

# FINANCIAL REVIEW

**SE** Boss  
**HD** **Master of discretion**  
**BY** Joanne Gray  
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## PROFILE

The ability to listen and the capacity to discreetly handle complex issues have built Carolyn Hewson's influence as a not-for-profit and corporate director.

## TD

When she was a 15-year-old Girl Guide in genteel Adelaide, Carolyn Hewson remembers how she and her friend Andrea wheeled the bed of a severely disabled teenage girl through the gardens of Adelaide's Home for Incurables on Sunday afternoons. Charity work had always been part of her parents' lives, but her hands-on experience kindled a spark that became a passion.

"I realised early that it made me feel as if I was contributing something, as if I was doing good, and I liked that," she says.

Later while many of her contemporaries were relaxing in their free time, Hewson, by then a young investment banker with a masters degree in economics from Cambridge University, joined the Ted Noffs Foundation **board**.

Serving on the boards of not-for-profits "was just what I did outside my working hours" at Schroders, she says. After she married federal opposition leader John Hewson and the couple's profile escalated, the demands to join not-for-profit boards piled up. She quickly racked up directorships, including with the YWCA, the NeuroSurgical Research Foundation and the Breast Cancer Research Foundation.

"I remember saying, I love my work. And it was more than that: you could make a real difference on the ground."

Hewson has, however, avoided publicity since her uncomfortable experiences in the spotlight as a high-profile political wife in the 1990s and when she abruptly resigned as a director of AMP in 2001. She has rarely spoken about the AMP episode and for the past 13 years has focused on her work as a director of philanthropic organisations and for some of Australia's biggest companies.

Already highly respected, Hewson has quietly become one of Australia's most influential **company** directors. She now sits on the boards of BHP Billiton and Stockland and has just completed the first gruelling six months of the Financial System Inquiry, an experience she has "revelled" in.

## AMP EPISODE

More than a decade later, while unfailingly polite and engaging, Hewson still speaks very carefully about the AMP episode. Back in 2001, AMP was under pressure. Chaired by Stan Wallis and run by chief executive Peter Batchelor, its British subsidiary Pearl was facing capital adequacy issues. Further, Batchelor had proposed a \$500 **million** to \$1 **billion** investment in **China** Pacific Life, an insurer.

All of this was to come out. But before most of it did, Hewson quit the **board**. She left without explanation and has never detailed her reasons. The market understood there were serious corporate governance problems.

Seared upon her memory are the words of a senior male director, who warned her that abandoning AMP would derail her career.

"Because I left the **board**, it was a big, very big deal," she says. "Some of it did get into the media and I was certainly told by a very, very senior director who was highly regarded at the time, words to the effect: 'You'll never get another **board** doing what you've done, you've let down the side.'"

Hewson knows her decision was right. "I knew I had to be able to sleep at night and I knew I had to go."

"There was only one person who [disagreed with me] but he was wrong."

She gives the unnamed senior male director the benefit of the doubt. "I haven't spoken to him about that since. He is now old. He had his view. He could only judge by what was in the paper and he couldn't have known all that I knew. So the [AMP] share price did fall really significantly [after the resignation]. I guess people now say there must have been more behind it."

Hewson says some people have questioned whether she should have remained silent about her reasons for leaving the **board**.

"I felt my obligation was 100 per cent to the **board** and through them to the shareholders. And it was deemed appropriate that I would not talk about these things publicly.

"I reflected on that decision over the next decade and I think it was probably the right thing to do. There is some uncertainty in my mind. If exactly the same thing happened again? I am older and wiser now."

In fact, Hewson's deft handling of difficult issues and her discretion have become hallmarks that ensure she is in high demand as a director.

#### WARY OF MEDIA

Passionate about gender **equity**, Hewson often gives speeches and occasionally comments when the issue is debated. But her aversion to publicity also runs deep. Looking back, some of the reporting about John Hewson and his highly accomplished, private-school educated wife had an envious tone.

At the time the Hewsons faced constant questions about whether she would give up her job as a director of investment bank Schroders were he to win. There were raised eyebrows at her childlessness (she has a daughter who is now 19). Later, there was the media scrutiny of her marriage breakup.

"I don't seek interviews, I don't seek any notoriety at all. I don't seek a profile," she says.

Hewson believes she can be vastly more effective operating behind the scenes than through the media. Speaking about her not-for-profit work, with the NeuroSurgical Research Fund, the Westpac Foundation and the Australian Charities Fund, among others, is different, and she relishes the chance to wield her considerable influence for their benefit.

"I am much more excited by seeing the difference we make on the ground as a not-for-profit organisation. It's more about giving them a voice, than having a voice myself."

#### LEARNING TO LISTEN

Former Westpac Foundation chief executive Susan Bannigan (who now runs the Westpac Bicentennial Foundation) describes Hewson's way of chairing **board** meetings as "inclusive and collaborative".

"She is never afraid to have the difficult conversations. Carolyn ensures everyone's views are expressed and understood, and then very firmly, but in a considered way, comes to a decision."

This is no subconscious habit, says Hewson, who chaired the Foundation for three years. "I've learned that it is so valuable to listen before you talk. The importance of listening is underrated and to try to be very thoughtful and consistent in what you say and when you say it. Different perspectives are valuable and it doesn't work to cut anybody off early in a discussion."

In the male-dominated world of investment banking, and often as the lone woman on a corporate **board**, Hewson will have seen plenty of occasions where good ideas and valid arguments were cut off mid-sentence.

She says, "[It's important] to be constructive in leadership, rather than accusatory. There are no leadership positions you can come to with a sense of entitlement. It's much better coming to leadership with a sense that you need to listen and learn."

The same advice holds true for profit and not-for-profit boards, she says. In fact, Hewson reckons the need to listen and be constructive is more acute when dealing with what she calls civil society boards.

"When you are dealing with volunteers who are [working] unpaid, I think it's a more difficult job. There has to be an additional layer to listen and appreciate perspectives."

She emphasises the need to remain humble.

"I'm not the alpha female around the **board** table. It doesn't seem such a far cry from the way I am around the [corporate] **board** table to the way I am around the not-for-profit **board** table. I've always felt like I was on the side of management, I've always wanted to find ways that I could be constructive rather than destructive. I want to find ways to ask the question, even the hardest question, in a constructive way.

Stockland chairman Graham Bradley agrees: "Carolyn has a wonderful ability to pose a very challenging issue to management in a non-confrontational way. That is a very important attribute of a director. What NEDs [non-executive directors] mostly do is ask hard questions and expect cogent answers. Carolyn has that down to an art form. She doesn't ruffle feathers but does focus everyone's attention on the issues. That's a hugely valuable skill."

#### A FINE BALANCE

Bannigan says Hewson was instrumental in transforming the Westpac Foundation, shoring up its capital and aligning it more closely with Westpac **Group** to boost the engagement of staff and take advantage of their expertise. Hewson puts an emphasis on relationships, she says.

"She has a lovely ability to take the time and remember things about people, no matter what level they are in an organisation.

"I often find myself in a meeting or giving a speech thinking, 'How would Carolyn have handled this?' Her influence on me and my work is ongoing."

Hewson also sat on the Australian Charities Fund **board** as a director for 10 years. The **board** won changes to legislation to facilitate pre-tax salary contributions to charity. Now 140,000 Australians contribute regularly to charity through their workplace giving program, raising some \$56 **million** a year.

"One of the benefits of workplace giving is that it's incredibly transparent," says ACF chief executive Jenny Geddes. "In our model, the employee donations go directly to the charity and ACF does not touch the funding. I'm sure the integrity of this model appealed to Carolyn's personal value system."

Geddes says Hewson has a prodigious intellect coupled with an incredible work ethic. "She has the ability to offer solutions to complex problems with the utmost confidence. Once the direction has been confirmed, Carolyn has the ability to mobilise teams with great **energy** and enthusiasm."

#### IT'S PERSONAL

Hewson's 20-year involvement with the NeuroSurgical Research Foundation has a deeply personal element. A professor of neurosurgery who was a parent at her old school, asked her to join the **board**. Two years later her baby daughter needed neurosurgery.

"I remember taking my daughter to Adelaide and telling [the professor] that's what they want to do and I asked him, 'What would you do if this was your daughter?' And he pulled out a book he'd written on that very condition. He didn't do the operation, it was done here at Westmead. But I guess from then on it was personal and I've been involved ever since."

NRF chief executive Ginta Orchard says Hewson is a very hands-on director.

"She is always ready to help and get her hands dirty, set up the tables and so on. She once told me that, 'If I am going to be involved, I will be involved the whole hog and not just part-do something.'"

The NRF held a blind **wine** bottle raffle as a fundraiser a few years ago. "Carolyn and I that morning wrapped and numbered 200 bottles. Nothing was ever too hard for her."

Hewson has pared back commitments since she was asked by the Treasurer, Joe Hockey, to sit on the Financial System Inquiry chaired by David Murray and has stepped down from the Westpac Foundation and the **board** of BT Investment Management.

Gail Kelly, Westpac chief executive is understood to have encouraged her to join the FSI **board**, as a kind of balance to FSI chair David Murray.

"Her involvement in the FSI will be a huge contribution," says Stockland chairman Graham Bradley, where Hewson has been a director since 2009. "David Murray can be pretty headstrong and Carolyn would likely take a more balanced view."

#### GENDER BIAS

Hewson has also been influential behind the scenes in pushing gender **equity** in corporate Australia. She counselled Westpac chief executive Gail Kelly several years ago on the need to do more to ensure women have better access to opportunities at Westpac.

Westpac chairman Lindsay Maxsted says Hewson has been instrumental in the bank's policies on gender equality.

"The female directors at Westpac – Carolyn and Elizabeth Bryan – were major contributors to raising the bar on gender and diversity at Westpac," says Maxsted, who also sits on the BHP Billiton **board** with Hewson. "She is very well prepared and has a great capacity to absorb detail. And then there's her personal traits. She is very conciliatory, she makes her comments constructive. She is not a weak director: if she has a conviction it is very clear to the rest of us why we should take notice."

Bradley says Hewson is often asked to talk to the staff, as she is such a role model for women executives. "She gets quite a lot of confidences shared with her and I've always found her to have a good judgment as to how much she shares with the **board** and how to bring it up with management.

"She has handled these delicate situations in exactly the way I think was appropriate. She finds a way to get some issue looked at without making it an unnecessary cause celebre. She does all of this while being a single mother with a late teenage daughter, living in Adelaide and supporting an elderly mother."

When Hewson is asked what she thinks is holding women back in corporate life, she pauses. "There are wonderful women showing how it can be done and these are at executive level, not just non-executive level. But still the issues of unconscious bias, still the issues of managing the demands of home and work, still the lack of belief women have in themselves to step up and be bold: it's a combination of all those things. If it was easy to fix, we would have done it."

She admits that she's sometimes felt she was clinging to her career "by her fingernails".

"The progression in my career has always taken me by surprise. I don't know whether it's because I come from Adelaide and you don't go anywhere east with any sense of entitlement." But she is eager for more.

"I can't imagine a life when I am not doing something where I can contribute to the broader Australian community."

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Carolyn and I wrapped and numbered 200 bottles. Ginta Orchard

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