion			Type of Promotion**	
	Policy	Non-policy	Overall	1 <sup>st</sup> promotion	2 <sup>nd</sup> Promotion
Clerical					
<i>Male</i>	1.8	2.9	2.6	2.8	1.7
<i>Female</i>	2.6	2.7	2.7	2.7	2.9
Professional					
<i>Male</i>	2.8	3.4	3.0	3.1	2.3
<i>Female</i>	2.9	3.4	3.1	3.4	1.9
To management (Level 5)					
<i>Male</i>	6.8	16.7	11.4	n.a.	n.a.
<i>Female</i>	6.1	14.0	9.6	n.a.	n.a.
Total	2.7	3.2	2.9	3.1	2.3

\* These times are approximate as we only have information on the year that someone was promoted, but not the date.  
\*\* Only includes those hired from July 1998 due to data limitations.

This shows that statistically, males and females have similar times-to-promotion overall, for both clerical and professional staff. For example, while females had a slightly shorter time to promotion to a L5 position than males, the difference is not statistically significant.

The time-to-promotion can also be modelled using a duration model.<sup>3</sup> Again, the factors that the model is taking into account include age, tenure, level, occupation and functional location. The results show that:

- For all staff, there was no clear difference between the time-to-promotion for policy or non-policy groups and professional or clerical positions. Time-to-promotion increased with age and L5 and L6 staff have the shortest time-to-promotion, while L3/4 and L4 staff have the longest.
- For staff promoted to a L5 position, females experience a longer time to promotion to management than males. This may reflect the high share of female clerical staff that reach an apex in their careers at the L4 position. Indeed, far more females than males remain at the Bank over time as non-managers.

## **E. DEVELOPMENT AND PAY**

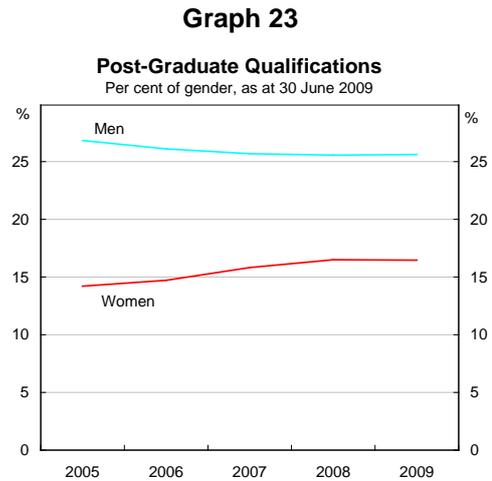
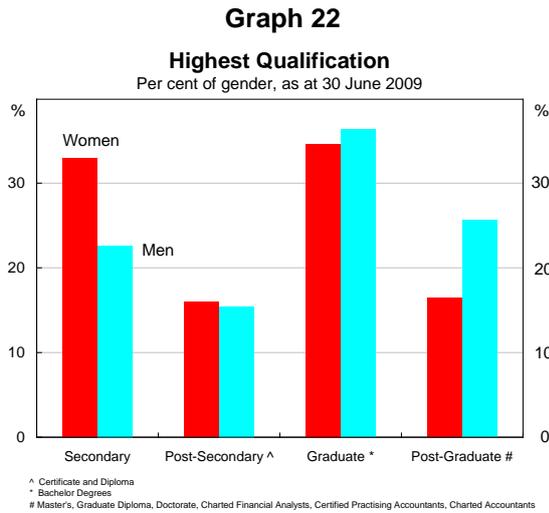
### **Education and training**

Three-quarters of staff at the RBA have a post-secondary or tertiary **educational qualification**. There is no significant difference in the percentage of women holding Certificate/Diploma or Bachelor qualifications when compared to men (Graph 22). Where differences exist, they are that:

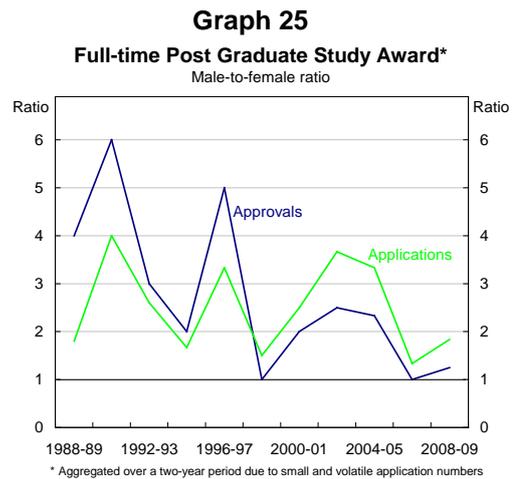
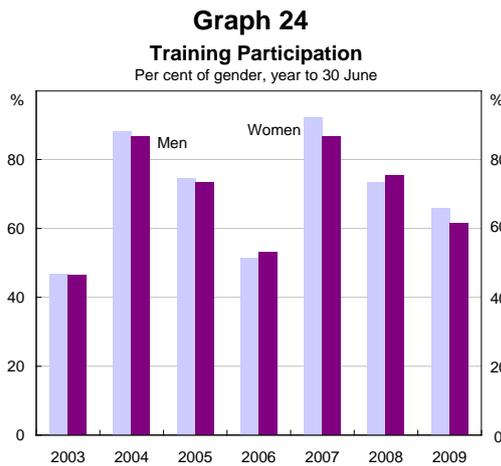
- the HSC is the highest educational qualification for proportionately more women than men, reflecting the higher representation of women in clerical roles; and

<sup>3</sup> The detailed methodology and results are available on request. In this case, the duration model is controlling for the fact that while a person may not have been promoted as yet, they may be in the future.

- proportionately more men than women hold a post-graduate qualification, although this gap has narrowed a little over the past five years (Graph 23).



There does not appear to be any gender differences in the access to **Bank-sponsored training**, with the proportion of staff participating in such courses similar for both females and males (Graph 24).

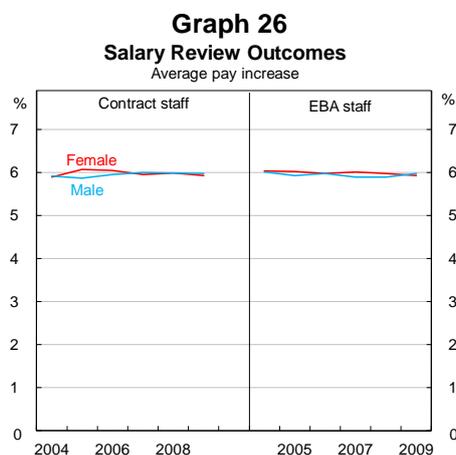


In terms of the Bank's **Post-Graduate Study Award (PGSA)**, more males than females apply for, and are typically awarded, full-time PGSA's (Graph 25). From 1988 to 1997, the male-to-female ratio of those that applied was below those that were approved, implying males had a greater success rate. In contrast, from 1998 onwards, females have had a higher success rate. The fall in the male-to-female ratio in the most recent years is partly due to a greater proportion of awards (mainly domestic) going to females.

Males also dominate applications for part-time PGSA's. This reflects the fact that these awards are typically for more technical and business-related courses which are primarily relevant to those in the Corporate Services Group (which has a relatively low female representation).

## Pay outcomes

There is little difference between the salary review outcomes of male versus females at the Bank, regardless of whether they are on contract or part of the EBA (Graph 26). For example, the largest divergence occurs in 2005 for contract staff, but the magnitude of the difference is quite small with women receiving a pay increase of 0.2 percentage points more, on average, than men.



## F. CONCLUDING REMARKS

The Bank has evolved over the past decade from an organisation with predominantly clerical and administrative positions – roles predominantly filled by females – to one of a predominantly professional nature. As a result, the majority of women at the Bank are now employed in professional roles rather than in clerical positions. This shift has not increased gender bias at the Bank. The share of women in total employment has remained fairly steady, as has the share of women in managerial positions. Men and women also have similar promotional opportunities, remuneration outcomes and access to training.

Looking ahead, however, the underlying trend is for the share of women in the Bank and in management to fall. Female recruitment as a share of total recruitment has declined over the past few years, mainly reflecting the predominance of men in professional roles such as economics, IT and facilities management. Elements of this challenge are already evident in management, with women under-represented at executive level (Deputy Head and above). To some extent this simply reflects the population the Bank is drawing from: the ratio of women to men studying honours in economics/finance, the main pool from which management is drawn, is often cited as 30:70. The marked reduction in the share of females in their 30s in employment with the Bank, which is more pronounced than for the broader community, will also limit the Bank's ability to increase the representation of women in management.

Absent any fundamental change in intake practices, such as drawing from other disciplines with a higher representation of females or hiring experienced professional women, options for the Bank are fairly limited. (Interestingly, the north American and European central banks face an identical challenge.) At a minimum, the Bank will have to monitor the success

rate of female versus male graduate applicants that are interviewed for a position at the Bank. The Bank could also gain from a better understanding of the hollowing-out of the Bank's population of women in their 30s and, in particular, the career experience of women during their child-rearing years. The results of this study also highlight the importance of developing existing and emerging female talent through initiatives such as staff rotation and the Executive Development Program.

10 June 2010

### AGENDA ITEM 3.3: CEDA WOMEN IN LEADERSHIP LUNCHEON

#### INFORMATION NOTE

*I attended the CEDA Women in Leadership lunch on 20 February 2012. One of the speakers was Kevin McCann, who is a 'Male Champion of Change.' This is a group of CEOs, chairmen and senior board members who have been recruited by Elizabeth Broderick, the Australian Sex Discrimination Commissioner, to discuss and promote strategies and actions that elevate women's representation in leadership. Mr. McCann described some research that the Male Champions of Change had commissioned on Australian companies, to try to find out what distinguished successful diversity initiatives and what were the barriers. This research is publicly available ([link](#)) and I thought it raised some interesting discussion points for the RBA Equity and Diversity Policy Committee (EDPC).*

*A little over a week later, Martin Parkinson, Secretary to the Treasury, and another Male Champion of Change, delivered a [speech](#) about initiatives Treasury is undertaking to increase the representation of women in senior roles. Many of these initiatives are consistent with the above research and they provide a useful example of a public sector organisation grappling with many of the same issues as the EDPC on women in leadership.*

#### About the research

The research found that most organisations follow a common journey, and move through three phases:

##### 1. 'Getting in the game'

The journey begins because the CEO becomes 'interested' in gender diversity. Most organisations first approach this by 'mapping the numbers' and use statistics, surveys and focus groups to gain a better understanding of the issues. HR is often heavily involved in this research. A common approach was to use the Chief Executive Women's CEO Toolkit.

This phase usually involves setting up a Diversity Committee, which typically acts as an advisory body. It usually has representation and leadership from HR, and has staff with experience in diversity issues. The typical focus is to drive change by instigating programs and enablers to support women, and therefore HR is central to this effort. These may include the provision of child care and breast feeding facilities, leadership training for women, and supporting women on parental leave to remain connected to the organisation. These initiatives are well intentioned, but despite the energy and investment, they usually have little impact on women's representation in senior roles. Much of the reporting on gender diversity describes the new programs and initiatives, rather than the progress.

Most organisations spend a few years in this phase learning about the issues, although some organisations took an ad hoc approach to fact gathering which unnecessarily delayed moving beyond this phase. The study characterised this phase as a necessary first step, but given the limited outcomes, organisations should aim to move beyond this phase.

##### 2. 'Getting serious'

Following the limited outcomes from the first phase, the organisation may move to phase two, which is triggered by the CEO moving from 'interested' to truly 'committed', and leading

organisational change on gender diversity. This results in the issue of women's representation in leadership being given a much greater emphasis and accorded the same treatment as other transformational business objectives. Senior executives move from asking questions about gender diversity and supporting programs, to managing gender balance as a business imperative.

The responsibility for gender diversity moves beyond HR to senior executives who are expected to provide strong leadership. In line with this transition in responsibility, the Diversity Committee is usually reconfigured from people with experience and knowledge about diversity to senior executives. The organisation typically sets targets or key performance indicators, similar to other business projects, and there is accountability for meeting diversity targets through performance appraisals. Achieving diversity targets becomes something that senior executives are considered to be able to control and expected to achieve. The fact finding that characterises the first phase is now used to measure progress, rather than diagnose the problem. Reporting on diversity focuses on progress, rather than programs.

There becomes more emphasis on not just the quantity of women in the pipeline, but the quality and looking at processes critically to ensure women are not being unwittingly overlooked. Many senior executives make a point of getting to know women in the pipeline. Rather than mentoring, organisations move to 'sponsor' women, by providing support that helps them get promoted rather than just providing general guidance. Sponsors look for and create opportunities for their protégées because they want them to succeed.

This second phase is associated with much greater success in achieving gender diversity.

### **3. Capturing the diversity advantage**

In this phase, women's representation in leadership positions has become a cultural imperative. All senior executives actively support gender diversity, and some organisations encourage this by routinely offering unconscious bias training to senior executives. Senior executives are accountable for the inclusive approaches of their staff at all levels.

These organisations are characterised by flexibility being mainstream, rather than marginal, both for men and women. Using flexible work arrangements or working part-time is not a barrier to promotion, and holding senior positions does not preclude using flexible work arrangements.

#### **Treasury: an example of applying this approach**

Martin Parkinson, Secretary to the Treasury is also a Male Champion of Change and in a speech on 28 February 2012, described recent initiatives the Treasury is undertaking to increase the representation of women in senior roles at Treasury.

Treasury began by undertaking a project on Women in the Treasury, which looked at why women were underrepresented at senior levels. Previously, Treasury had expected that women joining at lower levels would work their way to senior levels and the problem of underrepresentation would be resolved over time. This had not occurred despite new initiatives on part-time work and access to childcare. The issue had earlier been explored in a data paper, but following a lack of progress, an external consultant was engaged to run focus groups and interview key stakeholders and Treasury

alumni. The findings of the qualitative research were described as ‘confronting and confounding’ to the Treasury Executive Board:

*“there were some unrecognised biases at play that the consultations made apparent. These included some institutional biases toward a homogenous leadership style, biases toward conceptual and analytic skills over coordination and people skills, unconscious assumptions about the capacity and credibility of people with commitments outside of work, and some issues with the way our Performance Management System was being implemented. It’s notable that these issues are not gender-specific, though they do tend to affect women disproportionately.”*

An implication of this was that the best people were not always being recruited, retained or promoted and that past decisions on these matters may not have been optimal.

As a result of this research, Treasury is implementing a ‘Progressing Women’ initiative which will include:

- setting a target of 40 per cent of women in the ‘Senior Executive Service’;
- establishing a new Inclusive Workplace Committee, which will include all members of Treasury’s Executive Board, and be chaired by Martin Parkinson;
- new policies to promote part-time work including new approaches to job design; and
- providing training on unconscious bias for members of Treasury’s Executive Board, including Martin Parkinson.

### **Applying the research to the RBA’s experience**

In listening to Kevin McCann’s talk and reading the research paper, I was struck by how Phase 1 bore a lot of similarities to the work undertaken by the RBA’s EDPC, as well as the general structure of the EDPC. For example, the EDPC has undertaken a major study of diversity, which drew on material from the Chief Executive Women’s CEO Toolkit and has recently conducted focus groups to explore these issues further. The RBA has over several years introduced various programs to support work/life balance, such as improving access to child care, a parenting room, a period of paid maternity leave and carers leave.

Kevin McCann commented that many organisations struggle with moving from Phase 1 to Phase 2, and have trouble working out what to do with their improved understanding of the issues. That is, they better understand the issues, but cannot always see a way forward.

The EDPC’s proposals for training on unconscious bias, and discussions at our meetings about mentoring vs advocacy, are more consistent with initiatives adopted in Phases 2 and 3. What is different though is that these initiatives are coming from the EDPC, rather than senior executives. This research raises some questions, such as the optimum composition of the EDPC and the role of the CEO (in our case, the Governor) in championing diversity.

The experience of Treasury also seems similar to the RBA, in that it began with a data survey and then qualitative focus groups. The steps outlined by Martin Parkinson align closely with trying to move Treasury into Phase 2.

9 March 2012

## AGENDA ITEM 3.5

### LUCY MENTORING PROGRAM 2011

#### What is the Lucy Mentoring Program?

The Lucy Mentoring program is aimed female students studying economics, finance, business, accounting, IT and law, with a particular focus on those from a disadvantaged background. Students spend 35 hours in the workplace with mentors who are professionals in the public and private sectors. The program aims to highlight the work opportunities available to the student participants, and also to provide networking opportunities. Bank involvement in the program also provides an opportunity to raise the profile of the Bank as an employer and encourage female students to consider a career at the Bank.

#### RBA involvement in 2011

In 2011, seven Bank staff participated in the program: \_\_\_\_\_ and \_\_\_\_\_ from \_\_\_\_\_ mentored three second year economics students (in pairs) and \_\_\_\_\_ mentored an economics/information management student. Students undertook a range of activities, including discussions with the mentor and other RBA staff, shadowing their mentors and working on a project. The mentors organized an informal afternoon tea with the students and some of the senior women at the Bank. The students also undertook some general training activities, including the standard Bank Induction and in-house sessions on CV writing run by Human Resources Department.

#### Feedback from 2011 mentors

The mentees all noted that they had found the program interesting and useful. In particular, getting greater insight into work at the Bank, through attending seminars and presentations, project work and chatting to graduate recruits was considered particularly valuable. For those students who had not considered the Bank as a possible employer, their involvement in the program highlighted the broad range of work done at the Bank, and raised its profile as a potential employer. Several of the mentees have indicated an interest in applying for cadetships in 2012.

Overall, the mentors also indicated that the program had been rewarding: it was interesting to see the Bank from someone else's perspective and to observe the student's approaches to their own careers and growth as an individual through the program. The program also provided networking opportunities for the mentors: getting to know the other mentors better, and the learning about the career choices and experiences of senior female staff at the informal afternoon tea.

#### Suggestions for future Bank involvement

UNSW will not be running the Lucy Mentoring Program in 2012, but it is expected to be run again in 2013. Given the benefits from participation in this program, the Bank should consider being involved again. To encourage potential mentors to volunteer, it would be useful to:

- Promote the program through a Currency article or information session, and highlight the positive experiences of previous mentors.
- Provide support via HR. The support provided by \_\_\_\_\_ in 2011, which included liaising with UNSW, organizing training sessions for the mentees and arranging catering for the informal afternoon tea, was very valuable.

- Encourage the mentors to work as a group. A key factor in encouraging the six women from [redacted] to volunteer in 2011 was the involvement of a group of peers, allowing ideas to be shared and joint activities to be organized (and reassuring those with unpredictable work flows that contact hours could be managed).

Financial Stability Department  
15 June 2012

## RECRUITMENT & SELECTION

Updated: 25 July 2012

### POLICY

The Bank is committed to equal opportunity in employment with recruitment and selection decisions based solely on the relative "efficiency" of the applicants.

"Efficiency" means the suitability of an applicant (after an appropriate learning period) to carry out the specific requirements of the position to be filled and, where considered relevant, the general requirements of the classification level, having regard to:

- ability to perform the duties;
- relevant experience;
- relevant training and qualifications; and
- willingness to meet any particular requirement specified in the job description.

As required by the *Disability Discrimination Act 1992*, the Bank is prepared to make reasonable adjustments to the job, equipment and workplace to enable people with disabilities to compete on equal terms for vacancies. Where an applicant has a disability, it is important to assess the "inherent requirements" of the position, and recognise that there may be different ways of getting these done. Job requirements, which restrict equal opportunity for people with a disability, should be reviewed to ensure that they are really necessary. Additional information on assessing an applicant with a disability is available from Recruitment.

For the purposes of this instruction the Heads of Audit, Information, Human Resources, Risk Management and Secretary's will exercise responsibilities in recruitment and selection matters akin to those of Assistant Governors.

### RECRUITMENT

Recruitment to the Reserve Bank is subject to the provisions of the *Reserve Bank Act 1959 - Part VII* and *Regulations* made under the Act and other relevant Commonwealth and State legislation.

Recruitment processes are to be fair and open. Openness involves providing a reasonable opportunity for prospective external applicants to be aware of advertised vacancies, the nature of the vacancies and the selection criteria. Fairness means ensuring that non-discriminatory selection criteria are applied consistently to all candidates and that there are, as a minimum, two people involved in the decision making process. Refer to the section on 'Selection' for further guidelines on advertising, applications and the selection process.

#### Responsibility for Recruitment

Recruitment, Human Resources is responsible for all Bank recruitment subject to approval by the relevant Assistant Governor. Recruitment in locations other than Sydney will generally be undertaken by local management. Any new position in the organisational structure must be approved by the Deputy Governor prior to making additional appointments to the Bank.

Care must be taken not to misrepresent to applicants during interviews or other discussions any terms or conditions applicable to their prospective employment.

#### Offers of Employment

Offers of employment must be made in a formal offer letter, which should contain any pre-conditions to which the offer is subject, eg medical, police and security checks. New employees will not commence duty until the pre-conditions are satisfactorily resolved. Any exceptions to these requirements must be approved by the relevant Assistant Governor.

Where it is proposed that an employee be recruited on an individual employment agreement, the offer and terms of the agreement must be agreed with Human Resources and the relevant Assistant Governor. All contracts must be signed by the Assistant Governor or his delegate on behalf of the Bank. The term of any fixed-term agreement must be appropriate to the work needs of the Bank. Normally the maximum term is two years (senior appointments, L6 and above, would normally be for five years). The contract should contain all of the terms and conditions of employment agreed with the employee.

The employment term for trainees recruited under the New Apprenticeship and Traineeship System are set out in the *Reserve Bank of Australia Workplace Agreement 2011* which is available on the Human Resources intranet site.

## **Types of Recruitment**

### *Continuing Employees*

This is the predominant form of employment in the Bank and is used to fill vacant or potentially vacant positions the duties of which are on-going. Terms and conditions of employment are based on the relevant Workplace Agreement or individual employment agreement. These employees must be selected through a competitive merit-based process (refer to the section on 'Selection').

### *Temporary or Fixed-Term Employees*

Employees may also be recruited on a temporary or short-term basis to meet specific work requirements under a learning or development program e.g. the Graduate Development Program or traineeship program (under the *Reserve Bank of Australia Workplace Agreement 2011*), or where an employee does not satisfy the requirements for continuing employment. In these circumstances, employees may be recruited on fixed-term employment contracts, normally of two years or less.

Applicants who are not permanent residents of Australia, may be offered temporary employment on a fixed-term employment contract. On attainment of permanent residency these recruits may be offered continuing employment.

Specialist staff from overseas may be offered employment under a Business Sponsorship arrangement.

## **Minimum Requirements of Employment**

All employment at the Bank is subject to the applicant:

- being an Australian citizen, permanent resident or having a working visa appropriate to the terms of employment;
- satisfying the Bank as to his or her medical fitness to perform the duties of the position for which he or she is being employed. New employees are required to undertake a medical examination. Where applicable, this examination is also used to assess insurance coverage within the Reserve Bank of Australia Officers' Superannuation Fund;
- receiving a satisfactory Australian Federal Police clearance;
- where applicable, signing an individual employment agreement or accepting the terms of the *Reserve Bank of Australia Workplace Agreement 2011* where applicable;
- satisfying the Bank as to his or her identity. New employees will be required to provide acceptable original documents to enable verification of name, address, date of birth and citizenship;
- providing verification of qualifications relevant to the selection process;
- providing at least two satisfactory references;
- achieving additional security clearances where required by the functional area;
- completing an Employee Declaration (the declaration must be read in conjunction with the Bank's Code of Conduct); this is only the case where employed under the Workplace Agreement, not individual employment agreement; and
- achieving the required standards of performance during the relevant [probation period](#), where applicable.

## **USE OF EXTERNAL RECRUITMENT AGENCIES**

Recruitment and Workforce Planning, Human Resources, coordinate all recruitment activity across the Bank. From time to time recruitment agencies may need to be engaged if the skills required are of a very specialist nature, or there is a short-term work requirement.

The engagement of external recruitment agencies is to be managed by Human Resources following approval from the relevant Head of Department. In selecting an agency Human Resources will consider areas of industry expertise, reputation within industry sectors and cost to the Bank. The Bank does not have preferred suppliers and Human Resources will negotiate appropriate terms of business with the agency before commencement.

The Bank does not accept unsolicited resumes from recruitment agencies. Any direct contact between a departmental hiring manager and an agency should be referred to the Manager, Recruitment and Workforce Planning.

## **SELECTION**

For the purposes of this instruction:

- promotion means an internal appointment to a fixed position at a higher classification level than the current classification of the appointee;
- transfer means an internal appointment to a fixed position at the same classification level as the current classification of the appointee; or
- transfer also means an internal appointment from Level 3 to Level 3/4 and Level 3/4 to Level 4.

Assistant Governors may transfer employees at level to vacant positions without the need for a formal selection process. Where this involves a full-time employee transferring to permanent part-time status, the transfer will not proceed without the employee's consent. Where employees have been displaced as a result of a reorganisation, transfers to newly established positions will only occur after consultation with the Head of Human Resources and agreement that other employees will not be unfairly disadvantaged.

### **Vacant Positions - Advertising**

After clearance by the relevant Assistant Governor, new and existing positions above entry level may be notified as vacant on *People & Positions*. This includes short-term vacancies where the Bank considers that employees with the necessary skill set may be available internally.

Vacant positions, or positions expected to become vacant, may be advertised outside the Bank where the Bank reasonably considers that current employees cannot effectively fulfil the position requirements. Although every reasonable attempt will be made to fill positions from within, the Bank is not obliged to do so. In these situations, internal and external applicants will be considered concurrently, on merit.

Recruitment will ensure appropriate details including a position description and any other relevant information are available to all interested parties.

### **Vacant Positions - Applications**

All employees who have completed probation or six months' satisfactory service (other than those employed under the Graduate Development Program or trainees employed under the *Reserve Bank of Australia Workplace Agreement 2011*) are eligible to apply for promotion or transfer to an advertised position. Applicants must be prepared to accept appointment on the basis offered by the Bank. Applications should be received by the advertised closing date. Applications received after the closing date will be accepted only in exceptional circumstances. Supporting information relevant to the requirements of the position should be included in the application. Applicants who subsequently wish to withdraw an application should do so online or by writing to Recruitment.

Employees proceeding on annual or extended leave or on duty elsewhere, may arrange with their department to receive *People & Positions* updates during their absence. They may also submit a general expression of interest in vacant positions to Recruitment. Employees may apply for promotion or transfer to a position that has been advertised as vacant provided they are able to take up duties within about three months from the date of promulgation of the appointment (or as specified in their Individual Employment Agreement). All applications received for advertised positions are to be promptly acknowledged and applicants informed of the result within a

reasonable time. When an acknowledgement is not received within three working days of lodgement, internal applicants should contact Recruitment.

### **Selection Process**

For each advertised position, a Selection Panel will be formed, responsible for considering all applications and for recommending the most efficient applicant. Each panel member will only be selected after completion of the appropriate training conducted by Human Resources. The Panel will: assess and rank applicants on the basis of applications, skills appraisals and, where appropriate, interviews, referee reports from current and past supervisors and any other relevant information; and submit a report and recommendation, including the reasons the successful applicant is considered the most efficient for the vacancy, to the relevant Assistant Governor. Every effort should be made to reach a unanimous recommendation (although a majority recommendation may be unavoidable on occasions). Where the recommendation is not unanimous a copy of the Panel report is also to be provided to the Head of Human Resources who will confer with the relevant Assistant Governor as to whether any further action should be taken by the Panel.

Each Selection Panel will comprise an employee from the functional area (usually the relevant Department) in which the vacancy exists (the Chairperson); an employee from a different functional area (the second panel member); and an employee from Human Resources (the Human Resources representative). Where only external applicants are involved, the second panel member may be omitted.

The second panel member will be selected by the Chairperson from a list of suitable employees provided by Human Resources. In exceptional circumstances, the list may include employees from the same functional area as the Chairperson where the Head of Human Resources agrees that specialist knowledge of the requirements of the position is required and is not available beyond the functional area. The Chairperson and second panel member should be at least one classification level above that of the advertised vacancy; the Human Resources representative will be of an appropriate level, having regard to the level of the vacancy.

Panel composition should reflect the nature (including gender) of the applicants, where practicable. Panel members will be chosen for, inter alia, their knowledge of the requirements of the vacant position, and their objectivity. The Chairperson of the Panel will be primarily responsible for initiating and expediting the selection process, including the preparation of the report to the relevant Assistant Governor. Equity and diversity principles and [Privacy of Personal Information](#) policy are to be observed throughout the process.

Apart from contributing to the selection process as an independent Panel member, the Human Resources representative has a special responsibility to ensure that procedural aspects do not compromise the merit selection process. Where procedural issues cannot be resolved by the Panel, the Human Resources representative is to raise them with the Head of Human Resources who will consult with the relevant Assistant Governor and advise the Panel Chairperson how to proceed.

If the relevant Assistant Governor accepts the recommendation of the Selection Panel, the outcome will be notified on *People & Positions*. If the Assistant Governor is disinclined to accept the recommendation, his/her concerns will be discussed with the Selection Panel. If, after such discussions, the Assistant Governor is still disinclined to accept the Panel's recommendations, he/she will refer the Panel's report together with his/her own views to the Head of Human Resources for agreement on an appropriate course of action.

Unsuccessful internal applicants can request feedback from the Panel Chairperson. The Panel report should also indicate instances where it believes particular applicants may benefit from counselling regarding their interview performance, attitude, aspirations, etc. A copy of the relevant section of the Panel report will be made available to the applicant by Recruitment, on request.

The [Selection Panel Guidelines](#), which incorporates the responsibilities of members, is available on the Human Resources intranet site.

### **Notification of Appointments**

#### *Promotions & Transfers*

*People & Positions* will notify all promotions, transfers and appointments and will be available to staff on the Human Resources intranet site without delay. The effective payment date for

promotions is, in the normal course, the date the successful applicant takes up duties in his/her new position.

Where a take-up of duties is delayed for more than one month (or is envisaged to be delayed), Human Resources must be notified and the reason outlined. In such circumstances, Human Resources will normally approve payment at the salary rate for the higher position before the employee assumes his/her new duties, unless unusual or exceptional circumstances apply, such as an employee being unavailable due to a posting overseas.

*Assumption of Duties*

The date on which an employee can take up their new duties will be a matter for determination by the relevant Assistant Governor (or Assistant Governors where a promotee is from another functional area).

-END OF DOCUMENT-

RBA  
DIVERSITY  
PLAN  
2012–2015



RESERVE BANK OF AUSTRALIA

# RBA Diversity Plan

2012–2015

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*Reserve Bank*

# Section 1: Introduction

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The Reserve Bank of Australia is committed to building a diverse workforce where all employees are treated with respect and experience equal opportunity throughout their careers. This commitment is underpinned by a Diversity Program, which comprises two elements:

- the Bank's existing policies and processes which aim to embed equity and diversity principles in our work practices; and
- new diversity initiatives which the Bank will support over the near term, as outlined in this *Diversity Plan*.

- **Legal requirements:** the Program assists the Bank in meeting its equity and diversity related legislative requirements. Relevant legislation includes:
  - *Equal Employment Opportunity (Commonwealth Authorities) Act 1987*
  - *Age Discrimination Act 2004*
  - *Disability Discrimination Act 1992*
  - *Human Rights and Equal Opportunity Commission Act 1986*
  - *Racial Discrimination Act 1975*
  - *Sex Discrimination Act 1984*
  - *Fair Work Act 2009*
  - *Work Health and Safety Act 2011.*

In particular, the Equal Employment Opportunity Act defines a number of groups for which the Bank must have a Diversity Program:

- women
- people with a disability
- people of a non-English speaking background
- Indigenous Australians.

The Bank's Diversity Program, however, has a broader reach than these designated groups in two important ways. First, it recognises the importance of helping all employees balance their work-life commitments, regardless of gender. Second, it acknowledges the benefits in assisting employees in their transition to retirement, particularly as the population ages.

## 1.2 The Diversity Plan Priorities

To give the *Diversity Plan* better focus, a number of priorities have been established for the next three years. These priorities have been determined through the results of a focus group study conducted in 2011 (an initiative of the *Diversity Plan 2009–2011*), workforce analysis detailed in the *Equity & Diversity Annual Report 2011*, the Bank's Workplace Agreement, and recent developments in equity and diversity practice. The priorities are to:

- undertake training and awareness on unconscious bias within the workplace to promote the quality of employment-related decision-making
- facilitate access to flexible work arrangements
- better understand the factors influencing the career experience of women
- understand the needs of a maturing workforce, and use that information to assist in workforce planning and corporate knowledge retention.

This Plan outlines how these priorities will be addressed, as well as a more general work program for other diversity-related issues.

# Section 2: The Work Program

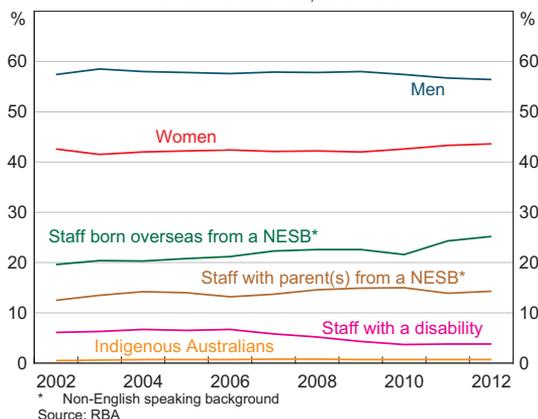
## 2.1 General

As part of the *Diversity Plan 2009–2011*, the Bank commissioned a focus group study to better understand some of the issues affecting the career experience of employees. It has provided useful information for the Bank to consider in constructing this Plan.

In particular, the Bank will trial training in ‘unconscious bias’, which occurs when preconceived perceptions or stereotypes held by people influence their decision-making without their conscious knowledge. Those stereotypes may relate to diversity-related groupings (such as gender, race or age), or work-related attributes (such as the use of flexible work arrangements). The aim of the proposed training is to make senior staff aware of the issues associated with unconscious bias in order to support quality decision-making about people and a culture that values diversity and inclusion.

Other initiatives will include a review of internal investigations procedures for workplace complaints, including the avenues available for employees to raise concerns. A stand-alone equity and diversity policy will be developed to reinforce employee rights and responsibilities at work. Improvements on how diversity-related information is communicated through the Bank’s intranet and internet sites will be pursued. Some time will also be spent reviewing the effectiveness of the Bank’s diversity network.

**Graph 1**  
**Diversity Profile at the RBA**  
 Per cent of total staff, as at June

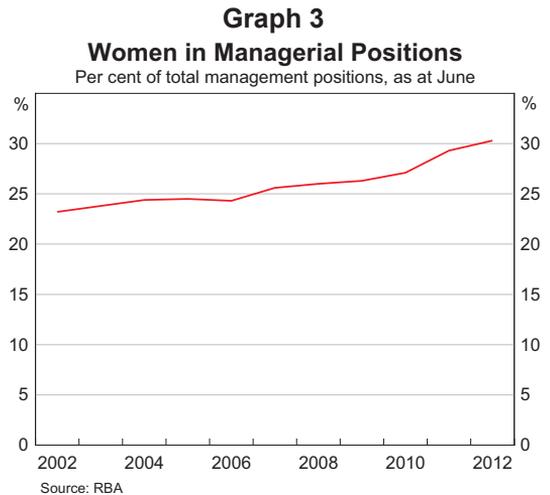


## 2.3 Gender

Around 43 per cent of the Bank's employees are women, comparable to the Australia-wide share of female employment. Typically, female graduates comprise around one-third of the graduate intake, which is similar to the share of female graduates from the disciplines which the Bank recruits.

The representation of women in management is lower, at 30 per cent, although the share of women in managerial positions is trending up and is currently at its highest level since data became available (Graph 3).

One aspect of the work program over the near term is to better understand the impact of extended leave and flexible working arrangements, including on an employee's career. This has implications for workforce planning and HR policy formulation.



### Initiatives

#### Analysis

- Conduct analysis related to the career progression of graduate employees, examining the impact that various types of career breaks have on an individual's career.

#### Recruitment

- Identify opportunities to promote careers at the Bank to secondary and tertiary students, such as the Lucy Mentoring Program (a leadership program for female students studying economics, finance, business, accounting, IT and the law).

#### Retention

- Monitor external initiatives, such as Male Champions of Change (a group of corporate leaders dedicated to driving change on gender issues in their organisations), to understand what gender initiatives are proving successful in other organisations.
- Gain a better understanding of key leadership competencies and use this information to support career planning.
- Consider career planning programs.

## DRAFT NOTE FOR EXECUTIVE COMMITTEE

### GENDER TARGETS

Despite significant advances in education and workforce participation, women remain under-represented in leadership positions across the globe, with female representation declining with seniority. In many countries, policy-makers have responded by introducing gender targets for corporate boards. This note outlines the notion of gender targets as a means of achieving gender diversity outcomes as initially discussed at ExCo in August 2012.

#### *Background*

There are two main external factors that have had an impact on gender targets in corporate Australia. Firstly, in 2011 all companies listed on the ASX were required to report on diversity issues under the new ASX Corporate Governance Council Diversity Guidelines, which recommend setting of measurable objectives for achieving gender diversity, disclosure of the number of women in the workforce and on boards, and the establishment of a diversity policy. Additionally, from November 2012, private companies are required under the *Workplace Gender Equality Act 2012* (Cth) (the Act), to annually report against gender equality indicators related to workforce gender composition, remuneration and availability and utility of employment terms, conditions and practices, including flexible working arrangements. Legislated gender indicators and prescribed minimum standards are currently under development and are due to be released in 2014.

The EOWA 2012 Women in Leadership Census provides statistical context to the issues that the new legislation seeks to address, including the number of women on boards and senior executive positions. The Census revealed that women comprise 9.2 per cent of executives, of which 2.4 per cent occupy CEO positions in the ASX 500. Organisations have responded to the ASX guidelines, as evidenced by the increase in the number of women joining boards from 8 per cent in 2010 to 13.8 per cent in 2011.

As at end June 2011, women comprised 57.5 per cent of all Commonwealth Public Service employees and held 35.3 per cent of Government board appointments. Women account for 44 per cent of the Bank's staff as at end June 2012, holding 30 per cent of managerial, 33 per cent of RBA Board and 14 per cent of Payments Systems Board positions. The table below summarises the Bank's gender break-down across Level 5 and above positions as at end November 2012, highlighting a dip in female representation at Deputy Head and Assistant Governor and above levels.

**Table 1: Gender Representation in Managerial Positions**  
Per cent, as at end November

	Level 5	Level 6	Deputy Head	Head of Department	Assistant Governor & Above	Overall
	(161)	(65)	(23)	(20)	(8)	(279)
<b>Women</b>	29	35	17	30	12.5	<b>29</b>
<b>Men</b>	71	65	83	70	87.5	71

Forty-seven per cent of promotions in the Bank over the year to June 2012 were awarded to women, of which around a quarter were managerial positions. The 2012 Equity & Diversity Annual Report

confirms that there are no gender differences in training participation, however proportionally more men than women hold graduate and post-graduate qualifications.

### *Gender Equality Targets*

In 2010, the Gillard government announced a 5-year target of 40 per cent women, 40 per cent men and 20 per cent unallocated for Government boards by 2015. There are early adopters of the ASX guidelines and a number of leading companies, including the big four banks, Telstra and Woolworths, most aiming for about 33 per cent of women in senior roles over the next two to five years. Examples of these gender targets are outlined in (Attachment A). However, the definition of 'senior roles' varies across these organisations, in the absence of any target setting methodologies. Additionally, 98 per cent of ASX listed companies have established a diversity policy and 56 per cent have set measurable objectives using specific targets aimed at maintaining or improving the participation of women at different levels of the organisation. Examples of such targets include:

- To increase the representation of women employees in the whole organisation to x% over x years.
- To increase the number of women in middle management positions to x% by x year.
- To achieve an x% target of female representation on the Board.

Other notable measurable objectives directed towards achieving gender diversity in ASX listed companies include:

- Review of gender remuneration parity to be undertaken on an annual basis.
- Potential candidate pool for vacant positions must include at least one female candidate.
- During the board selection process, at least one credible and suitably qualified and experienced female candidate should be considered.
- In interviews for executive positions, there needs to be at least one appropriately qualified female candidate and at least one female on the interview panel.

While there is no obligation for companies to adopt the ASX recommendations, those that do not are required to provide an explanation as to 'why not'. Distractions, such as mergers and acquisitions, operational challenges and organisational size are cited as key drivers against the adoption of the recommendations.

There is evidence that targets have led to an immediate and substantial increase in female representation across senior positions. Within the corporate sphere, there is no causal evidence on the impact of targets on overall female participation, however some research suggests that there is a positive relationship between board diversity and the participation of women in other senior positions within an organisation. This research provides support for top-down policies, such as board targets, which could in turn increase female participation in higher ranks. Commonly cited advantages for gender target setting include:

- improvement in descriptive representation by directly increasing female representation;
- presence of a 'role model effect', whereby mandated female leaders serve as role models for other aspiring women; and
- increased leadership aspirations for women and reduction in self-imposed stereotypes.

However, a key concern in interpreting the evidence is that countries and organisations that adopt targets may be doing so as a response to changing attitudes towards women, therefore correlations between target-induced increases in leadership outcomes may not reflect the causal impact of targets. There are some noted disadvantages, including gender targets 'crowding-out' other marginalised ethnic or socioeconomic groups, and leadership positions being awarded to women on the basis of achieving targets. Much of the debate over targets is whether they result in reverse-discrimination, however, transparent selection and performance management arrangements enhance perceived procedural justice and fairness of selection and promotion outcomes. Targets are designed to initially eliminate under-representation of women in workplaces and could be removed once proportional representation is reached. As such, most targets are accompanied by clear time-frames.

### *Recommendations*

In light of the current gender target climate the Bank could consider setting an aspirational target of 40 per cent of women in senior positions (e.g. Level 5 and above), with a 3-year review point, to coincide with the conclusion of the current *Diversity Plan 2012 - 2015*. Based on the current statistics, this target would increase female representation in management positions by 11 per cent. Similar to Treasury's approach, the Bank could consider this target as a strong signal of its gender equality commitment and a transparent indicator of intent. This target would be consistent with the Government's objective and private sector organisations. Unlike a quota, the Bank could reiterate that this is a target which it aims to achieve through its gender initiatives outlined in the Diversity Plan. The target is not intended to be applied to specific business decisions such as promotions. The merit principle should remain fundamental to selection and promotion and ensure that all candidates of merit are provided with equal career progression opportunities.

In addition, the Bank could implement an over-arching Diversity & Inclusion Policy (Attachment B) to outline its gender equality intent, regardless of whether it adopts a gender target. The Diversity & Inclusion Policy Committee has endorsed the draft Policy and would continue to review it along with the Bank's progress on diversity initiatives outlined in the Bank's Diversity Plan. This commitment could be reflected in the updated Committee Charter, which now includes the introduction of 3-year terms for all non-Ex-officio positions.

For discussion.

Human Resources  
6 December 2012

Attachment A

Organisation	Target
<b>Treasury</b>	Increase the representation of women in the SES from 23% to a long-term objective target of 40% women in senior executive roles, with a milestone of 35% by 2016.
<b>Westpac</b>	Increase the proportion of women in leadership roles from 33% in 2010 to 40% by 2014.
<b>Commonwealth Bank</b>	Increase the representation of women in Executive Management and above roles from 26.6 % in 2009 to 35% in 2014.
<b>National Australia Bank</b>	<p>Increase the proportion of women in executive management to 33% by 2015.</p> <p>Increase the proportion of women on Group subsidiary boards to 30% by 2015.</p> <p>Increase the number of female non-executive directors on the board to at least 30%.</p> <p>Target a 50/50 gender balance in the Australian Graduate Program intake.</p>
<b>ANZ</b>	Reach at least 40% representation of women in management.
<b>Bank of England</b>	Recruit 40% female graduates.

Attachment B

# **Diversity & Inclusion Policy - DRAFT**

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**9 November 2012**

## Version Control

<b>Version</b>	1
<b>Date</b>	9 November 2012
<b>Document Owner</b>	Human Resources
<b>Document Control Trim Link</b>	<a href="#">D12/356129</a>

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## 1. Purpose and Application

Valuing diversity and inclusion has provided the Bank with a strong foundation that has helped shape our culture and the way we work. The Bank is committed to building a culture of diversity and inclusion, whereby all employees are treated with respect throughout their careers. This commitment is underpinned by the Bank's Diversity Program, which promotes diversity, as it relates to gender, age, people with a disability, people of a non-English speaking background and Indigenous Australians. In addition, the Bank extends its diversity and inclusion definition to work-life balance matters and transition to retirement.

### 1.1 Who does this Policy apply to?

This Policy applies to you if you:

- are an employee of the Bank; or
- occupy a position (whether as a contractor, consultant, agency employee or otherwise) within the organisational structure of the Bank.

### 1.2 Policy ownership

The Policy is owned by the Executive Committee, with the Diversity & Inclusion Policy Committee being responsible for initiating periodic reviews of the Policy.

## 2. Why Diversity & Inclusion Matters

Workplace diversity involves recognising individual differences by creating an environment that values and utilises the contributions of people with different backgrounds, experiences and perspectives. It matters because it assists the Bank in meeting its core objectives.

### 2.1 Diversity of thought

The Bank's employees are characterised by diverse abilities, ages, backgrounds, interests, and skills. The Bank recognises the importance of fostering an innovative environment that is less insular, open to new and different ideas, and comfortable with differences of opinion and how to resolve them.

### 2.2 Employee attraction

A diverse and inclusive workplace will help promote the Bank as an employer of choice.

### 2.3 Retention and engagement

A strong sense of inclusion in the workplace, and an appropriate balance between career and life responsibilities, can contribute to employee retention and engagement.

### 2.4 Workforce planning

The Bank's talent management arrangements encourage a culture of excellence, by ensuring that the Bank has a pool of diverse set of abilities and skills that best match job requirements, and provide for effective career transitions to ensure effective knowledge management.

### 2.5 Productivity

The Bank fosters a workplace where employees are free from all forms of discrimination and harassment, and are treated fairly on the basis of merit, in order to provide conditions that encourage a productive environment.

### 2.6 Accessibility

The Bank ensures that its buildings, computing systems, communications and bank notes are accessible to employees, customers and the general public (where appropriate).

### 2.7 Social responsibilities

The Bank's Diversify Program provides opportunities to improve the wellbeing of the Australian community and, in particular, to assist groups of people that have experienced disadvantage in employment.

### 2.8 Legal requirements

The Diversity Program assists the Bank to meet its legislative requirements as they relate to:

- *Equal Employment Opportunity (Commonwealth Authorities) Act 1987*
- *Age Discrimination Act 2004*

- *Disability Discrimination Act 1992*
- *Human Rights and Equal Opportunity Commission Act 1986*
- *Racial Discrimination Act 1975*
- *Sex Discrimination Act 1984*
- *Fair Work Act 2009*
- *Work Health and Safety Act 2011*

### 3. Policy Implementation

In ensuring that diversity and inclusion are the key cornerstones of the organisational culture, the Bank implements policies, guidelines and programs that ensure all employees experience equality throughout their careers at the Bank.

#### 3.1 Diversity & Inclusion Objectives

In valuing and managing diversity and inclusion, the Bank aims to continuously improve on the following objectives:

- foster an inclusive and collaborative culture by ensuring employees demonstrate appropriate workplace behaviours and engage in ethical decision-making;
- ensure equal opportunities for all employees based on their ability and performance;
- continuously improve the representation of women, various age groups, people with a disability, people of a non-English speaking background and Indigenous Australians across all classification levels; and
- equitably enact the Bank’s policies, including those in relation to workplace conduct, leave and flexible work arrangements, work health and safety, grievances, remuneration, learning and development, recruitment and selection.

#### 3.2 Diversity Plan

The *Diversity Plan* assists the Bank to meet the above objectives by establishing key diversity and inclusion priorities every three years. These priorities are determined through consultation with employees, workforce diversity profile analysis, the Bank’s Workplace Agreement, and recent developments in diversity and inclusion practices.

The Bank’s 2012-2015 diversity and inclusion priorities are to:

- gain an understanding of the issues related to work-life balance that are important to employees, and to use that information to contribute to equity and diversity policy deliberations;
- better understand the factors influencing the career experience of women, with the aim of reaching around 40 per cent female representation in management position by 2015;
- continue improving the accessibility of the Bank’s computing systems, information and building facilities for its employees and the community; and

- understand the needs of a maturing workforce, and use that information to assist in workforce planning and knowledge retention.

## 4. Roles & Responsibilities

The Bank aims to ensure that all employees proactively undertake their diversity and inclusion responsibilities within their sphere of influence.

### 4.1 Executive Committee

The Bank's Executive Committee oversees the diversity and inclusion agenda and inquiries into the Bank's workforce composition and its policies and procedures.

### 4.2 Equity & Diversity Policy Committee

The Bank's Diversity & Inclusion Policy Committee drives the Bank's diversity agenda by:

- influencing strategic direction of diversity matters, including developing, implementing and monitoring measurable diversity objectives as stated in the Bank's [Diversity Plan](#);
- making recommendations to the Governor on diversity matters; and
- reviewing the Bank's diversity practices and tabling its *Equity & Diversity Annual Report* in Parliament.

### 4.3 Head of Departments

The Head of each department is responsible for equity and diversity activities and performance within their areas.

### 4.4 Diversity Contact Managers

Diversity Contact Managers are responsible for monitoring the implementation of the Diversity Program in their respective departments.

### 4.5 Accessibility Consultative Group

The Accessibility Consultative Group makes practical suggestions for improvements to the accessibility of computing systems, information and building facilities.

### 4.6 Human Resources

Human Resources provides specialist advice to assist in the development and implementation of the overall Diversity Program.

### 4.7 Employees

All employees are required to ensure their actions in the workplace are consistent with the Bank's diversity and inclusion principles.

## **Terms of Reference – Diversity & Inclusion Policy Committee Charter**

### **Role**

The role of the Committee is to assist the RBA to achieve its aims relating to equity and diversity in the workplace.

### **Functions**

The Committee has the following functions:

- make recommendations to the RBA on equity and diversity principles and policy;
- set the priorities for and monitor the implementation of an equity and diversity program for the RBA. This includes reviewing the work of the Accessibility Consultative Group; and
- monitor and report periodically to the Governor on these matters.

### **Membership**

The Committee has 10 members:

- Chairperson – appointed by the Governor;
- Deputy Chairperson – Head of Human Resources (ex-officio);
- Secretary – Diversity & Inclusion Consultant, Human Resources (ex-officio);
- Staff Representatives (four) – appointed by a sub-Committee comprising 3 existing Committee members via expressions of interest from staff;
- Union Representative – an employee nominated by the Reserve Bank Officers' Section of the Finance Sector Union (and an alternate);
- Representative from the Accessibility Consultative Group (Chairperson, ex-officio); and
- Representative from the Diversity Contact Manager Network (Chairperson, ex-officio).

Membership should include some representation from the various diversity groups as set out in the *Equal Employment Opportunity (Commonwealth Authorities) Act 1987*.

Membership will be for a period of 3-year terms for all positions, with the exception of ex-officio positions.

### **Meetings**

The Committee will meet three times each year.