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**PRODUCTIVITY COMMISSION**

**INQUIRY INTO PAID MATERNITY, PATERNITY  
AND PARENTAL LEAVE**

**MR R. FITZGERALD, Presiding Commissioner  
MS A. MacRAE, Commissioner**

**TRANSCRIPT OF PROCEEDINGS**

**AT BRISBANE ON THURSDAY, 5 JUNE 2008, AT 9.05 AM**

**Continued from 29/5/08 in Perth**

**MR FITZGERALD:** We'll get under way. We're missing one commissioner at the moment who is just coming from the airport but we will start because we've got a full agenda, certainly this morning and into the early afternoon. I am Robert Fitzgerald. I'm the presiding commissioner on the inquiry. My fellow commissioner is Angela MacRae. This is the ninth day of public hearings in relation into the inquiry into paid maternity, paternity and parental leave. We have held public hearings in Canberra, Hobart, Melbourne, Sydney, Adelaide, Perth, today in Brisbane and we will conclude in the next couple of weeks back in Melbourne. The inquiry itself is very important. It affects the families of over 250,000 to 260,000 newborn children every year in Australia and clearly it has sparked a great deal of interest both in the media and more generally as we've travelled around Australia.

Just a couple of formal things: today's proceedings are meant to be as informal as possible; however, as you can see there is some formality to it. It certainly doesn't look too informal, does it? All of the participants and the evidence given will be recorded and posted on the Web shortly after this hearing. If participants want matters dealt with confidentially, then they need to advise us accordingly. The second thing is the media is invited to attend throughout the day and can take photographs and recordings, but not for broadcast purposes. Obviously photography and visual is fine, but not audio for rebroadcast. They are entitled obviously to interview participants subject to their consent.

Thirdly, there will be a draft report released by the commission in September of this year. That will be released by the commission publicly and then there will be a further round of public hearings, written submissions, consultations and the final report will be presented to the government in February of next year. So people will have a very clear idea of what the commission is thinking in September and will have an opportunity to respond to that accordingly. Written submissions are currently due in this week and those submissions can take any form, including simply a very short letter, an email or a more substantial submission. They also will be posted on the web site, unless people want them treated as confidential.

Otherwise, the last comment is that whilst participants are to required to take an oath, they are required under the act to be truthful and I am absolutely sure that everybody is, or at least that's the expectation. So we might get under way. If you could give your name, your position in the organisation you represent and then some opening comments and then I, and hopefully Angela, will be able to ask some questions.

**MS McPHEE (EOWA):** Thank you. My name is Anna McPhee. I am the director of Equal Opportunity for Women in the Workplace Agency. The EOWA's role is to administer the Equal Opportunity for Women in the Workplace Act 1999 and through education to assist organisations, medium to large organisations, to achieve equal opportunity for women. EOWA made a submission to the inquiry this week. I

welcome the opportunity to answer your questions with regard to the submission following a few summary remarks. The agency has focused its submission particularly on the first and second of the review's terms of reference. EOWA is well placed to inform the Productivity Commission on the current practice within business across even employment matters, particularly around paid maternity leave and parental leave.

The EOWA reporting organisations cover 23 per cent of Australian employees and in 2007 approximately one million or 47 per cent of these employees were women. Of full-time employees, 34.4 per cent were female; of part-time employees, 77 per cent were female, and of casuals, 57.2 per cent were female. The Equal Opportunity for Women in the Workplace Agency is focused on increasing women's workforce participation free of barriers of discrimination. It is documented that women's role as primary carer can impact on their ability to participate fully; however, EOWA research shows that many working mothers seek to work more hours.

Of the organisations reporting to EOWA those that currently provide paid maternity leave report a greater return to work rate than those organisations not providing paid leave as a condition of service. This outcome supports the objective of a paid parental leave scheme which is to maintain a mother's long-term attachment to the workforce as it supports ongoing workforce participation. Increasing women's workforce participation will have a positive impact on national productivity and on increasing the tax base. The benefits of a universal paid parental scheme for employers will improve retention and long-term attachment, while also reducing the large costs of recruitment, placement and training of new employees. The benefits to mothers and families is also well documented.

EOWA research included in our submission reveals that there has been a steady rise in the percentage of organisations reporting to EOWA providing paid maternity leave since the agency started measuring this in 2001. It now stands at just under 50 per cent. Despite this significant growth in the provision as a condition of service for many working women, there are still 51.1 per cent of organisations reporting to EOWA which do not provide paid maternity leave. It is important to remember at this point that the organisations reporting to EOWA only constitute 23 per cent of Australian businesses. Amongst the 51.1 per cent of organisations currently not providing paid maternity leave many are in sectors that are high employers of women, particularly for retail, accommodation and food service sectors. These sectors employ nearly a third of the women covered by the EOWA Act.

The 2004 EOWA paid maternity leave survey indicated that of the organisations providing paid maternity leave, 63 per cent don't make the benefit available to all staff. Of this 63 per cent, 84 per cent confirmed it is not available to

casual employees or contractors. It is EOWA's position that both the concentration of women in sectors not providing paid maternity leave and the high proportion of women as permanent casuals or permanent part-time workers supports the case for a government-funded universal scheme. In 2007 nearly 90 per cent of employers providing paid maternity leave provided six weeks or more. Today nearly 40 per cent of organisations surveyed provide 12 weeks or more leave, compared to 27 per cent just two years ago. In all cases the rate of benefit is at the individual's salary at time of leave.

The role of fathers is important in the shared caring of children with specific regard to gender equity and women's greater workforce participation. Results from the recent EOWA research, "Generation F: attract, engage, retain," indicate nearly a third of working women state that if their partners were to carry out a greater share of domestic duties, they would be more likely to work more hours in paid employment. The provision of paid paternity leave in EOWA reporting organisations has more than doubled in the period 2001 to 2007, however, the duration of an average of one week is unlikely to impact with sharing of home based care and women's greater workforce participation.

With the rate of increase in the provision of paid paternity leave being less than for paid maternity leave, and with 61.5 per cent of organisations not providing any paid leave to fathers in their employment, the overwhelming employer bias is that men belong at work and women caring for their children. This bias is set to conflict with a growing need amongst men to be more present in the home than in the workplace. Generation F results show that men in the workforce are placing an increased value on achieving a balance between work and family responsibilities. Their priorities are shifting away from careers and more towards family.

In conclusion, EOWA would encourage a model that allows for either parent to take paid time off after the initial period allocated to women to physically recover from childbirth. Thank you for the opportunity to address the commission.

**MR FITZGERALD:** Thanks very much, Anna. If I can just start with the details of the model that you're proposing. You mentioned just in conclusion that the model would allow for a quarantine period specifically for the mother and thereafter for a shared period. Is that correct?

**MS McPHEE (EOWA):** We would support a model like that, yes.

**MR FITZGERALD:** What is the period of time that you're proposing for the maternity leave?

**MS McPHEE (EOWA):** At this stage we don't support a particular length of time, we support a universal scheme given the data that we have from employers and the

many women that currently aren't accessing paid maternity leave. I understand we leave it to the commission to look at all the different options that are being presented to you and we will then look at your report in September and comment then.

**MR FITZGERALD:** Okay. Can I just go back to a fundamental. I suppose one of the issues that has arisen as we've gone around, not only in terms of the public hearings but the consultations and now the ever-increasing number of written submissions, is to try to ascertain what people believe should be the ultimate outcome or the ultimate objectives of these schemes and there are many. There are many very good and noble objectives but where you weight or how you weight those objectives impacts on the design features of any scheme and clearly around the world there are different schemes with different design features which are seeking to achieve different objectives.

I was wondering, Anna, if you could give us in a succinct way what you believe the key objectives need to be of any of the schemes and what would be the outcomes of those if it were to be introduced and successfully so.

**MS McPHEE (EOWA):** Given EOWA's role within the community to administer an act and support business, the main priority for EOWA is long-term attachment to the workforce, that organisations which provide paid maternity leave achieve a greater return to work rate than those organisations that do not and given the need for and the desire by women for greater workforce participation, the government seeking greater workforce participation, business needing to access a skilled workforce, we need to support women to participate in the workplace and have a longer-term attachment.

**MR FITZGERALD:** Two aspects: one is some of the proposals that have been put forward have eligibility criteria that require, in this case, women to have been with a particular employer for a period of time and the unpaid parental leave provisions or the right to return to work is based on that, that there has to have been a significant attachment to a particular employer. Other models have simply said there has to be an attachment to the workforce and the level of that attachment. One is trying to achieve workplace attachment, one is trying to achieve workforce attachment and then there are third models which basically say there should be no eligibility criteria, it's universal to all women irrespective of their work commitment. I was just wondering where you come down on in terms of those approaches.

**MS McPHEE (EOWA):** Currently EOWA has a citation for employers who are employers of choice for women and in 2008 we set a criteria that to be an employer of choice for women, one of the criteria had to be that the organisation provided a minimum of six weeks' paid maternity leave after 12 months' service with that organisation; that's for the criteria specifically for that organisation, as it's recognising that employer in relation to attachment to the workforce as opposed to

the workplace. Some organisations currently - and outlined in our submission, for example, ANZ do not provide an eligibility criteria of length of service - that once the individual is employed, then they're able to access their paid maternity leave provisions. With regards the agency's particular view, there is not one at this point in time.

**MR FITZGERALD:** You used the word "universal" and I was wondering what you meant by that because is it universal to people attached to the workforce or are you talking about a universal scheme for mothers of newborn children?

**MS McPHEE (EOWA):** In relation to paid maternity leave as a workplace condition, so attachment to the workforce and there are other social security or other support systems that the government currently has in place which support all mothers and, as I understand it, the commission is looking at all those things in relation to how they fit and what would be the best distribution and model for Australia. But EOWA works with employers and at this stage the universal scheme is in relation to women attached to the workplace.

**MR FITZGERALD:** One of the issues that you've identified is an increased rate of return to work where an employer provides a paid maternity leave scheme. Do we know whether or not if an employer increases the period of paid parental leave or maternity leave that rate of return to work increases? In other words, is there a correlation between the amount of time that is paid, the amount of leave time that is paid, and the return-to-work rate? Or if you have - it goes up.

**MS McPHEE (EOWA):** I understand.

**MR FITZGERALD:** Is there any correlation or do we have an understanding of that?

**MS McPHEE (EOWA):** I would hypothesise, yes, given the actions that business has taken over the last four years and indeed, over the last two years. We haven't asked employees exactly to look at and we haven't collected data exactly in relation to the increase of return-to-work rate. However, what we have seen employers do is continuously increase their provision of paid leave, the term of that provision. In the last two years the number of organisations providing paid maternity leave of 12 weeks or more has almost doubled. So two years ago, 27 per cent or thereabouts, 21 per cent or thereabouts provided 12 weeks or more, today it's 40 per cent. But the overall number of organisations providing six weeks or more hasn't necessarily increased. So organisations haven't introduced it and then left it alone, they've seen that there is a benefit to their business and they've sought to improve that benefit to their business.

**MR FITZGERALD:** Some people have said that what happens with paid

maternity leave is that without it, people are likely or may in fact leave the workforce entirely, but if there is paid maternity leave, as your figures are indicating, they will return to work. But another proposition is that they will return to work with greater intensity, that is, they will return to work more likely to be full-time or more substantive part-time than they would have otherwise picked up. I'm not sure what the evidence for that is, but I was wondering whether there is anything at all that you know of or in your own stats that shows the level of intensity of the work once people return to work, if they've been given a paid leave period.

**MS McPHEE (EOWA):** I think we're certainly seeing in the information that we collect from business in recent years an increase in the offering of part-time work upon return to the workplace; what we don't collect, however, is how quickly they return within that 12 months' period of unpaid entitlement.

**MR FITZGERALD:** Some people have said that the scheme itself, if it is producing benefit to the employers and to the business - which clearly you would think it does, otherwise they wouldn't offer it - that in fact the marketplace should be allowed to run. In other words, on your statistics alone, both the quantum of the leave and the number of organisations providing leave is increasing. Some would say to us that that's an indication that eventually the labour market will take care of this and that it is unnecessary for the government to intervene either through regulation or through the provision of a universally funded scheme. I was just wondering what your view of that is.

**MS McPHEE (EOWA):** I think you've got to look at the distribution of the current provision of paid maternity leave. Yes, the market has increased and is addressing this labour issue at the workplace level; however, in sectors that are high employers of women and low wage women, it's not prevalent. If we're needing to support families, particularly women in this particular situation, being low wage women, then the market won't necessarily support or address these women and government, if they seek to support families in this situation, then it's a government response required.

**MR FITZGERALD:** If I can just push that a little bit further. In a tight labour market, which we have both in terms of skills shortage and labour shortages, and based on the demographic studies that's likely to continue for a very long period of time because of our ageing profile, whilst that's true today, that would be less so into the future that even small businesses or low income employers are likely to have to offer increased conditions in order to attract both women and labour more generally.

**MS McPHEE (EOWA):** 19 per cent of small to medium employers currently provide paid maternity leave. The rate in which that will change I'm not aware, but I think there is still a significant number of employers and a significant number of women that the market won't move to and we need to look at how, as a community,

we can support that.

**MR FITZGERALD:** Can I just push it on another angle. You've rightly indicated that as we understand it, those women who are missing out on paid maternity leave and fathers on paid parental leave are predominantly in small business and/or are low income wage earners. Why, therefore, given public policy is always about trying to ensure that government directs its resources where it's most needed, wouldn't we simply be providing a government scheme to those parts of the market that aren't responding, that is, small business and/or to actually target the government component to low income earners, to low wage earners? So that if a percentage of the marketplace is in fact already getting and likely to get further increases, why wouldn't we have a scheme that targets those areas that are least likely to receive benefits?

**MS McPHEE (EOWA):** A couple of things: the rate at which the market is responding to the need for paid maternity leave has slowed. There was a significant increase between 2000 and 2003 but it's now slowing and from 2006 and 2007 it was only a small percentage increase of businesses that are providing it. That might indicate that actually it's saturated, that the market has plateaued and the acceptance or support for paid maternity leave within business - small, medium or large - is at the level at which it will stay, regardless of pressures like access to a skilled workforce or a shortage of skilled workers and that may not shift. So we can't assume that necessarily the market will continue to implement it.

The organisations which do provide paid maternity leave also say that they don't provide it to all their employees. Some organisations have women on different awards, different eligibility criteria, and it's not universal across an organisation or a workplace and that's not necessarily going to change either. Is it equitable that women are treated differently just because of the place they work? We can't choose where we work necessarily and how can we support all women?

**MR FITZGERALD:** Some of the schemes that have been proposed - in fact nearly all of them - that the government would fund up to a certain level and many people are suggesting it's the minimum wage level and over and above that there are many variations in relation to the top-up. Some are suggesting that there should be a mandatory top-up provided by the employer, some are suggesting a mandatory top-up which is funded by some sort of social insurance scheme, others are simply saying that should be a matter for individual or collective bargaining arrangements. I was wondering whether you have a view about the top-up component that would not be funded by a government scheme.

**MS McPHEE (EOWA):** I think there's general support across business that a scheme should be funded by government and not fully funded by employers. Some employers have currently already introduced paid maternity leave. Would they top



up? That would be for those organisations to consider, but as we said in the submission, employers are currently providing at salary replacement level, so many businesses believe in supporting women at the level at which they're contributing to their workplace.

**MR FITZGERALD:** Do you think that in order to achieve the maximum benefit of the scheme that it would be appropriate for the government to mandate that at least the top-up component was provided by employers? Clearly we've heard from small business and others that they would oppose that on the basis of the cost, even large businesses have indicated they would oppose a mandatory requirement, even if they were voluntarily provided. But I was wondering whether you have a view about mandating of compulsory top-up to full wage replacement.

**MS McPHEE (EOWA):** No, I don't have a view.

**MR FITZGERALD:** You said that 23 per cent of Australian businesses currently report to your agency; that is all private businesses and excludes government businesses?

**MS McPHEE (EOWA):** Correct.

**MR FITZGERALD:** Can you just explain to me who is required to report to your agency.

**MS McPHEE (EOWA):** Organisations with 100 or more employees.

**MR FITZGERALD:** That's the larger employers. You mentioned a figure before, when we were talking about small business, of 19 per cent of small business currently provide paid parental leave. Where is that from?

**MS McPHEE (EOWA):** That was data collected through the census for the Office for Women.

**MR FITZGERALD:** Just specifically for them?

**MS McPHEE (EOWA):** Yes.

**MR FITZGERALD:** How current is that?

**MS McPHEE (EOWA):** 2006, possibly 2007.

**MR FITZGERALD:** That's fine. I presume all that is in the actual submission you've provided. Can I just finally conclude in relation to paid paternity leave, you've made comments about the importance of fathers and other supporting

partners. You indicated that you thought one week, which is roughly about what's provided by those employers that provide it, is not going to make much difference, particularly in relation to the gender equity issue around the home. I was wondering whether you have a more specific proposal in relation to paternity leave, broadly defined, to include other supporting - - -

**MS McPHEE (EOWA):** Not a particular time period, no, but to recognise that what's currently provided doesn't encourage fathers to actually take it or provide significant assistance to the bonding with the child or the support of the family.

**MR FITZGERALD:** What would you like to see as the objective of a paid paternity leave arrangement? What are we trying to achieve, do you think, in that? If I can just preface that by a couple of comments. Some people have indicated to us that unless you provide a paid paternity leave, so-called and so-named, then neither employers will encourage nor male employees will take it. Some have indicated that in fact it needs to be taken concurrently with the mother in the first few weeks of the birth of the child in order for bonding and attachment between the father and the child to occur, others have said it doesn't matter when it's taken. So there are a whole lot of different views about it. But again, without tying you down to a time period, do you have a particular view as to what it would look like, given whatever objective you think should be achieved by it?

**MS McPHEE (EOWA):** I think we need to provide choice to families and how they manage to choose and support their family unit in relation to supporting or providing a leave scheme which enables either carer to become carer and not specifically using the term "maternity leave" to say that it is the mother's role to be that primary carer.

**MR FITZGERALD:** Okay. We're just on time, so are there any other comments or questions you want to make?

**MS McPHEE (EOWA):** No. Thank you.

**MR FITZGERALD:** Thanks very much for that, Anna. If we could have our next participants, the National Tertiary Education Union, please.

**MR FITZGERALD:** Your full names and the positions and the organisation you represent.

**MS LEE (NTEU):** Thank you. My name is Margaret Lee. I am the Queensland division secretary of the National Tertiary Education Union.

**MS WALKER (NTEU):** My name is Janine Walker. I'm the director of the office of human resource management at Griffith University.

**DR LOUDOUN (NTEU):** My name is Rebecca Loudoun. I am a lecturer at Griffith University.

**MS WARREN (NTEU):** My name is Robyn Warren, I'm a projects coordinator at Queensland University of Technology.

**MR FITZGERALD:** Thank you very much, and we welcome Angela to the gathering. If you could give us your opening comments and then we'll have some time for questions. Thank you.

**MS LEE (NTEU):** Thank you very much. The purpose of us being here today is really rather than to go over the ground that the NTEU has already talked to you about in the previous hearing in Melbourne and in our written submission, which I think has been supplied to you already, the purpose of us being here is really to bring two of our members who have experience of parental leave. One of our members, Robyn, is a senior general staff employee; our other member that I've brought, Dr Loudoun, she is a lecturer in the business school at Griffith University and both have had different experiences of parental leave because there are different schemes at QUT compared to the scheme at Griffith. But also, and I'm very delighted to be able to say this, Janine Walker has come as well who is the head of human resource management at Griffith University and who worked very closely with NTEU in developing the program at Griffith. So our plan - and I don't know if this suits you both - was I would perhaps raise a few questions with the members that I have here and then Janine will have some comments after that.

**MR FITZGERALD:** Whatever you would like, as long as we've got a little bit of time for questions.

**MS LEE (NTEU):** First of all, I might just ask first Robyn and then Rebecca what period of parental leave you decided to take.

**MS WARREN (NTEU):** I took 12 months paid proportionally and six months paid straight over the 12 months and I also took two months' rec leave prior to giving birth.

**MS LEE (NTEU):** Robyn's partner also works at QUT. Did he take some leave as well?

**MS WARREN (NTEU):** He had one week's paid parental leave and he took two and a half weeks of recreation leave as well.

**MS LEE (NTEU):** When I provided the briefing paper, I provided the summary of the provisions of both those universities. First of all, I guess, how important was this view to be able to take this parental leave, not only to your career but the commitment to your family?

**MS WARREN (NTEU):** I think it was critical for both. We had been trying for several years to conceive and I had been working at QUT for 13 years, so I already knew that QUT supported parental leave and I knew that I could progress my career. So even in the year leading up to giving birth I acted up to higher duties and I knew I could still focus on my career and plan to have a family at the same time. In terms of my career I know I will be going back there in August, I'm still currently on leave, and that my workplace has been able to plan for my leave and I have been able to also stay in touch and continue with my career when I return.

In terms of the health and happiness on the family front, I recognise it's a terrific opportunity to be at home with my baby for a year. In terms of his health, we had a couple of health issues early on, so I think in terms of parental leave having an extended period of time, whether you have health issues or not, those first few months are pretty brutal. So having longer than that, you actually get to enjoy being a parent and bring other people into the situation as well. In terms of my partner's leave, that was critical as well in terms of him having time with Bailey and I. One of the things, I suppose, that government and World Health is very concerned about at the moment is breastfeeding. We had a lot of issues, both from an attachment and supply point of view, and if I hadn't had that extended period of leave, I think I probably would have given up on that very quickly and just gone for formula. There are probably a host of other reasons.

**MS LEE (NTEU):** Thanks. Rebecca has a different experience, having two children, and the first child was born while you were at UQ. At that time the paid parental leave was only 12 weeks. But the second child was born while Rebecca was at Griffith where the paid parental leave is 26 weeks. Rebecca, perhaps you could reflect upon the differences between those experiences.

**DR LOUDOUN (NTEU):** My children are six and three, so I am a little bit further on than Robyn and I have to say with my first child, Jack, where I had 12 weeks' maternity leave, I took eight months in the end because the birth didn't go as planned and I had to return to hospital. I intended to take six months and we budgeted to take three months without pay, but I ended up having to take eight months. I really just

didn't recover as well as I had hoped. We were, like most parents, quite naive, and perhaps when it came to our second child, if Griffith University didn't offer the six months, maybe Jack would have been an only child because there is no way we would have been able to do it financially or that I would have been able to do it perhaps physically, and also our relationship. Everybody knows that the first year of a child puts more strains on a relationship than any other time in your life, so that combined with financial difficulties - I'm sure we would have stopped at one child.

**MS LEE (NTEU):** Can I ask you another question. Tell us about the effect this might have had or the possibility of not having parental leave would have had on your scholarly career.

**DR LOUDOUN (NTEU):** I studied for a very long time and all the people I went to university with - I only know one other person who has children who is still working in her chosen profession. Some people are back in the workforce part-time, but certainly not in the area that they studied. They are taking lower paid jobs, quite often part-time jobs, and I think there are a number of reasons for that that other people will cover. But from my experience they have waited until their children have gone back to school, their household has adjusted to having less money, less income and then when their child has gone back to school they realise they can't maintain that long term, and also they've got more time so they can see that there's a possibility, so they'll go back to work but they think they've been out of the workforce too long to go back where they studied; they've missed too much basically.

So for me having these six months, I took six months off with Amelia, my second child, that was fantastic for me to have that time, to know that I had the same job to go back to and I didn't have to worry. I could sit and enjoy my child but I guess more importantly than that - no, that is very important, but equally as importantly we could sort our household out and figure out how it was all going to work, knowing we had a plan and we didn't shut any doors. If we didn't have any paid maternity leave, we would have had to come up with some other arrangement. We would have had to scale down, go back to one car, move home, whatever. We would have just had to have less financial costs on the family, so we would have adjusted. I would have closed doors basically.

So it was fantastic to know that I could plan and that door was still open and I could go back to work. But where doors are closed - when you have children, there is this overwhelming love, but there's this overwhelming constant need from you and it just doesn't seem possible in the beginning. Then even after three months when you're starting to think, "Hey, I've got a handle on this," then they teeth and there's a gastro bug in the family and whatever. So there are many times when you feel like you need to shut the door and there's just no way that this is going to work. So after six months I could see, "Yes, I can fit all this in. The family will work. The children

will be happy and I can do my job. Most importantly, I won't give it a 50 per cent effort, I can still give it the 100 per cent that it deserves."

**MS LEE (NTEU):** Thanks. Perhaps we had better hear from Janine who will reflect, I hope, upon how things have gone at Griffith.

**MS WALKER (NTEU):** Universities are large employers. We operate in multiple labour markets. We are in IT labour markets, we're in finance labour markets, we're in dental labour markets, so we're in multiple labour markets. We are not at the top end of the pay scales in competitive terms. Other employers competing in our labour markets pay more than we do, so we require - buzz words - an employment value proposition that is comprehensive. What we offer is a good place to work. We think a university is a better proposition than a casino. Most people find it a greater social good and a lot of people like to build their careers in places of social good and our surveys and studies of employee opinion tell us that people support what we do, the workers.

We need to offer a good culture, we need to offer flexibility. 26 weeks' paid maternity leave, parental leave - maternity, parental et cetera leave - has been an important recruitment and retention tool for us. I don't think there is any discussion about that, it has been important for us in recruiting and retaining high-performing staff, essential staff, good staff, scarce staff. But it is not pixie dust, it isn't all upside. There are significant management challenges associated with significant periods of leave like that. So essentially in the organisation, we have a culture and set of management accountabilities and management frameworks that support the flexibilities associated with it, because we have return-to-work policies which enable staff to return to work on what we call the reversible fractional, reversible part-time appointments; that is, you come back part-time. You can reverse it to full-time when you're ready. Our policy is one where the employer still has a right to refuse that form of return to work, but the policy is couched in terms that there's an expectation it will be provided, except in circumstances where the employer absolutely can't, and the culture of the organisation such that it's - I can't remember a case where we didn't do it. But it means that we have large numbers of fractional employees, particularly in some parts of the organisation.

My own office, which has some 65 staff, many of whom are women, I can remember one week once where I didn't have anyone pregnant and planning for parental leave for the last seven or eight years. I've had to undertake significant shifts of staff within the office, which have been disrupted for colleagues and disrupted for clients, where I needed to spread my part-time staff and make adjustments because of the issues. That requires some considerable management initiative. You really have to manage a culture that enables you to do that. Other staff do actually make adjustments on account of it. So there has to be some consensus in the organisation that this is, on balance, a good thing. We believe it is.

I got stats out in the last couple of days. These are really odd stats because they go from 1 July 06 to 31 July 07, so they're 13 months; sorry about that. We've just actually switched to a new system. But in that period of 13 months, we had 144 people take leave. Of those 144, 92 have now completed that leave, and only two have not returned. I haven't done the percentage but it's sort of off the scale. I mean, we would regard a return rate of 90 per cent as a bad year. Those two were general staff, by the way, not academic staff. We have very, very high rates of return. Our policies are accessed significantly by men. Of those 144 in that 13 months, 97 were women and 47 were men, and there's a whole interesting process about administering provisions that are significantly accessed by fathers.

The experience of the university in summary is this: this is a very powerful recruitment and retention tool. I mean, I can actually almost pick some of the applicants who are saying, "I think it's time to get into the family business. Now, where do I go and work? This will be a good place." Of course, you've got to be there two years to qualify. So you look and you think, "Well, two years. On balance, we're all going to work out." It is an important recruitment and retention tool, but just quantum doesn't work for you. It's actually about how you manage it, about the culture you have in the organisation, what the organisation's explicit and implicit messages are to staff about whether or not this is something to be tolerated or just something you have to do, or whether this is something the organisation thinks is, on balance, a good thing.

**MS LEE (NTEU):** I think that's about all I wanted to ask, commissioners, and perhaps I'd leave that now open to you. Just except perhaps one more thing I do want to say is the difference between QUT and Griffith, there is a very important difference. At Griffith, fathers get the 26 weeks' paid parental leave if they're the primary caregiver, and that's not the same at QUT, where only the birth mother gets the 26 weeks. So there is additional leave for the father or the partner. I'd just leave it at that. So the experiences are different, possibly because of that as well, but I'd also just like to note that Rebecca, as an internationally renowned scholar, particularly in the area of occupational health and safety, has been able to maintain her career, although as we pointed out in our main submission, there still is the problem across the sector of women being concentrated in the academic areas at the lower levels rather than at the higher levels, and we hope that the parental leave programs that we were able to get into the sector over the last couple of years, particularly through the last round of bargaining, will go a long way to address that. Thank you.

**MR FITZGERALD:** Thanks very much. I might ask Angela to start off.

**MS MacRAE:** The first thing is to say thank you for sharing your personal experiences, and we know how tough that can be, and we've had a few people in

tears and I've been very close on occasions as well, so very much appreciated. But if I can start with where you finished about the tolerance - it being regarded as something that's tolerated, rather than valued. We've heard a lot about workplace cultures and some of the problems that there are. From your perspective, obviously there's been a lot of work done at management level. Do you see a problem if we were to have a government-funded scheme, that this is going to continue to look like it's someone else's problem and someone else is dealing with it, and ultimately if it's the return to work that's important, and the schemes and the flexibility when people come back, if that's the real issue, and the government isn't able to address that or maybe not directly, are there things in your experience that might help work through that as an issue?

**MS WALKER (NTEU):** I won't share with you anecdotes where the eyebrows are raised to heaven, you know, "Yeah, right," where provisions get gained. I mean, every provision, every employer, the union knows it. We all know it, how you can gain some of these things. It depends upon the leadership, certainly the organisation. I mean, the leadership message in our organisation is, "Yes, well, that happens." I'm being explicit about what is often implicit messages. "That happens, but on balance, this is how we get people. This is how we hold people." By the way, the university has a whole social justice track record and all of those things. Replicating that at a community level, yes, that will emerge, no question about it.

**MS MacRAE:** But that buy-in at the employer level has been really central, do you think, for your scheme, because that's one of the things obviously that we're looking at. Why would you have an employer-funded component, and if you did, how might it be structured? Again, it's not a mandatory employer requirement at the moment either, so it's different, but yes.

**MS WALKER (NTEU):** If the employer sends negative messages, "This is to be tolerated. This is the next thing we've got to do," all sorts of things then start to happen about the return to work. The return to work is, I think, a lot to do with the quantum, but there are universities with bigger quantum than ours, whose return-to-work figures are not quite as good as ours. I think that return to work is very much bound up with what the organisation decides to signal.

**MS MacRAE:** Yes.

**MS WARREN (NTEU):** Just on that thing of encouraging a positive workplace culture, I think the other thing that's happened in my workplace - I've seen it, both from the point of view of someone supervising staff and planning for staff taking leave and everything else - I've also seen the culture shift where it is viewed as a positive thing, and that's only through seeing positive experiences and people being exposed to certain things. So a few years ago, a male colleague of mine used to bring his baby in and work with him at his computer while his wife was tutoring at



aged three months, and initially that was a bit of a shock and a little bit disruptive, but then it became a very positive thing, and now it's not uncommon. I'm doing some casual work for the university, and with people's approval, I'll take my child along to meetings. It becomes then a part of the workplace culture. So supporting employers to do certain things can sometimes get them over that hump and start that exposure as well, and that change.

**DR LOUDOUN (NTEU):** If I could just add to that, I think it's a different mind-set between buying in talent and skills or developing the talent and skills that are in the workplace, and you'd hope that the workplace has done their recruitment properly and they've hired the best person for the job. They want to keep them there, and that means keeping them there for a long time, and for a lot of people, life involves having children, so if you're going to keep someone there for a long time and develop their skills, well, the reality is that a lot of them will have children and families and those sorts of things.

In terms of tolerating or valuing children, mothers have a lot to offer once they get back to the workplace too. I'm a very different employee now that I have children. I'm very motivated. I'm very task focused. I don't have time for gossip and messing about at the bubbler. I've got children to pick up from day care and so on and so forth. So I put my head down and I get the job down, whereas perhaps in a way when I didn't have children, there was the opportunity for longer lunches and things like that; those things I just - - -

**MS MacRAE:** The life we dream of.

**DR LOUDOUN (NTEU):** So there's a lot to gain, too, from people who have had children.

**MR FITZGERALD:** Can I ask a question? The university sector, as you're well aware, is almost at the cutting edge in terms of this particular benefit introduced by a number of universities, including the Australian Catholic University and so on. But this 26 weeks, why is that such an important period and why do the universities agree to 26 weeks? Most employers of choice at the moment - and we've just heard from the first participant - are around 12, 14, and they're regarded as leading edge; you doubled that and I'm sure the unions are going to push for it to go higher at some stage into the future. But what is it about 26 weeks of paid leave? The point I make is this: what's become very clear is the vast majority of women take a longer period than the period that's paid for.

Now, you can do that by returning at half pay or even extend it beyond that. So some would say to us that if you had a particular period in mind - whatever that might be - that women should be able to stay at home with the child up to six months - you don't actually have to pay for that full period. In fact, that will occur. If we're

talking about a government-funded scheme, and that's not what you've got - you've got an employer-funded scheme - some might say to get 26 weeks, if that's the ideal, or longer, then you actually only need to support a scheme such as the ACTU is proposing of 14 weeks as a minimum position. So just what is it about the 26 weeks? Why did the universities accept that and what have we learnt from that?

**MS LEE (NTEU):** Our claim in that round on all the universities was much higher than 26 weeks. I think our claim was 36, 38 weeks. Although the 26 weeks is the minimum, it's not identical across all of the universities and there's some kind of changes. But when I think about it, having come from the sector myself, the thing about 26 weeks for me at any rate is it's a semester. The way that work operates in the universities, for the professional staff as well as for the academic staff, is that you know when things have got to be done; there's a specific pattern to how things work with teaching, but also with research and with attendance at conferences. I've heard stories from Rebecca about taking her children to overseas conferences and I don't know how she managed to that. But I think that 26 weeks is a good fit in the academic calendar, but that's not to say that's exactly how it works out. I'm not entirely up to speed with exactly when people tend to take children, but I know that when you're in teaching mode, you're thinking of planning ahead for X to be away for a semester, or the Christmas and semester break. But ask Janine.

**MS WALKER (NTEU):** Well, yes, to a point. In relation to professional staff, there are large numbers of women for whom the semester structure has little - - -

**MS LEE (NTEU):** Some.

**MS WALKER (NTEU):** - - - not a lot of - - -

**MS LEE (NTEU):** Yes, some.

**MS WALKER (NTEU):** Some, but not a lot of meaning. Bargaining in the tertiary sector was a very vigorous and innovative event.

**MS LEE (NTEU):** You wouldn't know we were at each other.

**MS MacRAE:** You're being nice today.

**MS LEE (NTEU):** No, we're good friends.

**MS WALKER (NTEU):** We had a bargaining round where there was a significant give and take and, as sometimes happens in the tertiary sector, the Australian Catholic University went right out in front with their provisions. Of course, their employment structure has some certain unique features and they're drawing on religious orders and congregations; they're probably positioned a little better in this

area than most of us. But in that bargaining round, there were other concessions the union made and 26 weeks became part of the package. I can't say the universities were enthusiastic; it's a very big cost impost. The management, as I said earlier, is really snippy. You've got to think about how you manage this.

But we would say - and we're about to enter a bargaining round and we have inserted a clause in the last week - we have a strong view that 26 weeks isn't going any further, but that's for the bargaining table. But certainly, having wrapped up agreements that included 26 weeks, it was our job then to make the best of it. Certainly in relation to the development of women in academic careers, it's a multi-factorial issue that the union understands as well as we do about why women are so poorly represented at the upper ends of academic positions, in fact, amongst the worst in any sort of industry. A lot of that has to do with where the cycle of an academic career with research reputations are made just happens to nicely coincide with peak child-bearing years and many research careers just flounder there.

**MR FITZGERALD:** Can I ask this question: just what are statistics showing you about - since you've introduced the 26 weeks, what is it showing in terms of the actual time taken? Most women take at least the first 12 months irrespective of whether it's paid or unpaid leave at the moment. About 60 per cent don't return to work within 12 months in the general workforce, so what are your statistics showing, now that you've got 26 weeks? Are people taking a full year or are they taking eight months or do we not yet have that research information?

**MS WALKER (NTEU):** You might think this is a bit dopey but we actually haven't pooled that data, but I'm going to go back and pool it this afternoon and have a look at it and be happy to provide it to you and to the union. I don't know, my intuition is going to be that it probably looks not a lot different - probably slightly longer, but not a lot different. But I think a lot of families, as my colleague described, did it pretty tough at that time.

**MS WARREN (NTEU):** Just a personal comment: in terms of the 26 weeks' paid leave being of extreme value to my family, I actually happened to be the higher income earner because my partner changed career a few years ago so I would've had to have returned to work earlier in terms of family finances and my partner would have had to take time off. We still don't have child care so the length of time you take goes hand in hand with how you can care for your child, which is a kind of critical issue, and we don't have other family support. He's in a highly technical work area. If he'd taken a larger chunk of time off work, it would have been much more difficult for him to return to work and continue his career because his loss of skills and knowledge would have been significantly higher than mine. So I imagine that happens for families in different ways in terms of the actual income is very important and you change your life and your career in that year based upon what you can plan to do.

**MR FITZGERALD:** Just one other comment and then Angela might have a couple of final comments. Some people have said to us that at a particular point in time - maybe it's 26 weeks - the issues for women change from paid maternity leave to other issues of greater importance. Indeed, government officials who were at the centre of wage negotiations and labour conditions generally for that government said that their experience was that now they've provided 12 to 14 weeks' paid leave, paid leave has almost dropped off the agenda in their negotiations with employers and the unions and other factors have become much more critical.

One of the things about this inquiry, it's not just about leave; the inquiry is a broader inquiry into support for parents of newborn children up to the age of two. So I was just wondering, in your experiences both as union employees and as individuals, is there a point at which you get to that the actual leave becomes less the issue and then there are other issues that now start to dominate in terms of return to work, flexible work practices, child care, those sorts of issues? Now that you've got at least 26 paid, are those sorts of things now more dominant in the discussions?

**DR LOUDOUN (NTEU):** If I could just say Griffith is a fantastic employer for lots of reasons and one of those reasons is that in the area that I work, Griffith is very outcome focused. So they're concerned with what you produce, your outputs, not how you do it and where you do it and when you do it. So I was up until 10.30 last night working and the children had gone to bed, and the night before that, I was up until 11 o'clock marking. But Griffith doesn't mind if I drop my child at 9 o'clock in the morning and then I'm in to work so I can work at night, I can be there for swimming, I can do reading with the kids; I can fit it all in and they genuinely, as far as I know, don't mind as long as the work gets done, and it does get done.

**MS WALKER (NTEU):** We make judicious work of work at home. I have similar arrangements and I also know they exist in other places and I talk with other managers about how to manage it. We're judicious about it but that's part of the culture. But child care is a significant issue, particularly for parents with multiple births. We have had experience of staff who want to come back to work and have to take longer periods of leave because they can't access child care for twins. That sort of pops out of the woodwork every so often.

I mean, Rebecca is quite right; I cleared all my emails before I got out of bed this morning. Mobile technology is also contributing, and universities, QUT and Griffith, have a working party with some federal government funding looking at how we manage productivity with mobile technology, so that's all planed into this same space, certainly with academic staff, who traditionally had a relatively flexible working life anyway. But this reflects itself in our professional staff; whole organisation policies get messy, but locally we manage flexibly. Again that's about the culture, you have got to build the culture to do that; I mean, systems won't fix

that.

**MR FITZGERALD:** Angela, anything?

**MS MacRAE:** I was just interested when you go away and look at your data if you can also see if there has been a change in the extent to which men have taken that leave; the proportions seem very high to me. I'd just be very interested in any factors that you consider is behind that, because it's certainly contrary to what happens in most organisations I think.

**MS LEE (NTEU):** Griffith is one of only four universities that provides 26 weeks for - - -

TECHNICAL FAULT

**MS LEE (NTEU):** At other universities those sorts of issues loom a lot larger than they do at Griffith and QUT, although I know there are problems with returning to work at QUT as well.

**DR LOUDOUN (NTEU):** Not for me personally.

**MS LEE (NTEU):** Yes, but there are some issues about coming back and are you going to get your study leave and are you going to get professional development leave, because you have been away for six months and there's I think, you know, maybe a new manager and they don't realise what you have been doing and all those sorts of things. But a lot of that gets picked up by the sort of things that Janine has been talking about; where it's managed well, it works very well. Also for child care, the advantage for Griffith staff is there are child care centres on the grounds, and so that makes it - - -

TECHNICAL FAULT

**MS LEE (NTEU):** I think you will be glad to know that there's not that much we need to do at Griffith, so this is great.

**MR FITZGERALD:** Thanks for much.

MS .....: Are we able to ask questions from the floor?

**MR FITZGERALD:** No, you can't, unfortunately. You can ask in a sec. We'll release them very shortly and then you can ask some questions. Can I just ask, while we're waiting for that, there is an issue in relation to administrative staff and what have you, so in the university sector we have got the academic staff and then we have the others. I don't know whether your figures would pick it up, but is the pattern of

what is occurring different, because the flexibility that you refer to - and I'm on a couple of university advisory bodies and I can understand in terms of the academic staff - it seems to me that that would be much more problematic for some of the administrative and support staff.

**MS WALKER (NTEU):** We can mine our data by academic and professional staff. I've got some data here which separates gender by staff. I'm happy to mine any of our data for you.

**MR FITZGERALD:** If you could. Look, it's just helpful so that we get an understanding of what occurs once you have got to this sort of level of six months' leave.

**MS WALKER (NTEU):** We're happy to give you any analysis you want, yes.

**MR FITZGERALD:** Yes?

**MS WALKER (NTEU):** In my work area, which is a division, and in almost all professional staff, one of the things I also found as a supervisor was it was a lot easier to backfill and plan for leave when you knew someone was definitely taking six months or a year. When they were incrementally extending leave, that had a much bigger impact on the workplace and continuity of service and knowledge management.

**MS LEE (NTEU):** If I could just add too, at QUT all administrative staff are referred to as professional staff. At other universities they may well be called general staff, but there can be some confusion about that.

**MR FITZGERALD:** No, that's fine. As long as you make clear what you're talking about, that's fine.

**DR LOUDOUN (NTEU):** Could I just add one final comment that we didn't pick up on with the 26 weeks' leave, as opposed to 12 weeks. For three months a lot of families can adjust and make do, without having to make significant changes to the family structure, home, cars, their normal way of life. But for any period longer than that, it has been my experience anyway, you can't make small adjustments and cope, you have got to make big adjustments, you have got to make big life changes. So if I hadn't had the 26 weeks' paid maternity leave, things would have looked very different in our house; and when things looked different in the house, that would have made my career look different as well.

**MR FITZGERALD:** Thank you very much for that. That has been very helpful. Any information you can give us, that would be greatly appreciated.

**MR FITZGERALD:** If we could have Commerce Queensland, please. Positions and organisations that you represent and then some opening comments, then we will have a bit of a chat.

**MR BIDWELL (CQ):** Looking forward to it. Paul Bidwell, I'm the general manager, policy and membership, with Commerce Queensland, that's the state's chamber of commerce and industry.

**MR BEHRENS (CQ):** Nick Behrens, state manager of policy at Commerce Queensland.

**MR FITZGERALD:** Great. Over to you.

**MR BIDWELL (CQ):** Thank you. Thanks for the opportunity to talk to appear this morning. Commerce Queensland is the chamber of commerce and industry in Queensland. We represent the interests of over 25,000 businesses across the state. We have got a full profile. I won't bore you with any more details about what we do and why we do it. We believe that the primary objective of any paid parental leave scheme should be based on the notion of providing parents with supplementary family income linked to the absence from the workforce to have a baby. So that is what we see as the primary objective. That, as I understand it, is not inconsistent with views that it's more than about money for families, it includes giving mothers guaranteed time away from work, but we suggest that should be the primary objective.

However, there are several other important issues that must be considered in developing a paid parental leave scheme. These include recognising that in many respects the best thing that an employer can do for the community's social and financial wellbeing is to create jobs, is to give people jobs; that's a fundamental thing from an employer and employee's point of view. We need an environment that provides for jobs growth, so we don't want any perverse policies that work against that, run against that. So that is the secondary objective, if you like, or other objective that needs to be taken into account.

The second one is that we need to enhance Australia's fertility rate. There is no doubt that, with our ageing population, with demographic change, the measures need to be taken to improve the country's fertility rate. Thirdly, we need to increase participation by women in the workforce. So those three things need to be taken into account when considering or drafting a paid parental leave scheme. I hasten to add that Queensland businesses are already implementing many initiatives with their staff to better balance work and family, and these include flexible rosters and hours, flexible leave arrangements, time off in lieu of overtime, job sharing, job rotation, including voluntarily offered paid maternity leave and employer participation in child care arrangements. We recognise that paid parental leave is mainly associated

with the larger businesses.

So we have got some examples of our members in the community sector: a number of hospitals, Wesley Hospital, St Andrew's; Blue Care, RSL Care; bigger construction companies, Baulderstone Hornibrook; a number of child care organisations, as well as the larger banks, and we have a relationship with St George Bank. For example, they have got a very - what I would say, from an employee point of view - generous maternity leave scheme, plus a number of other things that they provide. So those things are about being an employer of choice, and I will come to that in a moment.

In Queensland the biggest constraint that is impacting on business still, despite the tough economic times or along with the tough economic times, is skills shortage, is retaining and recruiting staff. That is the reason that a lot of these bigger businesses are introducing schemes, like with initiatives I have just outlined, but small businesses struggle to do many of those things. They really just don't have the capacity to do it. We need to keep in mind that in Queensland, of the 405,000 businesses that there are, 95 per cent of those businesses employ less than 20 people. Of those 390,000, there are 238,000 that don't employ anybody, so they're in a sense mum and dad.

All employers are required to provide 52 weeks' unpaid leave already and obviously there's merit in that. It meets the range of the objectives that I mentioned before. But that actually creates a significant cost to small business in meeting that obligation and that's really around the disruption. So that, if someone goes off on that unpaid leave, then the business has got to backfill and in times of skills shortage and you don't have a big enough staff to manage that constraint or manage that issue, then we end up with small businesses struggling. I might pass to my colleague to give you a bit more detail about our proposal.

**MR BEHRENS (CQ):** Thank you, Paul. The Queensland business community is strongly opposed to funding a national paid parental leave scheme. Reasons given include businesses regard it as a broader social responsibility; there would be a significant additional, and in many cases, unaffordable cost; it reduces international competitiveness; as is readily documented; it would increase sex discrimination. Employers already significantly support parents and an employer-funded parental leave scheme would not cover self-employed women. The Human Rights and Equal Opportunity Commission has already extensively examined this issue and concluded that employers are not the suitable means for funding a scheme.

Accordingly, and for the record, Commerce Queensland is prepared to support a wholly federal government funded scheme operating on a national basis providing payments to parents for 14 weeks at a level of the federal minimum wage, paid parental leave be payable only after birth, be payable fortnightly to promote



responsible usage, consideration be given to 28 weeks at half payment, be available to both employed and self-employed, be payable to full-time, part-time and casual employees, benefit to part-time and casual employees should be calculated on a pro rata amount equivalent to a full-time equivalent, and both parents be eligible but only 14 weeks be made available between the two parties.

Our support is subject to the following conditions: a national paid parental leave scheme is wholly funded and paid to the employee by the government; women receiving this payment would not be eligible for the baby bonus; a national paid parental leave scheme does not expose any employers to any mandatory obligation to top up claims or to incur additional on-costs; parental leave becomes an explicitly non-allowable award matter; a national paid parental leave scheme be a contract between the federal government and the employee, administered wholly by government agencies. It requires no employer administration or payment from employers and it is up to the employer what happens with existing voluntary parental payment schemes and is to be left within the context of bargaining in the workplace.

**MR FITZGERALD:** Good, thanks very much. Can I just start by asking this question: clearly by supporting a paid parental leave scheme, whilst acknowledging that it has a social good, do you acknowledge that business and employers benefit from a paid parental leave scheme? Clearly, we've heard this morning and we've heard around Australia that a very significant number of employers currently do offer paid parental leave. So your view generally is, is this simply a social good for which benefits are received, benefits are not achieved at all by business or are there benefits gained in business from this scheme?

**MR BIDWELL (CQ):** Look, there are benefits to businesses from the scheme, principally because it's about recruiting and retaining staff. So business invests a lot, putting it in an economic sense. Business invest a lot in staff and if people leave, they've got to replace them and it costs a lot to do that. There are some studies that reflect that it would cost the business 150 per cent of the wage of the person to go and replace them, so that's in training, lost productivity, direct costs of recruiting. So, yes, it's in the best business's best interests to keep people.

**MR BEHRENS (CQ):** Can I add one thing: it's important to note that there are benefits associated with employers marketing themselves as an employer of choice but the benefit would be diminished if all employers were forced to pay for parental leave. If all businesses are forced to pay, then obviously they're not able to stand themselves out as an organisation that is doing something different to promote themselves as being a responsible employer.

**MR FITZGERALD:** But if you look overseas, there are many schemes. In fact, Australia is one of only a couple of countries that doesn't have a formal scheme in this area. When one has conversations overseas, there's no ifs and buts about the

importance of this to the employment market and to the labour market more generally, which all employers benefit, not only those who see themselves as employers of choice, but generally. Why would it not be the case that employers should make a direct contribution, even it was simply to a top-up in recognition of the benefits that are derived from these arrangements? Clearly the employees make a benefit in the sense that, irrespective of the schemes, there will be some disruption and loss of income and career over time. The government obviously, people are saying, should contribute up to a certain level as you've indicated. Why is it inappropriate for business not to be required to make a top-up, for example?

**MR BIDWELL (CQ):** Can I just go back one step and deal with the issue of overseas experience. I'm certainly no expert there, but I know that we need to take into account the tax system as well as the social welfare system. So it's not just about paid maternity leave, same as it's not just about salary levels. You need to look at all of the taxation system, all those other things, and look at the total picture. My understanding is that on a total picture, Australia does fairly well. Now, I know that your bailiwick is very narrowly focused on paid parental leave but, I suppose in the broad, we would say that Australia does fare well. To your particular question, I think there are some principles or some issues that run against that, particularly in Queensland, and across the country, where you've got so many self-employed people, so many people who don't employ anybody. It would be unfair for those people compared to the businesses who employ large numbers of staff because you have to pay yourself.

**MR FITZGERALD:** Well, could I ask this question: are you proposing in your scheme that a self-employed person - and you've indicated that there must be a large percentage of those in Queensland - would be entitled to a government contribution as well as those who are employees within other businesses? Are you proposing a universal payment to all of those in the workforce including the self-employed?

**MR BIDWELL (CQ):** All businesses.

**MR FITZGERALD:** Including self-employed specifically? So you believe that the government contribution should go to those people as well?

**MR BIDWELL (CQ):** Yes.

**MR FITZGERALD:** But going back to my point, if they were only employing themselves, they're not going to be subject to a mandatory top-up because it's themselves paying themselves. But in relation to the other, can I just clarify. Clearly the ACTU's position is that the government should make a substantial contribution after the minimum wage. In many businesses, many employees don't receive wages substantially in excess of that, particularly low income. Many do, but many don't. But just your principle again about the payment of that top-up, you're opposed to

that?

**MR BEHRENS (CQ):** First of all, just to address the international experience that you raised, the OECD report on Bosses and Babies concluded in a macroeconomic sense it was questionable whether or not paid parental leave added to participation in the workplace and indeed that's one of the primary benefits that employers would be looking for from any scheme. So if we pay for it, it's not concluded that that benefit would arise.

**MR FITZGERALD:** Can I just deal with that. Do you actually believe that is to be the case? I mean, do you actually believe that there is no likely increase in workforce participation of women who have children as a consequence of this scheme? If that's the case, why should you support a government providing it? Why should the government provide any funding for a scheme that you don't believe would have that macroeconomic effect?

**MR BEHRENS (CQ):** It's a good question that you raise but certainly the feedback from our membership is that if you do provide 14 weeks' level of funding, then that could actually reduce the level of participation of women in the workforce. I mean, that's not necessarily our view but that's certainly a view that's put to us by our membership. From our point of view, it's essential that we pay at the federal minimum rate so there is some incentive for the parent to return to the workplace, assuming that their rate of pay is significantly in excess of the minimum rate of pay.

**MR FITZGERALD:** I'll ask Angela to ask any questions. But it's very important; my probing of the question is because it's critical to try and work out what are the objectives we're trying to meet by a scheme, and then of course the second question is who funds it. But the question is that if you believed genuinely that there were no workforce participation benefits, then the only basis on which you could support a scheme being funded by the government would be on child and maternal wellbeing issues.

**MR BEHRENS (CQ):** Indeed that is why we say the objective of the scheme should be to provide parents with supplementary income for when they're away from the workforce, not that it enhances participation, not - - -

**MR FITZGERALD:** Well, that's not actually true - - -

**MR BEHRENS (CQ):** They're issues relevant to it.

**MR FITZGERALD:** - - - because there are three issues that you talk about, maternity rate, participation of women in the workforce and the tight labour market, all of which are relevant.

**MR BEHRENS (CQ):** Yes.

**MR FITZGERALD:** I am not attacking your position, I just want to actually get to - - -

**MR BEHRENS (CQ):** Indeed the other thing to clarify is that it's not that we're advocating this scheme be put in place. Our real position is that employers quite simply are not prepared to pay for parental leave. So we're not an advocate of the need for a paid parental leave scheme in Australia, because small business, particularly, just can't afford it.

**MR FITZGERALD:** In terms of the payment, but there's two different issues: one is the payment, and I understand your position and that's a position held by all employer groups, so we have heard that; the other part of it is, do they oppose parental leave, and the answers to that are interesting, given that they are currently required to provide 52 weeks' unpaid leave.

**MR BEHRENS (CQ):** That's right.

**MR FITZGERALD:** So can I just unpack it. You're not suggesting, or are you, that your small business members oppose parental leave, or is that still the issue at heart?

**MR BEHRENS (CQ):** We recognise there's a broader social responsibility from - - -

**MR FITZGERALD:** Or do your members simply recognise that it's a government requirement and they're going to learn to live with it? Is that closer to where they're at, maybe?

**MR BIDWELL (CQ):** Look, we are a broad - - -

**MR FITZGERALD:** Sure.

**MR BIDWELL (CQ):** We have a range of views, from members who are very keen to introduce and have introduced parental leave schemes, to others, particularly, mainly small business, who really struggle with the idea of the 52 weeks' unpaid leave.

**MR FITZGERALD:** Soon to go longer.

**MS MacRAE:** Well, one of the other things that we heard this morning - I understand basically the position is that there would be support for a government scheme but outside of that you don't want to have any involvement for employers at

all in the arrangements, and there was just some discussion we had with the earlier participants we had here today, but we have heard it elsewhere, that a lot of the issues around women's workplace participation are as much about workplace culture as they are about payment.

They were talking in particular about return to work, and the universities were saying - and they do offer quite generous schemes, as some of your members do - that very often it's the return to work and the culture there about whether a period of leave is to be tolerated rather than valued and how valuable those workers are seen to be and the sorts of flexibility that might be offered on return to work. Should an employer be required to make some sort of contribution to a leave scheme of this sort? We have heard that it might actually be a signalling device and an assistance to try and change some of that culture around, "This is a burden and something we have to live with," rather than, "This is something we're doing to help a valuable workplace member and that we're prepared to," to go the extra mile, I suppose, "to keep that staff member on board." Would you have a view about that?

**MR BIDWELL (CQ):** We would much prefer the businesses come to that view of their own accord, rather than having it foisted upon them, and I accept that the case that has been put about the culture of the workplace, and clearly it would send a signal, but some businesses will see this as an impost, there is no doubt, and it will impact on their ability to operate, even if they're not paying it, just having to physically try to find people to backfill over that period. As Nick mentioned earlier, we have some businesses that are concerned that by providing paid leave, people will be taking it, and I am almost loath to say this, rather than rushing back to work, which is good for the employer in the short term - maybe not in the medium or the long term, for those reasons you raised - but they will be rushing back, and by having access to paid leave, they will take time off. Now, that is a view, there is no doubt. It's something we're aware of, it's something we have in the mix of our conversation in developing a position.

**MS MacRAE:** Because one of the other things we have heard, and we heard it again today, but we have heard it quite regularly from various sides, including some employer representatives, is that if people have a certain period of time, so there's more certainty about when the employee might come back and that they might take a longer period, that in fact it's easier to fill a position for six or 12 months than it is to have someone away just for 14 weeks, that you might be able to - well, some jobs you can probably fill for 14 weeks, if you were big enough, putting other staff in to fill those positions.

But obviously many of your small business people wouldn't be in that position, and the problem of trying to find a temp or someone that's going to be useful for you for a 14-week period is going to be very difficult just because of the start-up costs and all those things. So that in fact there might be a benefit to business if people had

particularly more certainty about the period they took and potentially that a slightly longer period out of the workforce might actually be helpful to try and backfill a position while they're on leave. Would you have a view about that?

**MR BIDWELL (CQ):** Well, you've explained very well the problems that business encounters, particularly small business. Yes, business does like certainty on all sorts of things, so they can plan. So, look, that's something that on the face of it has merit.

**MR FITZGERALD:** Yes, and I think this is actually a conundrum, because we have heard from both employees and employers that if the period is too short, then what happens in some jobs is that the work just simply stays there until the employee comes back, but they have now got family commitments, which makes that impossible, and in their career development that's a negative rather than a positive. On the other hand, for employers, it's very hard to find somebody for very short periods of time. So it's an interesting question. We have asked a number of employers about that and it's interesting, the responses.

**MR BEHRENS (CQ):** I mean, our position has been guided by the ILO convention, more than anything else, of 14 weeks, and yes, it's a varied question to examine this 14-week period. I might add, aside from employers collecting taxes and paying them to government, if it's government funded, I think employers would have flexibility in their views as to how long the 14-week period or whatever the period should actually be.

**MR FITZGERALD:** Yes, and the other thing to bear in mind is the current context in which we're considering that question is one of skills shortage.

**MS MacRAE:** Yes.

**MR BIDWELL (CQ):** We don't really foresee that changing in the next little while, despite the economic conditions that are in decline.

**MR FITZGERALD:** There's no indication that either labour shortages or skills shortages will be reversed in the short term.

**MR BEHRENS (CQ):** That's right. So in a macroeconomic sense, really I can't see compelling evidence either way as to how this would assist or not. At a microeconomic level, it adds to the employer of choice argument, where they can increase their own workforce participation by holding themselves up above anyone else. But obviously it's a finite market and, in a macroeconomic sense, no, I can't see it.

**MR FITZGERALD:** One of the design features you might need to just consider more carefully, that may have escaped - and has in a number of the submissions, is I

understand that you're talking about a benefit that is applicable both to part-time and casual employees calculated on a pro rata amount, the slight problem occurs if the baby bonus is withdrawn, which is your proposal, and used in effect to fund the scheme. If it's completely pro rata'd, you would end up with a situation that a casual part-time employee - - -

**MR BEHRENS (CQ):** Where they'd receive less.

**MR FITZGERALD:** - - - received less than the baby bonus of the woman who remains at home. So we have just said to people, is that actually what they envisage or is it just a design feature that people haven't yet thought through, because it seems to us an inequitable outcome if a part-time or casual worker received less than a person who never was in the workforce, but it's just a design feature.

**MR BEHRENS (CQ):** That's certainly the case, and indeed that was one of the criticisms of the HREOC recommendations. No, it's not something that we would intend and our view is if they receive an amount less than \$522, then some of the baby bonus would be still available to them.

**MR BIDWELL (QC):** There's actually a ceiling though, because there is no doubt that some people are working more than one job, and we're not suggesting that they should get multiples of that minimum wage.

**MS MacRAE:** No, that's right.

**MR FITZGERALD:** No.

**MR BIDWELL (QC):** It's a cap. We would flag that in our submission; what we haven't put is the ceiling.

**MR FITZGERALD:** Well, a cap by the government's contribution as to whether or not there's voluntary top-ups is the issue. I mean, I do raise the question, and I may have asked this just at the beginning again: given that there are labour and skills shortages, one would expect employers to be trying to find all sorts of ways by which they can become employers of choice. Clearly, in Australia we have heard at every hearing numerous examples of the increasing use of voluntary or collectively bargained paid parental leave schemes.

The issue, as you rightly have pointed out, is small business. Some would say that really government should do nothing at the moment, it should just simply let business work through and that the market will eventually take care of this. Others have said that that's just not going to happen, that the small business end will never be able to accommodate this, despite the fact that the labour market is likely to get tighter, not even stay where we are, which would be in fact strange in a market that if

there's a tight demand, you'd expect the business to respond. I was wondering what your view is about, if the government did nothing in this area, what would happen in the marketplace over the next few years.

**MR BIDWELL (CQ):** We do a lot of collective agreements on behalf of our members and we have actually asked the people that are involved across the state have they done any involving small business, and the answer is no. So I agree with what you're saying and if we just leave it - I mean, over time I would expect that small business will take this up, because they will have to, but at the moment though there is no evidence of that. So intuitively I would have said yes, but the empirical evidence is no.

**MR BEHRENS (CQ):** And the result is you end up with two tiers of employees on differing benefits.

**MR FITZGERALD:** Yes, which is what people are saying has already happened in Australia.

**MR BIDWELL (CQ):** But the skills crisis has been with us for three years now and businesses have had to adjust, so the fact they haven't I think says something.

**MR BEHRENS (CQ):** It's also important to add that even if we did implement a federal government funded parental leave scheme it's questionable whether or not employers would withdraw their voluntary payments, and I think we'd probably still end up with this two-tier - you know, where if you happen to work for a larger organisation, then you will get benefits over and above - - -

**MR FITZGERALD:** Well, there's no indication from employer groups and employers that they're about to reduce what they have already offered - - -

**MR BIDWELL (CQ):** No.

**MR BEHRENS (CQ):** No; absolutely.

**MR FITZGERALD:** - - - in collective agreements or in individually negotiated agreements. The question is whether or not the government scheme is added to and not absorbed into those particular arrangements, because the ACTU's position, as you'd be aware, and other unions, is that the government scheme is on top of whatever has been currently agreed. Anyway, we will leave that for another day.

**MR BEHRENS (CQ):** You will note our strong recommendation that paid parental leave be a non-award allowable matter.

**MR FITZGERALD:** Yes. I could ask you why you have that view, but I think I



already know it, so I won't. Are there any other questions, Angela, that you've got?

**MS MacRAE:** No, that's all. All right, thanks for that. We are just on time. We will look forward to a fuller submission. Thank you very much. We can now break for 10 minutes and then we'll resume with I think three participants from Queensland Council of Unions.

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**MR FITZGERALD:** If you could give your full name, the positions you hold, the organisation you represent and then your submissions and we will have a chat.

**MS RICHARDS (QCU):** Amanda Richards, assistant secretary, Queensland Council of Unions.

**MS DURHAM (QCU):** Sharon Durham, industrial officer with the Queensland Council of Unions.

**MR FITZGERALD:** Thanks, Amanda and Sharon. Over to you, and then we will have time for questions.

**MS RICHARDS (QCU):** Thank you. Following the birth of a child, women need time to recover from childbirth, adjust to motherhood and establish breastfeeding, one of the most important contributions to the health and development of babies. Currently two-thirds of women have no access to paid maternity leave. Most of these women are employed in low-paid casual or part-time jobs in shops, cafes, hotels and other service industries. These women and their families are forced to make the difficult choice between returning to work before they and their baby are ready, or dropping to one or, in the case of single parents, no income at all. Either option places enormous financial and emotional strain on Australian households at a time that is incredibly challenging.

The QCU proposes that the commission recommend a scheme that provides as a bare minimum the woman or primary caregiver with at least a minimum safety net of 14 weeks' paid parental leave on full pay, with those in paid employment receiving a top-up from their employer to the level of their normal wage level. The QCU's submission also proposes a range of new provisions to support parents of young children, including the right to request up to eight weeks' concurrent unpaid parental leave, improved entitlements dealing with return to work from parental leave and breastfeed breaks.

In preparing our submissions, the QCU consulted widely with all affiliated unions, covering a broad range of occupations and industries within both the public and private sector, and we represent over 350,000 workers here in Queensland across the state. Our consultation was based on the model and submission that had been put forward by the ACTU. Queensland Unions support and adopt those submissions in the main, with the following exceptions: to ensure consistency with our current state based entitlement to unpaid parental leave, the QCU's submission is framed around a scheme of paid parental leave, rather than a paid maternity leave scheme as proposed by the ACTU.

Queensland Unions wish to clearly state our view that 14 weeks' paid parental leave is a minimum safety net only and call on the Productivity Commission to

consider the maximum term of leave possible. Should the commission not be inclined to recommend anything more than the safety net at this stage, we wish to place on record that we would see at this stage an ongoing campaign to secure the six months' paid leave over time. The key components of the proposal are as follows: a paid parental leave scheme that delivers a minimum of 14 weeks at full pay to whomever be the primary caregiver for the child, and that's either male or female, or it may be somebody else.

The costs of the scheme are to be shared between the government and the employers. The government component is for 14 weeks at the federal minimum wage, plus 9 per cent. The employer component is to top up the 14 weeks at the federal minimum wage to employees' ordinary time earnings, plus 9 per cent superannuation. The employer component is enforceable via the national employment standards. The new scheme is on top of any existing paid maternity leave entitlements, so that those employees already accessing paid maternity leave will receive at least an additional 14 weeks at the federal minimum wage on top of what they already receive.

Non-working mothers will receive the government component of 14 weeks at federal minimum wage, plus 9 per cent super. Many other organisations are proposing a variety of funding models that place the burden of cost on employees either through levies or insurance premium. The QCU believe that the only way to achieve a fair and equitable outcome and remove the strain on Australian households is for the cost to be shared between the government and employers. We are proposing that this new payment would replace the current baby bonus. This would significantly reduce the cost of the scheme to government and the cost to employers would be offset by the tens of thousands of dollars they would save every year in staff replacement and retraining costs.

The QCU believes that our proposal balances the rights and obligations of employers, employees and government, is fair to parents, however they are employed, promotes the best interests of women and newborn babies, is achievable and affordable and imposes no additional cost on employees who already bear the brunt of the cost of raising children. The QCU urges the Productivity Commission to recommend the immediate implementation of a system of paid maternity leave that is funded by both the government and employers. We call on the commission to recommend that the government pay women primary carers to the level of the federal minimum wage and that employers are responsible to pay a top-up to the level of a worker's ordinary time earnings. We urge the commission to recommend the maximum amount of leave possible.

If the commission is only inclined to recommend a safety net of 14 weeks' paid parental leave, we seek that this be seen as a first step towards a longer-term goal of securing six months' fully funded leave. Furthermore, if that was the case, we would

request that the matter be reviewed in two years. Such a system, if introduced in conjunction with the right to request up to eight weeks' concurrent unpaid parental leave, improved entitlements dealing with return to work from parental leave, breastfeeding breaks and time off to attend antenatal appointments, will have a significant impact on the lives of thousands of Australian families. The QCU would like to take this opportunity to thank the commission for undertaking this important inquiry. Thank you.

**MR FITZGERALD:** Good. Thank you very much. I might ask Angela to start off.

**MS MacRAE:** The first question, and it really follows the previous participants we had which were the employer groups - and I'm sure it's no surprise to you that their view was that they didn't see a role for employers in the scheme - can you just give me a bit more about the rationale for your view on why employers need to be involved and what difference you think that will make to the outcomes that you're looking for from any schemes such as this or as you're proposing.

**MS RICHARDS (QCU):** The employers, they invest in a worker with training and education and the corporate knowledge that they gain through their employment; to lose that knowledge is a significant cost to the business and in our view it would be far more economical for them to be able to have an experienced worker return to work in the future and that that is a cost as well, similar to long service leave, annual leave and sick leave, those paid leaves that are already available to workers.

**MS MacRAE:** Why do you think the employers don't see that? We tried to probe them quite heavily about the relative benefits to business from a scheme like this. Do you think they're underestimating the retention and recruiting costs or do you think it's something more fundamental than that? I'm asking you to put your hat on, but I guess in your negotiations perhaps you've come across some of these issues before.

**MS RICHARDS (QCU):** I think it really comes down to a cost issue. I think that's really the only reason that they're arguing against it. If you look at the number of employers who have implemented such schemes, they all have had very good benefits, very good returns. Research from New Zealand when they implemented their scheme of paid maternity leave, I think their stats showed in one survey that we saw four out of seven large organisations reported a 90 per cent increase in the return to work. So it certainly does have an impact on returning to work and I would think particularly at the moment with the skills shortage that's around, everybody is talking about how difficult it is to find and retain skilled workers. Anything we can do to encourage as many skilled women as possible to stay in the workforce and potentially also for those women who may not be in the workforce to be able to encourage them to have that attachment to work and receive a payment that is a

substitute to a wage as opposed to a social security payment I think is a really, really positive outcome.

**MS MacRAE:** Just in relation to that sort of safety net, if we can call it that, of the 14 weeks and the minimum wage, when you were looking at the minimum period of 14 weeks and when you were looking to extending that to six months, were you looking that the government would continue to fund a minimum wage component of that or would the government part of that fall away? So that you have the first 14 weeks part government funded and then it would move to an employer-funded arrangement only?

**MS RICHARDS (QCU):** The government's component would continue as well.

**MS MacRAE:** Okay. But for those people outside the workforce, you'd still only be looking at a 14-week period for them or - - -

**MS RICHARDS (QCU):** That's not something we have costed or considered purely on the basis that that's not part of the ACTU's submission and we've relied on their costings.

**MS MacRAE:** Okay. But how would you ideally see that working though? Would you prefer that as the employer-related payment was extended that those outside the workforce would also get that extension from a principle point of view or would you see the 14 weeks as being adequate for that group?

**MS RICHARDS (QCU):** From a principle point of view you'd have to look at paid leave for the whole time because the rationale behind the six months really comes down primarily to the female partner being the primary beneficiary from that. When a woman has had a child their body changes, obviously breastfeeding is something that's recommended these days and the World Health Organisation actually recommends that children should be breastfed until six months. So it's really coming from that argument there, so that the child is having the best start in life to the future because some of the research is showing that if children are breastfed at that early age, then that prevents a lot of the ongoing health issues in later life.

**MS MacRAE:** So your argument there would be whether the mother is in paid employment or not at the time of birth, the issue is the same, so the payment would extend for them as well.

**MS RICHARDS (QCU):** Yes, because quite often people who aren't in paid employment seek employment anywhere from six weeks onwards because of the costs of living and the increased costs associated with having children and their needs.

**MS MacRAE:** Ultimately then if we were to introduce a scheme and if we take the six-month plan, I guess, where you'd get more of an impact on behaviour, what sort of behaviour do you think we would see as a result of that? Would you see extended periods out of the workforce? Would you see better return to work at the end of that, those sorts of issues? How do you see that in terms of the outcomes that you'd be looking for and what sort of yardsticks would you have as a measure of success of a scheme?

**MS RICHARDS (QCU):** I suppose in terms of the proposal even at a 14-week level we'd be seeking that women have the option, if they could afford to, of taking that at half-pay so they would be able to access the six months. I think there are a number of behaviours that would probably show up and one of the main ones, I think, that also employers seem to miss out on is the loyalty that having that sort of arrangement would give employees back to their organisation. Obviously the return to work, we've already talked about that, as being something very important. Hopefully you would see better access to child care. At the moment you've got real problems in gaining access to positions in child care for that first 12-week period, very limited places around. If those sort of places aren't being used as regularly, that's going to free up spaces in child care for longer term. I think hopefully you would see much happier and healthier employees and much happier and healthier babies as well.

**MS MacRAE:** Just in relation then to the way that the payment is made, we've talked a little bit about attachment to the employer and that workplace retention. Are you proposing - and it's probably in your written submission so I apologise that I haven't had a chance to read it in detail - but are you proposing that that payment be made through the employer, the full payment, or would the government pay its part and the employer pay the top-up? How would the administration of it work?

**MS RICHARDS (QCU):** They would have to be paid separately because not everyone would be on the same level. Obviously, as we've suggested, those not in paid employment would only be receiving - - -

**MS MacRAE:** Sorry, I was imagining, of course, that would come from the government.

**MS RICHARDS (QCU):** So that would come from the government, as would all the payments come from the government and then the employer would pay the top-up in the way that they would ordinarily pay the wage.

**MS MacRAE:** That top-up is based on their own employees or would that be funded from an employer pool? Would the employer make those payments?

**MS RICHARDS (QCU):** The employer would make that themselves to their

individual employee.

**MS MacRAE:** Okay. Have you thought about the possible discrimination impacts of that? Are employers going to say, "Look, if I take on this female of child-bearing age I'm going to have a potentially big top-up here because I've got a higher skilled employee. Let's put a woman on"? One of the reasons we've heard about employers possibly potentially paying through a pool-type arrangement where everyone might put in a percentage of payroll and their top-ups are paid out of that is to reduce that potential impact of discrimination of women at work.

**MS RICHARDS (QCU):** Our argument is actually for parental leave, so the primary caregiver could be the male or the female. So that would probably go against some of that argument, but women have a significant contribution to make to working life and they in fact are, in our view, being discriminated against now because they are not able to prepare for retirement the same as males are. An example that was given to me earlier was that somebody had been working for nearly 20 years and they'd lost their long service leave entitlements and the superannuation and things like that. So women don't have the same capacity to prepare for retirement as males do currently because of childbirth.

**MS DURHAM (QCU):** I think also employers tend to miss also the fact that 50 per cent of women are earning below or at the minimum wage so there would be no top-up for that large component of women. You've also then got only 7.5 per cent of women that earn enough for that component to be any greater than \$10,000. So we're talking about a very small number of women that actually earn enough for it to be a real issue and they are also the women who most likely already have it. So I think three-quarters of women in what is termed as high paid incomes which is \$1200 already have paid maternity leave versus the one-third that don't have it in the lower scales. So we're really talking about the majority of women will fall into that category where there will be no employer top-up.

**MR FITZGERALD:** Just on that, can I put a proposition to you: that if we didn't have the baby bonus we would not be arguing for the same rate of payment by the government to both women in the paid workforce and women outside of the paid workforce. I hear your argument, but aren't there two things that are quite different: one is an acknowledgment of the cost of having newborn children and we recognise that as a society through a number of means, including the baby bonus. Over and above that, there are issues in relation to workforce attachment for women and they are separate, but not unrelated. The proposal that you've supported, that of the ACTU, says, "We'll pay the same to women inside and outside the workforce." So a woman on a minimum wage gets exactly the same as a woman who has no attachment to the workforce.

I'm not quite understanding why you believe that that's the appropriate way it

should be. In other words, you're giving no recognition at all to the workforce issues. You're attaching it to leave, but in fact the payment is exactly the same as for a woman who doesn't work. So in effect what you're doing is simply saying the payment is an acknowledgment of the costs of having a child. We could achieve all of that by simply increasing the baby bonus. We don't need to introduce a paid parental leave scheme if all we're doing is increasing the income to women on the birth of a child. So some people have said, "Why are you introducing paid parental leave if that's what your objective is?" It strikes me that if there is no differential at all between that which is paid to a mother who is attached to the workforce and that which is paid to a mother not attached to the workforce, we are simply acknowledging the costs of children and, therefore, why wouldn't you just increase the baby bonus? Why do we need to establish a substantial paid parental leave?

I'm not putting that as a proposition, I'm just trying to flesh it out. But my starting point was, is the only reason we're putting this proposition is because we now have a baby bonus and that changed the context within which this discussion is being held?

**MS DURHAM (QCU):** I suppose the baby bonus came about as a result, in a way, from the HREOC report which was about introducing a form of paid maternity leave. The decision was made at that point to apply that to all women, so it really is something that we - not that we're stuck with, but that's the current system and that's the way the payment has been made in the past. I suppose you're probably right, particularly in terms of the union movement's submissions, had the baby bonus not existed, we would probably be more likely to be making our submissions on the basis of women in paid employment, but that's not the reality of what we've got at the moment.

**MS RICHARDS (QCU):** It's more equitable across society. The difference is that we are saying that a working woman would get the top-up to what their normal wages were. I hear what you're saying but it is an equitable thing across society and acknowledging the issues about childbirth and things like that. But if you are or were a working person, then you get that bit extra to keep going.

**MS DURHAM (QCU):** There's also other government entitlements currently that are paid to people not in paid employment that are work related and they are sickness benefits. People who are long-term injured, they're not in the workforce currently, they're just not able to participate in the workforce at the moment, so there are other arrangements like that that apply.

**MR FITZGERALD:** As I understand your proposal, and correct me if I'm wrong on this, you would see that other entitlement would continue to accrue during the period of the paid parental leave, annual leave, long service leave, sickness leave, compassionate leave and superannuation in whoever pays that. In a sense there is an



employer contribution taking place, just the most simplistic: if the woman is away for six months, then there is another two weeks of annual leave entitlement and so on and so forth. So when we say that employers should be required to pay through the top-up, would it be fair for them to argue that they're already bearing a cost directly because of the disruptions caused and secondly, through the accrual of those leaves, all of which will at some stage have to be funded by the employer, so that they're already making that contribution by the ongoing accrual of those entitlements?

**MS RICHARDS (QCU):** In Queensland there already is that entitlement and the employers are already paying that and covering the cost of that. However, we are in a time when, as Sharon mentioned earlier, we do have skill shortages and if a good employer is looking to set themselves up as an employer of choice, a smart employer - because we're in Queensland - then they look at things that will retain their staff and one of the things is bringing people back to work and acknowledging their contribution to their organisation and as a benefit of that they will have a very loyal employee who will be looking to come back and do their best for that employer.

**MR FITZGERALD:** Can you just explain to me something you just said, "the entitlements in Queensland continue to accrue". Can you just explain when that accrues. If they take unpaid leave, do they accrue or do they cease to accrue?

**MS RICHARDS (QCU):** If a worker is on unpaid approved leave, then for the first three months, then they continue to accrue their entitlements.

**MS DURHAM (QCU):** That's not only unpaid maternity leave, that's other types of leave as well.

**MR FITZGERALD:** Up to three months?

**MS DURHAM (QCU):** Yes.

**MR FITZGERALD:** Does that only apply in Queensland or does that apply more broadly, do you know? It's not a national - - -

**MS DURHAM (QCU):** No, certainly not.

**MR FITZGERALD:** I don't think that's so in other states; certainly nobody has raised that with us previously.

**MS RICHARDS (QCU):** It's been the case for at least 20 years that I'm aware that has been the case here in Queensland. In fact legislative - it's been there for probably 10, 15 years.

**MR FITZGERALD:** Employer groups have said to us that the benefits that accrue

from this scheme is in fact the social good aspect. You may or may not have heard the Chamber of Commerce from Queensland indicate that they were very doubtful as to whether there were any workforce participation benefits to be achieved; that's in the general sense. I notice in your list of objectives you mentioned quite a number and the last one or two deal with workforce attachment issues. I was wondering what your view is - and that's your page 11 - as to the ultimate impact of paid parental leave in the way that you've described or proposed on the workforce attachment of women generally. Would you expect a significant change in participation rates over time or simply we don't know what would happen in workforce participation?

**MS DURHAM (QCU):** As I've mentioned, the stats from New Zealand which show the return-to-work issue, there is also the issue of the sense of feeling belonging to a workplace as well. I have read some stats - and I can't for the life of me remember where they were - it was a survey that talked about, "Had you had access to paid maternity leave, would you have felt more inclined to return to the workplace?" and those sorts of things. I think that may have been through one of the banks, the information I was looking at. A large number of women were saying, yes, if they'd had that recognition from their employer that they were valuable and important, they would have entered their maternity leave from the perspective that they were coming back, whereas if you start from a situation where, "They don't value me, they obviously don't care if I'm back or not," then you don't have that sense of attachment and I suppose that feeling that this is a period of leave and that you will return to work.

**MR FITZGERALD:** One other question: your proposal, as I understand it, is that any voluntary scheme or scheme that's been collectively bargained up to now would be retained and any government scheme would be over and above that which is in place. Some would say that whilst no worker should be worse off, the no-disadvantage test should apply - and I think we would agree with that in principle and in reality - it immediately disadvantages to some degree employers who have entered into these agreements up till now vis-a-vis those that have not and in a sense employers may well, if that were to be the case, be reluctant to enter into any further expansion of voluntary schemes rather than if they simply entered into those, this scheme would be absorbed into it if their voluntary scheme was in fact more generous.

So there's a very big difference between the notional absorption and no disadvantage vis-a-vis an additionality and I was wondering whether you could give me the rationale for that, given that employers, I would imagine, would look at that and say, "Why would I enter into any scheme in advance of a government scheme?" if that were to be the case.

**MS DURHAM (QCU):** The proposal isn't for a complete double-up. So what

we're proposing is that if a employer currently provides 14 weeks' paid maternity leave that the minimum standard, the national employment standard, would still apply, that they would be required to pay that top-up, so they would pay that top-up during the first 14 weeks. If that's the extent of their current commitment, they have met that standard. So the next 14 weeks would potentially be only at the minimum wage.

**MR FITZGERALD:** From the government?

**MS DURHAM (QCU):** Yes, so the employer wouldn't necessarily be making that payment twice because they would only be legislatively entitled to pay the top-up period, that would also coincide with what their certified agreement said about what they would paid.

**MR FITZGERALD:** So what you have done is you have automatically extended paid parental leave in that workplace from 14 weeks to whatever, 28 weeks if it was another 14, even though - - -

**MS DURHAM (QCU):** Not at full pay.

**MR FITZGERALD:** - - - the employer wouldn't be contributing the top-up.

**MS DURHAM (QCU):** That's right.

**MS RICHARDS (QCU):** But the advantage would be the same advantage that the employer sought in the first place by giving their workers paid paternity leave anyway because they had an interest in retaining staff or they had an interest in some other reason that led them to negotiating that condition. So the parameters really wouldn't change, it would still give them a step up over the competition in recruiting staff to their organisation, becoming the employer of choice in their industry.

**MS DURHAM (QCU):** Essentially their employees then end up with a 26-week paid maternity leave scheme at no extra cost to that employer than to other employers because they're still only required to pay that bare minimum which is the 14 weeks. If they are currently paying more than 14 weeks, obviously there's an adjustment but we're certainly not asking at this point that they pay that twice, that they pay their 14 weeks' paid leave as well as the top-up on the minimum wage for their 14 weeks.

**MR FITZGERALD:** All right, good. Angela?

**MS MacRAE:** You talked quite a lot about attachment to the particular employer and I just wondered if I could explore a bit more about your eligibility requirements. So for people that are entitled to the top-up, would they have to show a previous

history with the particular employer or just to the workforce?

**MS DURHAM (QCU):** We're suggesting no attachment to the workforce generally, no, so no length of time in the workforce obviously because of the fact that we're suggesting this applies to people not in the workforce. But in recognition of the costs of this and that we are going from a base of zero to something, we're suggesting that you would need to have had six months with a particular employer. But we're also requesting that that is a once-off qualification, that you don't then - for subsequent pregnancies with the same employer there's no need to continue to serve that six-month period.

**MS MacRAE:** But you would be if you moved to a new employer?

**MS DURHAM (QCU):** A new employer, yes.

**MS MacRAE:** I think that's all.

**MR FITZGERALD:** We're just a fraction over time, so are there any other final concluding comments, Angela, or from yourselves?

**MS DURHAM (QCU):** No.

**MR FITZGERALD:** Thank you very much for that.

**MR FITZGERALD:** If we could have the next participant, which is Family Day Care Australia. If you could give your names, the position and the organisation that you represent, that would be terrific and then your opening comments and we'll have a discussion.

**MS GROTH (FDA):** My name is Kym Groth. I'm the president of Family Day Care Australia. I have been a carer for 17 years and I'm a parent.

**MS NADAS (FDA):** My name is Paula Madas. I'm the policy manager for Family Day Care Australia. I have no children, not by choice, and I'm here representing our industry today.

**MS EVANS (FDA):** My name is Donna Evans. I'm a family day care provider contracted to Hobsons Bay City Council in Melbourne, Victoria and again, a new parent.

**MR FITZGERALD:** The name of the child?

**MS EVANS (FDA):** This is Darwin and he'll be 11 weeks tomorrow.

**MR FITZGERALD:** If you can give us your opening comments.

**MS NADAS (FDA):** Okay. The background of Family Day Care Australia is that it represents approximately 12,000 trained, accredited and monitored family day care workers or child care workers who have home based services around Australia. They are supported by approximately 340 locally based coordination units staffed by early childhood professionals. 98 per cent of those 12,000 workers operate as self-employed, small home based businesses on a contractual basis. They fund their own super, their own holiday leave, their own long service leave, their own income protection. As self-employed workers they join two out of three Australian women who are not eligible for any form of paid or unpaid maternity leave unless they self-fund this, along with long service leave, annual leave et cetera.

Family day care workers exist on incomes well below the minimum wage and do not access any employer-provided benefits. Most of these workers are providing essential child care services for working families experiencing significant socioeconomic constraints and many of the carers themselves often find themselves excluded from good loan products from banks, they're often using low-doc or no-doc loans, which are similar to the subprime market in the USA, to fund their own homes or their own mortgages. They are also a dominant provider of baby places in the marketplace for child care and for families who are trying to keep all the siblings of a family of different age groups in one care environment.

We have structured or framed our submission not in terms of economic

priorities, because we don't believe that supporting women and babies can be driven economically, Family Day Care see maternity leave as a right of infants to be breastfed in their first six months of life and to ensure their needs for secure attachments with their parents and siblings are met within the first 12 months of life. There is enough research, including cortisol research, that indicates babies' critical need for secure attachments and stable child-adult relationships, and as an industry that cares for family groups, there needs to be support for working families to facilitate sibling bonding during this period as well.

By protecting the rights of babies as a society we will gain economically later from much more productive healthier parents and a healthier future workforce and that's where the economics comes in; I don't think it comes in at the beginning. So we are in favour of a universally funded, six months' paid maternity leave at the average Australian weekly earnings to be achieved by combining a Medicare form of levy on all workers' gross incomes - and we consider workers to be employers and employees - and we want it on the gross income of Australians as I think that that comes down to a much lower percentage than the earlier paper of J. Perry that I read, but I liked quite a few of the concepts in that paper.

We also believe that by repackaging the current allowances, tax A, B, child care allowances, child care tax rebate, CCB, your baby bonus and a lot of the other allowances that are currently in the marketplace, the government is already positioning itself to pay at the minimum award rate. We believe that by mixing this or matching it with a Medicare form levy we can achieve average Australian weekly earnings quite easily. A further six months, we would also recommend, to be financed by maternity accounts with government as co-contributing, as now happens for super salaries, salary sacrificing where you can put in a dollar if you're low income earning and government co-contributes a dollar; long service leave accounts managed by the government for the self-employed; a HECS-type approach to managing maternity leave if you want to extend past that six months; employer paid schemes; maternity loans at reduced interest rates or delayed and restructured home loans with banks.

So the way we want things to move forward from a child care industry perspective is that we would like regulatory changes to be put in place for our industry and we need to have the right to use relief carers in the carer's own home. We have an example of a relief carer by the name of Katrina Mason who is one of the first that we know documented this year, who, for the birth of her second child, chose to continue business practice for her families that she had in care. For her first child she was asked to stop providing family day care when she became pregnant and so she lost all of the children that she had been caring for for a number of years when she stopped for the three months to care for her own child.

With the birth of her second child she was really trying to continue her

business, to maintain her relationships with the families who were in care and the Tasmanian legislation did allow for exemptions and we worked very closely with that scheme and with her and she recruited a relief carer, so she has been able to successfully continue to care for the families in her care in her own home. The carer is relief caring, she is basically an employee at this stage, and everyone is happy and so are we. We would like that regulatory change introduced Australia-wide and we want in-home care as part of that model.

Secondly, we want allowable absences that are currently 42 days a year where parents are able to take their children out of child care due to illness or for holiday leave. We want that extended to an additional 40 days when a new child is born into a family so that the parent is not worried about having to pay fees and gap fees et cetera when they want to create some attachment and bonding to occur for siblings within the family to the new baby. We also would like to see child care benefits for carers' own children come under the spotlight because at the moment carers are discouraged from even swapping children with another carer et cetera within their own family day care scheme and they do not get any benefits or payment of child care tax benefit or child care tax rebate for their own child when that child is maintained in their service. We would like to have a carer tax benefit C introduced for their own children.

The fourth regulatory change we are pursuing is workplace recruitment loss and paternity leave. We are very much in support of seeing paternity leave introduced and paid for because we believe that fathers are integral to the family and should be part of the attachment process with the child and some payment to the workplace for recruitment loss or the fact that they have some kind of a flat benefit paid when the mother goes on maternity leave and part of a benefit paid when she returns to work as well. So that there is this sense of business continuity and phasing out and phasing an employee back in and there's a benefit for the employer to do both, that's what we would like to put in place in the magic world.

**MR FITZGERALD:** That's fine. Anyone else like to make a contribution at this stage?

**MS GROTH (FDA):** I'd only like to say that as a carer of 17 years, someone who has provided care for children and actually had my own children in family day care, actually my first child was born before I became a carer and was the reason why I became a carer in family day care. He had diabetes and I couldn't actually access care for him so I gave up my teaching degree and became a carer to look after my own child and then took on other people's children. I have cared for more than 150 children in my 17 years. My daughter was born into family day care. I had one week off when I had her. I had her on a Monday and the following Monday the four children I had in care came back to me as a result of trying to support those families who absolutely could not find care anywhere at a time when the child care

industry was breaking at the seams, I suppose.

She is now 15 years old and has experienced family day care for that time. It hasn't hurt her, I have to say, and I'm a very competent person in terms of my capacity to care for other people's children and balance my work life with my partner who was an extremely supportive person who actually took off seven months when I had my daughter. So he was actually the person who took the time to care for her while I continued to work in my home.

**MS EVANS (FDA):** I've been a care provider almost three years and similarly became a care provider because I had my own child and I needed to derive an income, so became one. In facilitating superannuation, holiday pay, long service leave, well, that's non-existent for family day care providers and I had a total of nine days off in three years basically because if you don't work, you don't get paid and financially that was the reality of it. I worked through my pregnancy with Darwin as far as I could, which was only seven weeks before he was born, and the children came back when he turned eight weeks old on a full-time capacity which is 45 hours a week. I did have some back informally for 10 or 15 hours a week earlier than that, it's just that that was a private arrangement, not a formal arrangement, but financial pressures necessitated that.

Also there is the darkness that hangs over us that if our children move on to other care providers for extended periods of time, having cared for those families for many years, there is every chance that they won't come back because they do move on as well, especially when demographically it may be closer to their home, there might be a new routine that somebody forms that's slightly easier. So there is the whole setting up of your business and your routine and the enormous amount of energy that's placed in settling children into care, the emotional and security bonds that are formed there. That is all put in danger when you take extended periods off because you can't have a relief carer come in. So they were all the reasons that dictated why I've already returned to work very full-time and am here today.

**MR FITZGERALD:** Thank you very much for that. Can I just ask a question: if your scheme was to be adopted, the six months at average weekly earnings for women who are in your industry as family day carers, is it your expectation that they would take six months off - - -

**MS NADAS (FDA):** Yes, and that a relief carer - - -

**MR FITZGERALD:** - - - for that period, because one of the issues here is that - and I just want to clarify it - some people have said that there should be a payment irrespective of whether you take time off, you know, like a universal baby bonus that just gets paid and doesn't matter about the time off. The proposal you're putting is in fact a parental leave scheme, so there is the assumption that the payment flows with



the time away from the work. So you would actually believe that if you had this scheme, mothers would take the six months off if you had the capacity to have a relief carer in place?

**MS NADAS (FDA):** Correct, and I also think mothers will take that six months off for the simple reason that an average weekly earning is approximately a \$300,000 mortgage in the marketplace today. So that's what I think most families are bearing in the marketplace and it's the biggest push for them to go back earlier. So when mothers who do get maternity leave get to that 12th week, they're already weaning their babies. If the optimum breastfeeding is six months, from our framing of the problem we see it as the right of a child to six months of breast milk. If a mum feels that she can express or wants to go back part-time or has flexible work arrangements et cetera, that's something that can be arranged. But within the family day care environment, that would be fairly hard, I think, to do. I think that you either work part-time or - - -

**MS EVANS (FDA):** Six months' paid leave for me would mean that I would have six months without that 45 hour a week commitment to do all the things that we've already discussed with my own child, but it means my business wouldn't stop. So financially I would have a relief carer come in, my families would still be provided for, my business would still continue down that path and I'm certainly there to assist with that, if needed, but not relied upon. So it's a win-win for me as a parent, but also as a business operator and child care provider.

**MR FITZGERALD:** Can I just explore this relief carer for a moment. Clearly, you're in an occupation or a business where parents use your service because they trust in your individual capacity to be able to care for their child. The notion of being able to put in a relief worker is, in a normal environment, reasonable; in your environment, do you still think you would lose families as a consequence of you not being directly involved and would that lead you to re-entering well before the six months was up to be able to secure that family connectedness?

**MS EVANS (FDA):** I don't believe I would. We have developmental programs in place that are independently orientated to those children and they're put in place with consultation with their parents and developmental norms and the like so the relief person would simply follow what's already in place in terms of day-to-day runnings of the business and provision of service.

**MS NADAS (FDA):** The carer also doesn't lose the attachment and consistency of care because it's being done in her home and that relief carer is coming into her home. The families are still coming into the same environment, there's continuity of care, there's security within the environment. The relief carer is someone that is being entrusted by that carer with that care and she is on the premises so it actually is a very warm sort of nurturing model.

**MS GROTH (FDA):** In Queensland, they allow it to happen in some services already and certainly the service I came from, it certainly is allowable. I can say that in my role in Family Day Care Australia, I'm often not at home but I had a relief carer who used to come into my home. The environment stayed the same for children. That was the thing that the parents really liked: they still came to the same place, all the children knew each other. So that builds up very quickly. Children come together and they stay together for four or five years, in most cases, in family day care. Having a relief carer come in, the parents have met that carer. They've built a relationship way before care actually starts and the parents then trust that that person is going to care for the child in the same way I would normally have cared for those children. It actually instils this whole process of families being a little bit more responsible about the community that happens in child care. They absolutely contribute to the community that happens in child care as a result of building that relief care situation in there.

**MS MacRAE:** So what's the objection in those states that don't allow relief carers?

**MS EVANS (FDA):** Current legislation restraints inhibit it.

**MS MacRAE:** But why does the legislation do that?

**MS NADAS (FDA):** I don't know why. They attach the primary carer to the home so a carer can only provide care from the primary residence. So therefore you can't - - -

**MS MacRAE:** So it's the framing of the legislation?

**MS NADAS (FDA):** Yes, the way it's been framed in most states. So they find it very hard, for instance, to build a house - let's say if you were in a business model where you're very affluent and you decided to be a guru of family day care, you couldn't build 10 houses, put a carer in each 10 and then be the overseer of it because legislation doesn't allow it. That carer must be the primary owner - - -

**MS MacRAE:** A resident?

**MS NADAS (FDA):** - - - the resident of that home. They can't just come for a few hours to provide the care and then go home; it doesn't work like that, which we think is good in one sense, but the relief care regulation needs to change.

**MS GROTH (FDA):** Yes, because the whole concept of family day care is around the family. So if it's in a family home, where your family is, as a carer, then you lose the whole concept of what that - - -

**MS EVANS (FDA):** Of the extended family.

**MS GROTH (FDA):** Yes, of the extended family model of family day care. That's what it was built on.

**MS MacRAE:** Can I just be clear about your model because I got a little bit confused. You were looking at six months paid that would be funded by a Medicare-style levy?

**MS NADAS (FDA):** Yes.

**MS MacRAE:** So that would basically be, you did say, employers and employees, but employers don't - - -

**MS NADAS (FDA):** All workers, so employers and employees are all working - - -

**MS MacRAE:** So anyone who currently pays the Medicare levy would pay it?

**MS NADAS (FDA):** Yes.

**MS MacRAE:** But you're not talking about a payroll tax kind of levy or anything like that.

**MS NADAS (FDA):** No.

**MS MacRAE:** Okay, just so I understood that. Then were you also suggesting another six months could be a sort of a voluntary arrangement, though? If people put into it, they could, and then you might get co-contributions for low-income people as you do for certain - - -

**MS NADAS (FDA):** Yes, I would like to see maybe half a dozen different options for families who wanted to extend care for 12 months, for whatever reason; that it was out there in the marketplace. Whether they could a HECS-type arrangement, a maternity account, whatever it was, that it was there for them as an option if they wanted to extend. I don't think that I would want to see maternity leave extended to 12 months straightaway. I think that's a bit hard, but I think we should start there. I think that should be our starting point. Not 12 weeks or 14 weeks. I don't think that's going to give entrants what they need.

**MS MacRAE:** What would you see as happening to the baby bonus in your scheme?

**MS NADAS (FDA):** Disappear.

**MS MacRAE:** Would that just continue to be paid as - - -

**MS NADAS (FDA):** Well, the baby bonus, tax A, B, your child care benefits, as I said before, when you start looking at parents just returning to work and the government paying all those other benefits that they pay, they're almost equivalent to your minimum wage now. So I don't understand why it's just not packaged differently as another product or social welfare support product for maternity leave for women. For me, I find that interesting. They just haven't done that yet.

**MR FITZGERALD:** Well, we will be looking at that and I have to say it is interesting. How far we go just quite yet I'm not too sure. Can I ask you a question about you as carers, and I understand your proposal meets a particular need for carers who become pregnant and have a child in your industry. But I'm talking about the industry itself. As we've been going through this inquiry, a number of people that have put it at the most important object - that is, child wellbeing, maternal wellbeing - have a view that either a 26 weeks or, preferably, 52 weeks, the desirable outcome of a successful scheme is for women and perhaps male partners or other partners to be able to stay at home for up to a year.

Part of that has also been a concern that the placement of a young child under 12 months into any form of care, be it formal child care or family day care, is not a desirable outcome. Now, it's not about picking between models, but clearly people are saying that if the mother particularly is able to have an extended period of time at home with the child, then that would reduce the need to be able to access formal care, be it day care or formal child care. I was just wondering whether you have a comment about the care of under-12-months-of-age children and whether or not your model is also one that would ultimately lead to less children being placed in formal care, if you were to get your package of measures up.

**MS NADAS (FDA):** It would have less children.

**MS GROTH (FDA):** It most definitely would have less children in - - -

**MS NADAS (FDA):** Under 12 months old - - -

**MS GROTH (FDA):** - - - accessing care.

**MS MacRAE:** It would defer it?

**MS NADAS (FDA):** It would defer it.

**MS GROTH (FDA):** Most definitely, and I suppose it's around that. It is really difficult to place babies into child care at the moment and even in family day care, where we're one of the biggest providers, it is very difficult and often carers are

pushed into having two, which is not in the best interests of a child. We recognise that as an industry that it's not always in the best interests of a child to have two children under 12 months old with one carer trying to cope with those children who are not their own children, who are other people's children. Those families expect to have very high quality care being provided to their little person, so I think that it's in the best interests of children and families that we don't put families in a situation where we're pushing them into making those types of decisions that are not always in the best interests of children.

**MR FITZGERALD:** An alternative approach might be to say that you could invest much more heavily in formal child care for children under the age of 12 months, rather than invest in a paid parental leave scheme. Now, that's not a proposition, I might say, that's been put by many participants, but it is a possibility. What would be the argument for or against that, in your view?

**MS NADAS (FDA):** We don't breastfeed.

**MS GROTH (FDA):** We've all got breasts but we don't breastfeed other people's children.

**MS NADAS (FDA):** No, and I think you're really being pretty cut-throat about the rights of children. Six months is recommended as sole breastfeeding for children so why would the child care industry, from our perspective, want to see itself as being - - -

**MS EVANS (FDA):** As a provider but also as a parent - - -

**MS NADAS (FDA):** A parent - - -

**MS EVANS (FDA):** - - - I sit on a very fine line because I can say one thing as a care provider that provides child care to babies, and then say something completely contrasting as a parent.

At the end of the day, and when I commenced as carer the first three children I had placed in care were all nine months of age. So I had three nine-month-olds for 50 hours a week; 10 hours a day, five days a week. I provided wonderful care to those children. They were nurtured and stimulated and all the things that one should do. But I didn't love them like their mother would have or their primary care provider would have. I certainly loved them, but when you look developmentally at infants and the progression of the development in that first 12 months, one has to agree that being with their parents is where they should be. We as adults should do everything to support that. As a child-care provider, yes, we would have less babies in care, but they would come to us after 12 months and that's a wonderful thing too. So from a business point of view, I don't see it as being an issue.

I would prefer that I am working for secure, happy, confident, well-established young people which, certainly over a period of time, the more children you get to care for, you can see developmental delays are not - and I don't wish to be critical of anybody for the choices that they make, but some things aren't picked up when they should be, or are harder to act on when parents aren't available because of financial constraints to appropriately address those sorts of things.

**MR FITZGERALD:** In relation to the issue of partners' leave or paternity leave more specifically, I was just wanting to understand your position in relation to that. Do you see your arrangement as being solely maternal, or do you see it as parental leave where there can be shared responsibility between the mother and the father or the mother and the other principal carer? Any thoughts you have on that?

**MS NADAS (FDA):** We would want to see parental leave or paternity leave, other primary carers, whoever is a significant other adult. If it's a single mother, perhaps it might be her own mother or another extended family member who is providing that. It just depends on the model of the family. But yes, we would want to see one other person at least being provided with four weeks' parenting leave in addition.

**MR FITZGERALD:** So it's four weeks in addition to the - - -

**MS NADAS (FDA):** Yes, to make sure that - - -

**MR FITZGERALD:** So could I just clarify: it's 26 weeks' maternal leave and an additional four weeks for paternity leave, if I can use that expression. Okay.

**MS NADAS (FDA):** Yes, and two months for siblings.

**MR FITZGERALD:** Can I just ask you - it may sound like a self-evident question but I'll ask it because it is important. There's been some issue about whether or not you need to specifically quarantine a portion of the payment for fathers and/or other significant primary carers. Some views have said no, it's up to the family to decide; others have said that there are very important reasons why you might want particularly the father to be involved, and unless you actually have a period of time called "paternity leave" and it's paid, neither the employer will grant or the male employee will take it. So it's a very important signalling device as much as an actual benefit. I was wondering whether you have any views on that, given your relationship with male clients, or your own personal experience.

**MS NADAS (FDA):** I've seen statistics on how many male partners take up paternity leave. I think it would be very good to have it in place because it sends a stronger message. I think that message should be sent by the Australian community to fathers that they are a very important part of a young child's life. So I'd want to

see a place for that.

**MS EVANS (FDA):** Also as a society we need to - parental leave, the connotation that it's a mum and dad arrangement is not necessarily always the case. So having it available for the individual to choose which of the couple, be it same-sex relationships or, in the case of a sole-parent family, another person who is a very much a crutch of support.

**MR FITZGERALD:** Angela, any final questions?

**MS MacRAE:** I don't think so.

**MR FITZGERALD:** Good. Are there any other queries or questions or comments you'd like to make?

**MS EVANS (FDA):** In relation to paying of CCB for care provider's own children, I think it's only - is it 7 or 9 per cent of care providers have - - -

**MS NADAS (FDA):** Under 10.

**MS EVANS (FDA):** Under 10 per cent of care providers have their own child in care, and it's under 3 per cent have two children in care. I mean, I can stand before you as a care provider who has to sacrifice 25 per cent of my weekly earnings because I have my own child in care. That's something that's very hard to swallow when as a part of a scheme there are many other carers who provide the same service as I do but earn a hundred per cent salary for that. Providing CCB payments for one's own child, and particularly qualified care providers, would certainly go a long way to helping to rebalance that.

**MS GROTH (FDA):** And recruitment.

**MS NADAS (FDA):** Yes, and at the moment if you're a child-care worker in a long day-care centre, you can walk into that environment with your own child and claim the CCB.

**MS GROTH (FDA):** Place that child there.

**MS NADAS (FDA):** So there's differentiation in treatment of carers with their own children in different sectors.

**MS GROTH (FDA):** And for us, the recruitment of carers has diminished considerably for us. There was 16,000 carers in 2000; we're 10,800 today.

**MR FITZGERALD:** Is that because of the labour market as it is, or is that a

deliberate government strategy to reduce the number of family day carers?

**MS NADAS (FDA):** No, I don't think so.

**MS GROTH (FDA):** I don't think so. Interesting comment.

**MS NADAS (FDA):** I think that it's two tensions. In the labour market right now if you have one of - okay, a lot of women joined family day care when they did have a child because they were looking to get into a home-based business where they could stay at home. A lot of those women have children with disabilities or children with other additional needs that they felt that they could meet a lot better by staying home and caring for their own child through that process. So they chose family day care because they still are - accumulated enormous business skills, professional skills that they could later use in other ways.

What has happened, as the labour market benefits have increased outside of family day care, they haven't increased at the same rate inside because child care fees, et cetera, there are obviously affordability constraints. At the same time when you're forfeiting a quarter of your income for each of your own children it makes the business model unviable once you deduct all your input costs of travel and equipment and all your quality assurance requirements. So the business model has now become less and less viable as a business for women looking for business opportunities as well as caring for their own children.

**MS GROTH (FDA):** Yes, two children and they would not stay in family day care.

**MS NADAS (FDA):** No.

**MS GROTH (FDA):** Half their income is - - -

**MS NADAS (FDA):** Is gone.

**MS GROTH (FDA):** - - - in their own children. Why would they do it?

**MS NADAS (FDA):** Yes.

**MS GROTH (FDA):** So they leave us.

**MS NADAS (FDA):** So that the ones that are staying and being retained are those that have an older child that's there maybe for only one year and then they continue on once that child leaves or they have no children when they come on board and it's a viable business for them. So for us we would really like to see carer tax, VUC.

**MS EVANS (FDA):** The issue there is - I mean family day care, not every child is



suiting to long day care, you know, day care setting, environment. I mean, it's just - there should not be a society where there is only one model of child care available. So I think we really need to look at the bigger picture and probably can help support an industry that is flagging desperately because of financial pressures.

**MR FITZGERALD:** Good. Well, thank you very much for that. That's terrific. If we can have the next participants, Australian Catholic Council for Employment Relations.

**MR FITZGERALD:** If you could give your names, the positions and the organisation that you represent and then some opening comments. I notice you've given us a submission, so thanks very much for that.

**MS O'CONNOR (ACCER):** Thank you. Sue O'Connor on behalf of the Australian Catholic Council for Employment Relations and director of the Office for Employment Relations at the Bishops Conference.

**MR QUINLAN (CSSA):** My name is Frank Quinlan. I'm the executive director of Catholic Social Services Australia, which is an entity of the Australian Catholic Bishops and also a peak for the non-government community sector, the Catholic Community Sector. I might add, though, that I'm also the father of three daughters, and a small employer of a staff of 20, so I'm happy to speak in any of those capacities.

**MR HALLORAN (ACCER):** Hello, I'm Glen Halloran. I'm a council member on the Australian Catholic Council for Employment Relations and also a member of Catholic Social Services Australia.

**MR FITZGERALD:** Great, okay. Over to you.

**MS O'CONNOR (ACCER):** We've prepared a brief opening statement that I would like to read if that's okay with you?

**MR FITZGERALD:** Yes, fine.

**MS O'CONNOR (ACCER):** Thank you. On behalf of Catholic Social Services Australia and the Australian Catholic Council for Employment Relations I would like to thank the Productivity Commission for the opportunity to appear today. Catholic Social Services Australia is the Catholic Church national peak body for social services and represents 64 member organisations. The Australian Catholic Council for Employment Relations was established by the Australian Catholic Bishops Conference and is supported by Catholic Religious Australia. As part of its mandate it develops national policies and guidelines that relate to work and the employment relationship.

Announcing the inaugural members of the Social Inclusion Board on 21 May 2008 the prime minister and the deputy prime minister jointly stated that:

Every Australian should have an opportunity to be a full participant in the life of the nation. Unfortunately too many Australians remain locked out of the benefits of work, education, community engagement and access to basic services. This social exclusion is a significant barrier to sustained prosperity and restricts Australia's future economic growth.

Promoting social inclusion requires a new way of governing. Australia must rethink how policy and programs across portfolios and levels of government can work together to combat economic and social disadvantage.

We share the Commonwealth government's commitment to social inclusion which reflects longstanding Catholic social teaching principles concerning human dignity, a preferential option for the poor and the importance of ensuring that each person is able to enjoy full participation in society.

For individuals and family social inclusion has no meaning if the most marginalised employees or would-be employees are impeded from forming or adding to families by inadequate societal recognition of the value of child-rearing. Paid parental leave provides one important means of facilitating opportunities for all Australians to enjoy parenthood and for this reason alone a paid parental scheme deserves support. Catholic social teaching, which espouses that society has a role in fostering the formation and development of a family - we believe that this is the view shared by the broader community.

As expressed by Pope John Paul II, just as the intimate connection between the family and society demands that the family be open to and participate in society and its development, so also it requires that society should never fail in its fundamental task of respecting and fostering the family. He also said, in the conviction that the good of the family is an indispensable and a central value of the civil community, the public authorities must do everything possible to ensure that families have all those aids - economic, social, educational, political and cultural assistance that they need in order to face their responsibilities in a human way.

Our submission focuses on the needs of the family, the common good associated with ensuring the welfare of the next generation, the disadvantage experienced by women in balancing the responsibilities of work and family, the need to overcome financial obstacles to family formation, and the need to ensure that women's roles in child-bearing do not adversely impact on their capacity to enjoy full participation in the paid workforce.

In our submission the term "maternity leave" includes adoption leave in situations where the employee, whether male or female, is the primary carer, whether male or female, of a newly adopted child aged under five years old. We also support other forms of paid leave including paternity, grandparents and foster parents' leave. While not wishing to make submissions on these forms of leave at this stage we may do so at a later date. Our submission explores a number of funding models but strongly advocates a paid national maternity leave scheme to be jointly funded by government and all employers. We do not support the notion of employee-funded contributions.

You have our submission before you but I would like to briefly reiterate the key principles we believe should be adopted as a minimum. These include a scheme that pays the lesser of the ordinary time earnings or average weekly earnings for a minimum of 14 weeks but ideally 26 weeks to full-time, part-time, permanent and casual employees and self-employed people who have worked in the paid workforce for a stipulated qualifying period. We would also add seasonal workers into that group.

The scheme should be jointly funded by government and employers in recognition of the significance of paid parental leave as both an essential financial support for families and a crucial employment entitlement. We suggest government contributions might be equal to the federal minimum wage and the employer pool would fund the gap between the federal minimum wage and the lesser of the employee's ordinary time earnings or average weekly earnings. When we talk about the federal minimum wage we refer to the ACCER submissions on an adequate federal minimum wage.

Employer contributions should collect in an employer pool of funds which would ensure sectors with higher proportions of female employees are not disadvantaged. It would also avoid the risk of exacerbating workplace discrimination against women. Small business and community sector employers should be protected from implementation, regulatory and transitional costs of the scheme. The scheme's explicit objectives should redress existing inequalities between low-skilled, low-paid, part-time and casual employees and other employees and any inadvertent exacerbation of the inequalities must be avoided.

Finally, we recommend a review of the scheme after two years. The review should focus on the adequacy of the scheme's leave payment amounts, leave duration, eligibility criteria and arrangements around the right to return to work. A more comprehensive review should take place after five years. In our view the additional financial flexibility provided by paid maternity leave combined with the prospects for increased workforce attachment make paid maternity leave a desirable development in enhancing women's participation and status in the paid workforce, but maternity leave is currently unavailable to over 50 per cent of working women.

We believe that government has a social responsibility to provide financial assistance to families, acknowledging the importance of the family within the Australian society. We have a collective responsibility to ensure the welfare of the next generation, paying particular attention to the needs of disadvantaged and low-paid employees. There is a need to help both women and men to manage their work and parental responsibilities so that the needs of the children and families are met in the context of modern Australian society.

**MR FITZGERALD:** Good, thank you very much.

**MS O'CONNOR (ACCER):** Thank you.

**MR FITZGERALD:** Any other comments at this stage?

**MS MacRAE:** There was just one little element that I didn't quite catch - and you did mention it twice. I just want to be clear about it. But the government would pay up to the level of the federal minimum wage - and then what was the nature of the top-up? The lesser of two amounts, which I kept not writing.

**MS O'CONNOR (ACCER):** The ordinary time earnings or average weekly earnings, whichever were the lesser of the two.

**MS MacRAE:** Okay.

**MR QUINLAN (CSSA):** So it's essentially ordinary time earnings capped at average weekly earnings.

**MS MacRAE:** Weekly earnings, okay, all right. The reason that you are choosing to put a cap on the - because more commonly, I suppose, in the schemes that we have had put to us that federal minimum amount has been common to many of them but often there's not a cap on that other part. But it really relates to your concerns about entrenching inequalities that are there beforehand, I suppose, that you have chosen that level for the top-up?

**MR QUINLAN (CSSA):** The redistribution. Also about the apparent greater capacity of employers paying salaries at higher levels to meet those demands in any case.

**MS MacRAE:** Do you have a view on who would actually be eligible for that leave in terms of whether it would be - I think you are calling it parental leave, are you? So do you have - or is there a quarantined amount within there for mothers and fathers?

**MR QUINLAN (CSSA):** We haven't discussed that at this stage.

**MS MacRAE:** No.

**MR QUINLAN (CSSA):** I mean, we talk in principle about supporting the notion of parental leave, a shared arrangement. I guess the more important principle we'd discuss is suggesting that the leave arrangements really ought to make choices available to families so that, rather than imposing a particular pattern on families, that families ought to be free to make choices about which parent takes leave at

which times, accepting though that there are some biological constraints about some of that.

**MS MacRAE:** Yes.

**MR QUINLAN (CSSA):** So there would be an obvious bias towards ensuring that mothers have the capacity, whether it be for their own welfare or, through breastfeeding, welfare of the child.

**MR HALLORAN (ACCER):** Just in relation to that, sorry, it's our premise that the payment ought not dictate who the primary carer should be - - -

**MS MacRAE:** Right, okay.

**MR HALLORAN (ACCER):** - - - but the family, notwithstanding that there ought - you know, probably in practice there ought be a minimum period relating to the mother. But we haven't determined what that would be.

**MS O'CONNOR (ACCER):** The health of the mother and of course of the child.

**MR QUINLAN (CSSA):** I might say it relates to an overarching principle too and it's reflected on a reading of some of the submissions that you've had already. I think there's a danger of us talking about how families might adjust to workforce participation rather than, as a subtle shift, talking about how workforce might adjust to family requirements. Even the fact that we are today before a Productivity Commission investigating family arrangements is interesting, you know. There might have been a Family Commission that would make some recommendations about how the economy could adjust to family requirements.

**MR FITZGERALD:** But never be as good as this.

**MR QUINLAN (CSSA):** No, I'm sure.

**MR FITZGERALD:** Could I ask this question: you're, just so that we understand, Australian Catholic Council for Employment Relations is the peak body for Catholic employers. Is that a reasonable way of describing it?

**MS O'CONNOR (ACCER):** The Australian Catholic Council for Employment Relations is essentially an advisory body to the Australian Catholic Bishops Conference which is the overarching, if there was - there's no sort of hierarchical sense of the church in Australia. So the council advises on matters of national significance in relation to the employment relationship and out of that develop policies and procedures and the way that we operate and make Catholic social teaching alive in our workplaces. So it's an overarching body. But we have a

number of other organisations such as Catholic Social Services and Catholic Commission for Employment Relations who represent individual sectors of the workforce.

**MR FITZGERALD:** My reason for just trying to articulate that is the Catholic Church is a huge employer, I'm not quite sure if you have a rough figure of that. I used to know some of those figures.

**MS O'CONNOR (ACCER):** There's over 100,000 people, so in whatever figures we can get together it's said to be the second-largest employer after government.

**MR FITZGERALD:** That's certainly true in some of the states and across the nation. If I said to you you were the first peak employer group - I understand the difference between adviser - that has supported a mandatory employer top-up, it probably doesn't come as a surprise. But I wonder why you as an employer of 100,000 people - given that the individual state commissions on employment relations set terms and conditions, not you - why are you prepared to have a situation where your employing bodies within the church would be bound to provide compulsory top-up whereas other employers have so far resisted that?

**MR QUINLAN (CSSA):** I think it goes to those arguments we talked about earlier about first principles. So our position begins from what I think is the first principle about what might best reflect the good of the families who are going to be the subject of these arrangements. We do make some particular comments in our submission, that you won't have had the opportunity to read yet, about precisely those issues you raise, though, particularly given that for many of our employers their capacity to make available terms and conditions to their employees is largely dominated by their agreements with government. So we make the observation that the recommendations that we're making, if they're to be successfully implemented, will have some dramatic implications for the way in which governments adequately fund the wages and conditions of employees in our services.

**MR FITZGERALD:** One of your employers, the Australian Catholic University, was a leader in the establishment of substantial paid parental leave, certainly in the university sector and beyond, and has often been referred to in these inquiries. Again, I suppose you've come down with a scheme which as I understand it's 14 weeks at a minimum but you'd prefer that to go to 26 weeks. We've asked this of many participants. Many of the answers are similar. But we asked the university sector this morning - we had representatives of the union and QUT and Griffith University - as to what is it in this 26-week period, what guides you to believe that that's the right figure? Many have said it's the international conventions. But beyond that is there something that innately says that this is the right period from your research or from your view other than the fact that's what has been established as an international benchmark?

**MR QUINLAN (CSSA):** We've drawn, I think, on the World Health Organisation's recommendations around breastfeeding.

**MS O'CONNOR (ACCER):** I think we have, yes. I think our views come from the ILO Convention and World Health in the health and welfare of the mother and the child. But we're also saying that as an introductory scheme 14 weeks up to 26. But we are asking for those two reviews and the economic modelling and a real in-depth look at how is this working and what are the benefits. Some of the outcomes of that future investigation may say it should be longer. It could be a different amount but we all have to start somewhere. So that's based on what research there is that we have access to readily. We've taken that position.

**MR QUINLAN (CSSA):** I think too we would make the observation in our submission that it's frankly beyond our capacity to do too much modelling or consideration of transitional arrangements until there is a much firmer sort of proposal on the table. We understand that the process will give an opportunity for greater consideration of a firmer model later in the process. So we'd be eager to make contributions at that stage having, I guess, hopefully just drawn your attention through the submission to some of the transitional considerations that will need to be made, not least the enormous gap between the current entitlements of most of our employees and staff and what is being proposed.

**MR FITZGERALD:** Can I ask a more fundamental question? Whilst it is true that we haven't had many participants who have been opposed to a paid parental leave scheme, we have had some and the commission has received some submissions accordingly, who take the very strong view that in fact motherhood and parenthood is both a private and a social good but it is now wrong to try and support that institution through employment-relations activities. In fact, dissociated, as you know, wages from the notion of a just family wage. We have moved well beyond that.

Some would say that, one, there's doubt as to whether or not the government should support parenthood beyond the social security measures. Secondly, if we did, then in fact simply you top up the baby bonus and you don't need to establish paid parental leave. You've got the right to return to work, why not simply increase that entitlement? So I wonder why you believe that it is time - that a paid parental leave scheme should in fact be implemented when in fact you could alternatively increase the baby bonus or take a different approach to simply say that it is an activity that should be dealt with within the private realm of family, not as part of the employment structure. So there's a couple of issues there.

**MR QUINLAN (CSSA):** Yes, there's a number of observations in there. I will firstly perhaps comment on the baby bonus and suggest that we have considered the



two payments quite separately, and most simply would consider - the baby bonus has been, as I understand it, a broad-based, population-based strategy around fertility largely. It was introduced as a government measure to improve the country's fertility. It is also focused on being a particular payment at a particular moment of a family's life to enable them to secure the resources required. So we would consider that quite separately to the notion of an employment entitlements that allows that participation in the workforce.

Secondly, and perhaps more importantly, I think, is the fundamental proposition around the role of government in supporting the family unit. We would, I guess, simply unashamedly assert that for a long time we have considered it be a fundamental role of government to support the family unit, for a range of reasons. But included in those reasons we would go on to argue economic ones: without the family unit there is no future workforce, there is no future economic activity, there is no future community. So I think it's particularly short-sighted to argue differently. One of the challenges, I think, that we face in assessing this whole maternity leave provisions is that some of the short-term benefits and costs can be measured with relative ease, notwithstanding some of the methodological problems that we face. But the long-term benefits and potentially disadvantages are so long term that they are not easily managed and not easily assessed. We try and make the case that they should not, on that basis, be disregarded from the argument.

**MR FITZGERALD:** In relation to the employer's contributions and what have you, one of the employer groups this morning, the Queensland Chamber of Commerce, doubted whether or not these arrangements would have much impact on workforce participation of women over time. The evidence is mixed in relation to those particular issues. One of the things, however, that does seem to be emerging is that in relation to particular employers that offer paid maternity schemes employees are more likely to return to work with that particular employer, which is covered in a subset of workforce participation, it's really about that, and workforce attachment.

In your scheme you're not proposing that there be an eligibility criteria for the government contribution. In other words, an eligibility criteria that you have to have been attached to a particular employer, rather you have to be attached to the workforce?

**MR QUINLAN (CSSA):** You have to be attached to the workforce, that's correct.

**MR FITZGERALD:** The top-up obviously has to have some eligibility in relation to the employer.

**MR QUINLAN (CSSA):** The right to return is considered separately to the right to maternity leave.

**MR FITZGERALD:** Yes. I'm just wondering, what do you think is - in relation to workforce issues as distinct from child and maternal wellbeing issues - the objective that we should be seeking as a consequence of this scheme? What would you like to see? In the two-year review what would it say about workforce issues if you were to introduce the scheme which you propose? What would we see as a measure of its success or otherwise?

**MR HALLORAN (ACCER):** Two things that come to my mind is first of all the ability to attract employees. We're in a difficult labour market environment at the moment so how easy was it to attract and retain employees. The second thing I would look at is the return to work after that period of maternity or paternity leave so that - you know, the drop-out rate. Overseas data shows that significant periods of paid maternity leave do show a higher rate of return to work. I think the Canadian data shows that up. So they were two things that the review would look at.

**MS O'CONNOR (ACCER):** Also I think you would start to see with employers being able to retain their trained workforce and have them return. There's a huge cost in replacing employees and reduction in productivity which if you've got your trained people coming back to your workforce that that would be lessening the cost for employers and maintaining that productivity rate.

**MR QUINLAN (CSSA):** If I could just give a brief illustration by way of putting a third point to Glen is to say that we have, as a small employer in Canberra, as I said, 20 staff. We have two women in our workforce at the moment who are currently in various stages of maternity leave arrangements or managing breastfeeding after returning to work or several of those things. For us it has been quite a challenge, really, that we have happily embraced because, you know, there are between 10 and 15 years of experience invested in those two women in our workforce. So it has frankly been in my interests as an employer to think about whatever flexible arrangements we can have in place in order to make their transition back to work possible. That's a benefit to the employee as well because they can balance those arrangements; a benefit to us as the employer.

But that also leads me to the third point that I'd like to add to Glen's, which is to say we're in a workplace where there's relative - I'm not sure, you might have a better term, elasticity in terms of our work demands and work arrangements and might also be described as a workplace where we have relatively progressive views on maternity leave and women's participation. So the third component of the evaluation that I'd add to Glen's is whether or not we have managed to have an impact on that notion of entitlement for those women and families who are participating in workforces that have less elastic work demands and are perhaps less progressive in their attitudes towards maternity leave, really to suggest that the maternity leave provisions that we're talking about should be considered as an entitlement rather than a privilege that's only available in particular workplaces with

particular attitudes or particular amounts of money that they can throw at the problem. So it's that fundamental equity issue.

**MS O'CONNOR (ACCER):** One other point that I'd like to raise there is I think it would also, if all employees contributed so everybody was at - an overall scheme that everybody could have paid maternity leave it would somewhat go to levelling the playing field for small employers and community sector who now have to compete for workforces against people who have funds to do these attraction and retention strategies of paying out of their own organisation. So there's this imbalance of entitlements and that may go somewhat to even that out.

**MR FITZGERALD:** Can I just ask one question before asking Angela for some others? Related to that is - in terms of public policy and the allocation of resources we've asked a number of participants the question as to why a universal scheme - if it is true that an increasing percentage of the labour market does in fact offer paid parental leave either through collective bargaining or voluntarily, and that is continuing - why would we not target the government support to those areas where it is at least likely to be provided, that is, small business and/or lower income or lower wage earners who are most likely not to be offered this? So given that in a number of other areas we would say that government expenditure should be targeted to those areas where the market doesn't respond or people are most in need, whichever way you wish to put it, why would this be different? What is it that makes this a requirement for a universal scheme given that your proposition, as so many others are, that a large percentage of the costs are borne by the taxpayers?

**MR HALLORAN (ACCER):** Well, I'll start off. As a general principle I think maintenance of an individual and his or her family ought to be borne by the individual; the employer, who should pay a fair and just wage; and government, who should pick up where there is a gap. I think it's impractical to say that where you've got good employers who will meet those requirements of paying maternity leave that the government will pick up the gap for those employers who won't - is a foolish notion.

Our proposition is that it ought to be borne - the onus ought to be borne across all of society, all of employers and government would contribute. The employer contributes, the employer gets the benefit. We also feel that by doing that it would take away from small employers who may not have the ability to pay great amounts but they're still contributing at a certain rate; large employers with perhaps predominantly male workforces who would feel that it doesn't benefit them. But everybody contributes to the good of all of society and it evens out. So even though a predominantly male workforce they would still have the option to be able to take up paternity leave themselves if their spouse didn't want to or their spouse gets those entitlements through the other employer, who might be a small employer who couldn't pay. So I just feel that that's a fair and equitable system.

**MR QUINLAN (CSSA):** It's also partly about that notion that we began with about the government's role of supporting all families. Certainly the government has an important role in terms of redistribution and equity but that's not it's sole role. If we were to have the discussion some way down the track and it was about - we could agree that the government only had a certain pool of resources available to support this initiative then we'd be back before you arguing that the first call on those resources ought to be those in the greatest need.

**MR FITZGERALD:** Angela?

**MS MacRAE:** I was just interested - I'm just aware of the time so I'll make it quick. But just in relation to the assessment of the success of the scheme, I guess I'm slightly turning your comment back on you in the sense that all the measures that you gave me were really about economic outcomes and how it might turn out to be good for the economy because people would be coming back to work and all those things. Would you also, and I'm kind of - from your earlier statements about the aims of this, would you also be saying that if you had, say, surveys of the time people had time out of work, if that reflected a greater choice that, "Well, I spent longer with my children at home and that's what I really wanted to do and that's given me the financial resources to do it, so even though my economic productivity might have gone down for a short time and I'm out of the workforce longer, that's actually a positive for me." Are those the sorts of things you'd also look at, and of course that's where we get into tensions that when you look at success of these schemes, sometimes you've got competing objectives that give you different outcomes?

**MR QUINLAN (CSSA):** Yes, sure. But we do outline in the submission a number of objectives that include the sorts of objectives that you're talking about, and we'd be certainly eager to explore those in any evaluation.

**MS MacRAE:** Okay.

**MR QUINLAN (CSSA):** Some of those are going to be directly in relation to the health and welfare of children and parents. Some of them are going to sort of get less and less tangible as we move down the spectrum, but we've made separate submissions to government about work, family balance and some of those issues, and I think there is a lot of qualitative research that can be done to really assess quite directly the impact on families and how families survive the increasing pressure, I think, of balancing work and family arrangements.

**MS MacRAE:** Okay.

**MR FITZGERALD:** We're just almost out of time. One other question, my last one, is that a number of people have said to us, both privately and in the public

hearings, that this issue is more than just about the leave. It sends a signal about how we wish to treat women as both workers and as mothers and the family and so on. My question to the people that have said that to us is, is this the best way to achieve that? Is this an essential element in achieving a better status for women as workers and as mothers, and for placing child welfare back in the centre stage for consideration? Because it seems the expectations around this inquiry have grown, as they always do as the inquiry has gone further, but people's view as to what it can achieve have also grown. So it's a very general and vague question, but I thought I'll leave it as the last one. You might want to have a comment, that is there more at stake in this than simply the issue of leave itself and the benefits or otherwise that flow from that?

**MR QUINLAN (CSSA):** I think we try and make that point, that there are some dual messages here. One is about the value of family and the value of child-rearing and the important message that this commission or government-implementing policy arising from this inquiry, the important message that that sends about the value of family. Also, though, the important message that it sends in relation to the value of women and the dignity of their participation in the workforce, and again, that notion of delivering an entitlement rather than a privilege, and I think that's the shifting point: that there is a very important function that is provided by women in childbirth and often and largely in subsequent child-rearing, notwithstanding our changing patterns of care in relation to that. But that really is a message that isn't at any significant level supported by our current arrangements in relation to the entitlements that women have in the workplace.

**MR FITZGERALD:** Are there any other final comments you'd like to leave us with before we conclude?

**MS O'CONNOR (ACCER):** No. I think when you read our submission, that we've covered off on most of the points and maybe given you some food for thought there as well as I'm sure many others have. Thank you.

**MR QUINLAN (CSSA):** We'd be pleased for the opportunity to make further submissions as your work progresses.

**MR FITZGERALD:** It's an iterative process so we welcome submissions at any time; the sooner the better, and then there'll be an opportunity after our draft report is released in September. Thank you very much for that. We'll now break and resume at 1.30 when we have three more participants.

**MR FITZGERALD:** All right. Beth, if you and Daniel could give your full names, the position you hold and the organisation you represent, and then some opening comments and we'll have a chat, and I'm grateful we've received some notes from you already. So thanks for that.

**MS MOHLE (QNU):** My name is Beth Mohle and I'm the assistant secretary of the Queensland Nurses Union, and with me today is Daniel Crute, who is our industrial research officer, and Daniel has been the officer responsible for the QNU for coordinating our submission to this inquiry.

**MR FITZGERALD:** Good. Over to you.

**MS MOHLE (QNU):** Thank you for the opportunity to address this important inquiry into paid maternity, paternity and parental leave. I did not intend to revisit the QNU's written submission into this inquiry in detail. Rather, I wish to highlight some key points that the union wishes to particularly stress today. I would also like to place on record our support for the submissions by the Australian Nursing Federation. That's our national body.

Over 90 per cent of our members are female. The QNU/ANF is, contrary to trends for many other unions, a growing union, and also represents the largest body of female union membership in the country. Our keen interest in this topic would therefore come as no surprise, especially given that it is unfortunately still the case today that it still disproportionately falls to women to meet family responsibilities.

The issue of finding an appropriate balance between work and family responsibilities is therefore a critical issue for nurses and one that is a source of continued tension. This tension is exacerbated by existing significant skill shortages in nursing and midwifery labour force, which are predicted to worsen significantly over the next 20 years. It is estimated that in the next five to seven years, in Queensland alone, we'll be 14,000 nurses short.

A critical factor of the nursing labour force is that it, along with the rest of the population, is aging. The current age of the employed nurse is now over 45 years. In the next 20 years, tens of thousands of nurses across Australia will be retiring. Not enough is being done now to address the existing nursing shortages. Health policymakers have their heads firmly buried in the sand and are refusing to address the approaching tsunami of retirements from nursing and midwifery in a coordinated and comprehensive manner.

According to the Australian Institute of Health and Welfare and nursing labour force 2005, which is the most recent data available to us, over 55 per cent of employed nurses in Australia are aged over 45 years. 3 per cent are aged under 25. 14 are aged between 25 and 34, and 27 per cent are aged 35 to 44 years. It is obvious

that attraction, recruitment and retention strategies will be critical if we are to address the loss of experience and highly skilled nurses from the health system over the next 20 years. One key strategy will be to improve workforce attachment for nurses aged under 44 years.

According to research quoted in the ACTU submission into this inquiry, one strategy that has been demonstrated to be successful at promoting workforce attachment for women workers is a paid maternity leave scheme. Their research showed that 65 per cent of women who were eligible for and took paid maternity leave returned to work with the same employer within 12 months. Obviously other initiatives are bound to be required to facilitate return to work for nurses following maternity leave, including and not limited to the availability of quality and affordable child care services that suit the needs of shift workers, flexible rostering and working hours and other strategies to assist work-life balance.

Not surprisingly, given the gender breakdown of our membership, the QNU has always actively pursued the implementation of a range of strategies to assist our members to better balance their work and family responsibilities. Looking at paid maternity leave, despite the union doggedly pursuing the implementation of paid maternity leave through enterprise bargaining negotiations, progress has been relatively slow. Over the last six years, there has been a slight improvement in an entitlement to paid maternity leave for our members in Queensland.

We compared data that we provided to the HREOC Inquiry into options of paid maternity leave in 2002 with our current industrial database. Paid maternity leave provisions in nursing awards and agreements in Queensland increased from 5.5 weeks across 31 instruments in 2002 to 6.3 weeks across 30 instruments in 2008. The QNU estimates that around 70 per cent of nurses have access to paid maternity leave in Queensland. The highest level of entitlement is 12 weeks and that is afforded to nurses employed in the public sector, and that will soon increase to 14 weeks from 1 July this year. Only one private sector employer - and that's the Haematology and Oncology Clinics of Australasia - matches that 12-week entitlement, with the vast majority of employers providing six weeks' paid leave.

In our view, the inequity of entitlements between sectors is not sustainable, especially in the context of the national, and indeed international, worsening shortage of nurses. The implementation of a national paid parental leave scheme is not only long overdue, but is essential if Australia is going to address current skill shortages and enhance our global competitiveness. Before concluding this verbal submission by providing the six key QNU recommendations to this inquiry, I'd like to stress the importance of one specific component of the scheme that we recommend.

It is essential that superannuation payments are incorporated into any paid parental leave scheme. The current disparity between average superannuation

payouts for men and women is in large part due to breaks in paid employment due to family and caring responsibilities, higher levels of part-time and casual work, and lower average earnings of women compared to men. This comparative disadvantage can at least in part be addressed by incorporating an SG component into the parental leave entitlement. Recently released data from ASFA showed that in 2006 the average balances of superannuation accounts were \$69,050 for men and \$35,520 for women.

The research also demonstrated that in 2005-2006 the average retirements payouts were \$136,000 for men and \$63,000 for women, demonstrating that many people in retirement will at least in part be dependent on the age pension. The discrepancy between male and female superannuation entitlements is stark, and, in our view, this is an issue that has been ignored for far too long by policymakers. This data underscores the importance of addressing factors that contribute to under-superannuation and one such factor for women is the non-payment of superannuation contributions for women on extended unpaid maternity leave.

Incorporating an SG component into an national paid maternity leave scheme will in some way address the compounding of the disadvantage suffered by women because of absences that they disproportionately take from the paid workforce due to childbearing and rearing responsibilities. It is critical, in our view, that the payment of the SG is incorporated into any future national scheme. I don't know whether you would like me to just stress what the six recommendations are.

**MR FITZGERALD:** If you can just do that briefly, then we will go to the questions.

**MS MOHLE (QNU):** Yes. So the six recommendations that the QNU make in relation to this inquiry are that a national parental leave scheme for the provision of paid time off work for an employee following the birth or adoption of a child should be created. Such a scheme should be established by legislation of the federal parliament. This should be seen as a national income protection insurance for the purposes of maintaining the earning capacity of prospective parents. (2) The period of paid leave should be a minimum of 26 weeks. Subject to the viability of the scheme, there should be a phased increase over time in the amount of leave up to 52 weeks. (3) The national parental leave scheme should be funded in part by the creation of a levy on all employers, paid in addition to the superannuation guarantee.

(4) The entitlement to paid leave should be set at the employees' ordinary time earnings, as defined by the superannuation guarantee at the time of 36 to 40 weeks prior to birth. It would in addition include 9 per cent superannuation. (5) Access to the national parental leave scheme would be exchangeable between either parent of a child but limited to one parent only at any one time. (6) A parent wishing to return to work part-time prior to the 26 or 52 weeks will be able to pro rata the paid parental



leave payment to extend the total time of payment to the equivalent weeks' FTE, ie working 0.5 FTE would double the length of time at half-payment. So we would be happy to answer any questions that you have in relation to our submission, or if you would like us to make any other points at all.

**MR FITZGERALD:** No. Thanks very much for that, Beth. A couple of things. I have just had the quickest of glances at your submission and you provide a very useful table of arrangements on pages 6 and 7. I am intrigued by a couple of things. Firstly, given that this is an exceedingly tight labour market, and the commission is well aware of the issue in relation to shortages of health workforce, why you believe you've not been more successful or able to negotiate more significant paid maternity leave arrangements for the majority of the employers that you relate to? What is it? Because you might say that the market would have responded to these shortages by increasing these sorts of benefits, which I'm sure in your workforce rate reasonably highly.

**MS MOHLE (QNU):** I think my first response to that would be that the health sector is not a perfect market. I think there's a lot of imperfections in the health system and it doesn't actually react in a way that a market normally would, so it's not perfect, I don't think, in that regard. So I don't think that signals are necessarily responded to appropriately, would be my first comment, and we have got plenty of evidence to actually demonstrate that in the past. I actually think that - I mean, some employers, of course they all argue capacity to pay, that would be an argument they would run, and the nursing workforce is a large workforce, and so if they actually concede that there's an impost there - I think in large part it is short-termism on their part, they cannot see the forest for the trees.

We have a similar difficulty. We have made multiple submissions to various inquiries over the years on a whole range of issues relating to nursing workforce and we made submissions to the nursing inquiry that the senate held in 2002 about the shortages and tried to convince them at that time that drastic action was required to address the nursing shortage, and one of the examples that we gave there was a HECS holiday, if you like, to actually encourage people to enter into nursing; you could bond people and there could be a whole range of options. But I think that they're paralysed by a lack of a framework I think to actually deal with health workforce issues. There needs to be a national response to these issues I think. There has been a lack of a national nursing and midwifery officer, that has not helped that.

I think because it is so tight, because the salaries or wages of employees within health are a large part of the budget for health, that that's what we look at, is the fact that "this is what it's costing us", they look at it, they frame it as a cost and not as an advantage. So I think that some employers are definitely beginning to look at what we need to do. But what we're concerned about is it could be too little too late. I

mean, the Haematology and Oncology Clinics of Australasia (indistinct) public sector, they're not a big organisation, but they have done the math and they have worked out that it's in their best interests to do that to retain the nurses that they have; they're at a particular age and they know that they have got a workforce who needs that, they value those nurses.

**MR FITZGERALD:** Could I put a proposition to you, which you may discount, that, somehow or another, in the collective bargaining that has taken place in relation to health, whilst there's a recognition of the importance, because most employers seem to offer some, that in fact extending that has been traded off for other terms and conditions which the workforce might value even more highly. There has been a proposition to us.

I will just put that in context so you understand it - one of the governments, state governments in another jurisdiction, put to us that, once you get to an adequate level or a level of paid maternity leave, however you define that, and I think in their case it was 12 weeks or something, in fact their experience has been that the employee negotiators move on to other issues. In other words, it ceases to be a top-of-mind issue. I was just wondering whether or not you think it is possible there has been a trade-off, once you go beyond the six weeks, for other issues. In other words, it is simply the lack of capacity to pay or the lack of willingness to understand the benefits, as distinct from a trade-off, rather than terms and conditions.

**MS MOHLE (QNU):** It's not our experience there's necessarily been a trade-off as such, it has been difficult to get employers to move because of the precedent value quite often and other employers might give them a bit of stick for actually breaking ranks. I think it's probably more likely the fact - I don't want to be cruel, but a lack of sophistication on a lot of employers' parts to actually segment the workforce. A key point for us is, and we have been making it for many years but no-one seems to listen, for the under-40-year-old nurse you have got to implement a lot of innovative strategies to retain them in the workforce, and it should have been happening five or 10 years ago.

You have got to segment your workforce, and one of those is paid maternity leave, and then get them back into the workforce as quickly as you can. So I think that it has been a lack of a framework for doing that, and, as I said before, a national framework for actually doing that. I think that was highlighted through a Productivity Commission's health workforce inquiry actually, the need to do much more work there, because state governments and other employers in the private sectors are all operating in silos, I think.

**MR FITZGERALD:** A third one, before asking Angela for some comments, is nearly all of these schemes, just looking down this table very quickly, have the component that there is three weeks up-front and three weeks after you return. What

has been your experience as a union in relation to the three weeks that is paid only when you return? Do people not take that? Or do they come back, work a week and leave? What is happening with that component?

**MS MOHLE (QNU):** Our experience has been it has made no difference, and we have said that to employers, like, it's just a nonsense putting it in there. That has been on their insistence that they put that particular requirement in there, they think that it aids retention. It doesn't. I mean, it has no effect, has been our experience. If you have got a work environment that nurses want to come back to, they will come back to it, that is the issue. So it's quite a complex issue. It's about valuing nurses and creating a sustainable family-friendly environment for them to want to return to. So the paid maternity leave component is a very important component, but it's one part of the jigsaw.

**MR CRUTE (QNU):** Can I just add to that too?

**MR FITZGERALD:** Sure.

**MR CRUTE (QNU):** I actually produced this table and it was taken from a previous table which I updated from 2002, and I found that a couple of employers had changed from a plus model, three plus three, to a pure six weeks, or whatever model. So that has just been experience too.

**MS MOHLE (QNU):** Because they found that what we said was the case. We said it won't make any difference, and so they changed it and subsequently - - -

**MR FITZGERALD:** Why do you think it doesn't make a difference? I mean, conceptually, it looks neat and you think, "Yes, it's going to encourage people to come back." But why does it actually make no difference at all? We've heard that before from other people as well but this is the most illustrative example we've seen.

**MS MOHLE (QNU):** As I said before, I just said that there are other reasons why nurses won't return to work, and it's about whether they're valued or not at work. If they are happy within their employment they will want get back there as soon as possible. So it's probably more telling the employers that actually put those sorts of requirements on there, that they're worried that their nurses won't return to work. I think that's probably the only answer that I can give because, as I said, in our experience it hasn't been a factor.

**MS MacRAE:** Have the schemes been around long enough and would you have any data to say that - for example, the haematology people that have the more generous scheme, do they seem to get benefits of attraction and retention or is it too early to say for those that have more generous schemes compared to those that don't.

**MS MOHLE (QNU):** That's a fairly recent agreement, from memory, so we wouldn't have data on that one. That agreement was a particularly good agreement, though, I've got to say. They matched public sector pay.

**MR CRUTE (QNU):** They're above.

**MS MOHLE (QNU):** They're above public sector pay. So they certainly went out to be an employer of choice. So they're unusual.

**MS MacRAE:** So you wouldn't really be able to say on the strength of the experience that there has been difference in retention or attraction from offering these schemes? Did you say you do have some of the employees that still have nothing, no entitlements?

**MS MOHLE (QNU):** There would be. Aged care in particular, some areas of aged care in particular. But there are still large portions of aged care that are actually covered by that. So we'd say 70 to 80 per cent of nurses are covered by some form of scheme.

**MS MacRAE:** Yes, sorry, you did say that. So are you aware of any difference there? I mean, we've had quite a lot of discussion this morning from various groups about how strong retention and attraction might be as a feature of various models, and it seems like you have, potentially, some data that would help you look at some of those things, although obviously, as you say, it's often those that offer better maternity offer better other things as well. So it's hard to unpack that.

**MS MOHLE (QNU):** Yes. It is hard to unpack it. A report is being written by the University of Queensland. We could actually look to see whether that research they've done for us, for the third time - it's your work, your time, your life research and it covers issues - because we are a bit obsessed about work and family and things like that, it covers that in particular. So we can look to that research. That would be over time too. 2001, 2004 and 2007, every three years we actually do a sample of about 3000. So we could take a note and see whether there's anything in relation to that research that might be useful for you.

**MS MacRAE:** Okay. That would be handy. Can I just ask as well, I note that you'd made superannuation a really important part of your scheme. I just wonder, in terms of - I guess from an income support sort of angle, one of the reasons we're providing this payment for people is to ensure that they've got the money when they need it, and that's when the child is new or relatively new to the family. If they were to receive a payment of a size that would then have 9 per cent taken out as super, would those people rather have the money now because that's when the need is urgent?

Really, if we're looking at the arrangements once they retire, if those people are still lagging in the way that they are currently, that we look after that by the aged pensioner arrangements and other things that are available at that end of the lifespan. I just wonder if you ask prospective parents at the moment, "Look, you can have full replacement plus 9 per cent super or we'll give you that full amount now and we'll worry about your aged pension when you get there and your super when you get there," which they would prefer and whether that trade-off is one that you think people would see as a valuable one.

**MS MOHLE (QNU):** Well, I think it's an argument of short-termism versus long-termism, really. Our view is that superannuation is a component of the person's wage now and it should be paid going forward. The structural issues in relation to superannuation are very serious and it's something that I've got a very great interest in because I'm on a superannuation board. So we see it with our members every day. The average balances of the HESTA superannuation fund that I'm on is pathetic. It's 10 or 15 thousand dollars per year. So something does have to be done. This is multifaceted as well. It's not just about paid maternity leave scheme and incorporating into that. It's about abolishing the 450 per month earning threshold for superannuation. There's more aspects to actually addressing this advantage that we have comparative to men for superannuation. But we just think that you just cannot remove superannuation from this scenario because it would just continue to compound that disadvantage that women suffer. For people who are totally reliant on the aged pension, it's not a very nice position to be in on retirement, and women are more likely to be in that position than men.

**MR FITZGERALD:** Employers generally - although today the Catholic employers have a different view - have opposed a mandatory top-up or a mandatory levy to fund any part of this scheme. So far all of the peak employer groups, with one exception, has really said that this is about societal good and society should therefore pay for it through tax payers and that employers should not be required to make any contribution at all, other than through what is collectively bargained and/or what is voluntarily agreed. Some would say that once the government - if there was a government scheme to a certain level, then in fact that should be a matter for simple collective bargaining or wage negotiations and not imposed by the state. So I was wondering what is your rationale for imposing a mandatory top-up - but yours is going to be funded in part by a levy of some description, similar to the superannuation levies. But I was just wondering what your rationale for believing the employers should contribute to any extent.

**MS MOHLE (QNU):** I guess my response to that is there's no such thing as a free lunch. It's a similar thing in terms of the skill shortage, and employers have an obligation to contribute something to addressing skill shortages in Australia and they've actually ignored that obligation for a long time, I think. So I think that everybody should actually contribute to addressing this issue. So I think that

particularly in an area like health, the nature of the workforce demands that they actually do have an obligation there to do something about it. I think that it's really important that the commission actually do the modelling on this, really. I don't think we're firmly in one camp or the other. We haven't got at our disposal the ability to do the modelling on that. So I would be interested to see that. But we just think that employers should make a contribution. Similarly employers are getting NCSG when it came in. We would not progress if we just took no for an answer to everything.

**MR FITZGERALD:** A feature which we weren't aware of until this morning is that in Queensland, for the first three months of leave, you accrue annual leave, long-service leave, and in most other states, as I understand, certainly nationally that doesn't occur. So one of the issues in this scheme is whether or not you accrue all of those benefits during the period of paid parental leave. Going beyond the three months, if you were to go to your 26 weeks and/or you allowed people to take that at half pay and extend it out to 52 weeks, would you expect employers to continue to meet those accrued entitlements - annual leave, sick leave, compassionate leave, all those sorts of things - or would that stop at the current three-month statutory requirement?

**MS MOHLE (QNU):** Again, I think that is something that would need to be taken into effect in the modelling. Daniel, did you have any particular - - -

**MR CRUTE (QNU):** Didn't really.

**MS MOHLE (QNU):** We haven't given that any specific consideration.

**MR FITZGERALD:** Well, you might just have a bit of a think about that because, obviously, the point about it and why I raised that question directly after the other one is that employers firstly won't agree to that just yet but, secondly, would say, "Well, that's a contribution. So why do we have to pay more?"

**MS MOHLE (QNU):** Yes.

**MR FITZGERALD:** So it is about why but also what is the level of contribution that is required. Anyway, you might just have a bit of a think about that particular issue. The other proposition is a broader one. People have said to us that if employers voluntarily provide or, as a consequence of collective bargaining, offer paid parental leave, then that allows them to compete in the marketplace as employers of choice. The minute you make it a universal scheme effectively that's lessened and that, in a sense, nursing will be in no better position than any other part of the labour market because now every worker gets these entitlements; as distinct, for example, say, with the nursing you get the entitlements, therefore this is a place to be relative to others. Once you have a universal scheme we're back to the level playing field. So I just wonder how confident you are that a paid parental leave

scheme of the nature that you proposed will actually have direct benefits for retaining nurses, given that everyone else is going to have some entitlement close to what nurses would the have.

**MS MOHLE (QNU):** I think there is a wider issue right now in terms of women having more choice in terms of - well, that's obvious. And I think that there has to be more done to actually make nursing more attractive. I don't see it as necessarily being a significant factor that would create even greater disadvantage nurses - attracting a nursing workforce. I think that it's probably the issue of choice that women have. Greater career options now is probably a bigger issue, and much, much more work has to be done to make nursing a much more attractive profession for women to enter into.

So I don't see that that issue would make much of a difference. I think in some ways having a level playing field would make it a bit easier in terms of taking it out of the realm, if you like, in terms of something to be bargained for and negotiated would make it a bit easier to make it a universal entitlement, that it's something that people get but it is a right to actually have that. Of course, as we know, there are issues in relation to - even though we've addressed, or at least arrested, the decline of fertility levels. We have a lot to do in terms of continuing to make sure that we increase our fertility levels in Australia. So I think that it's a complex issue in terms of all of the different factors that go into making nursing attractive. But I think it's still a factor that it's predominantly female - it's over 90 per cent - and what comes with that is child-bearing and rearing. So it's an absolutely essential issue for the workforce.

**MS MacRAE:** I'll just ask about - again, I haven't had a chance to read your submission in detail, but in relation to the ordinary time earnings you'd suggested as defined by the super guarantee. Did I hear you correctly, that you would do that as an average over the 36 to 40 weeks prior to the birth?

**MS MOHLE (QNU):** It's average prior to it, yes.

**MS MacRAE:** Right. Can you just explain why you've chosen that period, and is it a requirement that you be with the one employer over that period or not in terms of eligibility?

**MR CRUTE (QNU):** We really haven't addressed that. The main reason for 36 to 40 weeks is that women reduce their hours.

**MS MOHLE (QNU):** Yes, women reduce their hours as well.

**MS MacRAE:** Okay, right.

**MR CRUTE (QNU):** And we don't want it based on the average of doing 20 hours the previous month when they might have been a full-time employee for 10 years before then.

**MS MacRAE:** Right, sure.

**MR CRUTE (QNU):** I mean, we haven't gone to specifics but that's the main reason. I mean, some of our parental leave entitlements talk about what they were doing prior to becoming pregnant or whatever the case may be. So what hours they were working then normally before their employer started taking their pregnancy into account when rostering and whatnot.

**MS MacRAE:** So that's the (indistinct) for that.

**MR CRUTE (QNU):** Yes.

**MS MacRAE:** I guess the other point that just occurred to me was just in relation to - you did mention the 450 threshold for SG, that if you did use that definition you might count out some of those people - if you took the SC definition you might be counting out some of the nurses that you think probably should be in.

**MS MOHLE (QNU):** Well, that's a whole other argument.

**MS MacRAE:** It is.

**MS MOHLE (QNU):** We just don't think there should be any threshold at all. We just think that work patterns have changed so significantly over the last 10 or 15 years in particular and the SC hasn't kept pace with that. We've got nurses who are working three different jobs, part-time or casual jobs, who aren't earning 450 a month in any of them and therefore don't get paid superannuation in any of them. So that's a separate issue.

**MS MacRAE:** Yes. All I'm saying is, if you picked up that definition and used it here then you would be compounding that inequity.

**MS MOHLE (QNU):** Yes, absolutely. So you would have to address the 450 earning threshold, absolutely, yes.

**MR FITZGERALD:** Can I ask the question - and you may or may not have a view on it - that is, what happens to women in particular who are not in the paid workforce or don't meet your eligibility criteria? What do you propose in relation to those or do you have no position on that?

**MS MOHLE (QNU):** The Australian Nursing Federation addressed that in their



submission, and we haven't as such. But the ANF's submission - we'll find that and come back to it.

**MR FITZGERALD:** We might have a look at it. My reason for that - I was just trying to come to a view of whether or not your scheme would in part also be funded by the abolition of the baby bonus or whether or not the baby bonus would continue to be paid to people in receipt of paid parental leave. So does the baby bonus continue to be paid to women who get paid parental leave or does it become part of the funding mechanism. The question of that goes to pro rataing of the entitlement because you can end up with the strange position of a person getting less by working than they do if they don't work.

**MS MOHLE (QNU):** That's right.

**MR FITZGERALD:** So you may or may not - it's not in your recommendation. So, look, it's not central because we haven't looked at your national federation's position.

**MS MOHLE (QNU):** The federation position is those not in paid employment, the weekly rate is the index federal minimum wage rate plus 9 per cent superannuation. So that's what they have said. Again, I think it's an issue for the modelling too.

**MS MacRAE:** Just one final thing, if I could. One of the details was that you mentioned about the leave having to be taken by one parent at a time. We've heard quite a lot from submissions about the benefits of potentially allowing the father, or at least the supporting partner, to take time off at the same time as the mother and child, especially potentially in those very early days after the birth. I just wondered if you had thought about that or whether you were assuming there might just continue to be a little bit of paternity leave available.

**MS MOHLE (QNU):** Yes, we would see that as being in addition. This is only in relation to the paid national scheme as such. So there could be parental leave provisions. Certainly in the public sector, for example, that is the case. They can actually take that leave as separate.

**MS MacRAE:** So you would see that on top of - yes, okay.

**MR FITZGERALD:** Any other queries? Any other final comments you'd like to make to us?

**MS MOHLE (QNU):** Not from us.

**MR FITZGERALD:** All right. Thank you very much for that. That was terrific and we look forward to reading the submission and that of your union.

**MR FITZGERALD:** Geoffrey Bullock, if you can give your full name and any organisation that you represent or otherwise on your own behalf. You know the drill. Just some opening comments and then we'll have a chat.

**MR BULLOCK:** Thank you for that and the opportunity to present some thoughts to you on this matter. My name is Geoffrey Bullock and when I'm not in my own capacity I am the Queensland state officer for Festival of Light Australia, who have also made a submission, but because I wanted to place what I wanted to say in a different context I chose to present what I wanted to say by myself. At the end of the time I will give that to you. I haven't got it beforehand because it wasn't complete. So whatever you want to do with it.

My underlying interest is the firm belief that governments can best serve families - mothers, fathers and their children - by maximising bonding time for families with minimum financial and work stress. I've put down five points which I think will help towards that end. I believe that any paid maternity scheme should incorporate firstly all women who give birth. So while we're talking about paid maternity leave, I think we should also be saying that for those women who chose to give birth and are not working, they need to be in the same capacity, and I'll explain that. Maternity schemes should give incentives to women to put their child's needs before their own job. Basic to this is simply what has been said often here today already, that the family is a basic part of our society, and stable families where love and goodness are passed on is something that is foundational to the health of any society. So in that capacity individuals' needs should go towards the nurture of their children at this point.

Any return-to-work arrangements I believe should be negotiable to allow for freedom of choice for both employer and employee, and particularly making sure that the role of government allows for some flexibility. I also believe that any paid paternity scheme should use tax relief as an alternative to direct payments. However, a combination of both may be necessary, and again I'll explain why. Tax policies, lastly, should aim to reduce the financial pressures on families with preschool children, and that flows on from the use of tax relief as the alternative.

Lets look at each of those. Paid maternity schemes should incorporate all women. Justice demands equality for women. Again, it was good to hear those comments raised here. Women who give birth to the future generation of Australians should be honoured equally, whether they stay home or return to work. Now, this is to put in that category women who commit themselves to the full-time nurture who aren't in a paid capacity in a job, as well as those who choose to leave their occupation to do full time and those who want to go back. So it covers them all. I think that's very important that we understand that it's all women. That way we honour their choices.

Financial incentives given to women to return to work should be given also to women who decide to stay at home to nurture their new children. This both affirms a woman's right to choose and rewards those women who see their major role as child nurturers and also gives the belief that family is foundational and the relationships created there are pivotal in the future of our society. Part of that is that benefits should be granted to all working pre-mothers, full-time, part-time, casual and non-working on the basis of their mothering and their nurturing alone. In other words, that's what we're rewarding rather than the fact that they work. I'll explain why I'm not thinking of a baby bonus here and explain the difference as I go on.

The second point. A maternity scheme should give incentive to women to put their child's needs before their job. The good of the children should come first. That's a policy that many if not all of the states of Australia and the Commonwealth government have decided should be part of public policy. Studies continue to confirm that the best nurturing of children is done by their natural mother and father. Despite the plethora of different family structures the natural mother and father both working towards the good of their child remains the best place for a child to be. Therefore that should be the default kind of structure that a government aims at nurturing because it does produce the best results. While not all children are so fortunate to have a loving mother and father it remains the ideal at which governments should direct their policies.

Thus, the default value behind paid parental leave should be to maximise the ability of mothers and/or fathers to personally care for their children, especially in their early years when bonding is essential. Secondly, as an early return to work has been shown to be detrimental to the mother, child and family, incentives to return should be less attractive than incentives to remain at home. Now, this is not to detract from the idea that equality should govern that. But when we're talking about justice in a matter like this the idea of incentives should play a part in equality as well. It's okay to say to some people, "Look, if you go there it won't be as good but what we're saying it's going to be better for you and the child and your family if you stay there." How that works, of course, is another matter and we'll talk about a couple of those possibilities.

Equality demands freedom of choice for both employee and employer. This is the third point. Conflict in industrial relations can be avoided by careful negotiations before the acceptance of employment. Valued employees and valued employers is the goal. Again, it was wonderful to hear, you know, pretty well all of the organisations that spoke here since I was here said that, "That's a goal that we want to work towards." Because employees and employer expectations are different in every case, flexible but fair arrangements needs to be made for each situation concerning the duration of leave, the hours to be worked and any necessary job retraining on any return. These should be part of the agreement at the start of employment. Return to work guarantee must thus be negotiated before employment

and be suitable to both parties.

There's a role for government, of course, in a matter like this but the role should be to ensure fairness within a flexible framework so that there are boundaries set that guarantee that but without imposing any particular model on employers. The important bit here is to recognise that both employers and employees have a responsibility to create a workplace where, as Beth had said, the people want to work and want to come back. What we're talking about there is relationships. We want to have good employers, good employees and where their relationships are open, fair and caring. This will work towards that aim.

Fourth point. Tax relief rather than direct payments offer a better way to administer a maternity scheme. The major criticism of the Howard government's baby bonus scheme was that there was little accountability for the way it was used. Therefore thought should be given to a maternity scheme based on rebates and adjustment of tax thresholds. I think one of the earlier people mentioned Medicare levy-type arrangements. Whether tax relief though or direct payments are used, greater equity would be achieved if child care payments were surrendered to the maternity scheme so parents could choose whether to use such for staying at home or placing their children in child care. So I'd like to see child care payments subject or come under the umbrella of any paid parental scheme and tied to that, again simply because it creates greater flexibility and greater choice for women and men in their child care.

Lastly, I have said - and a flow-on from 4 - that tax policy should aim to reduce the financial pressures on families with preschool children. Parents often have their children close together. Those who over say five years have two or three children in tow are stressed timewise and financially. Government support for young families in this time should focus on giving opportunity to parents to spend as much time with their children without unnecessary hindrances. Thanks, Robert.

**MR FITZGERALD:** Thank you very much for that. I might ask Angela to start off.

**MS MacRAE:** Okay. Do I understand that your proposal, whether it be a tax arrangement or a direct payment, that you wouldn't be looking at any form of income test for any sort of payment that might be made. Is that right?

**MR BULLOCK:** Again, justice, I think, demands that people who give birth should be honoured and - fairly over the whole range, you know, whether they work, whether they stay at home, whether they do that. The whole question of whether a government should be stepping in to do this, of course, is a whole different thing. I have ideas on that that are not practical at the moment.

**MS MacRAE:** Right. You were talking about the benefits of parents staying at home with their children and talking about maximising opportunities for that.

**MR BULLOCK:** Yes.

**MS MacRAE:** Did you have a time frame in mind? Do you see that the first year is particularly critical or do you see it up to school age or how would you see it?

**MR BULLOCK:** One of the things that was noticeable here was people were not committed to one particular time duration. I thought that's pretty right because each case is very, very different. People will have different reasons for coming back to work quickly, they will have reasons for extending their time. My idea of a flexible time - I'm not sure how it can be managed. I tried to work that out. But if it could be arranged as something between the employer, the employee and with government guidelines I think that's going to be best for each case. So there's, again, room to move rather than, "This is what it is for everybody."

**MS MacRAE:** So in relation to the sort of government guidelines that you might have, how prescriptive would they be? I'm just having a bit of trouble working out precisely what something might look like under a scheme of this sort that you are proposing.

**MR BULLOCK:** Exactly, so am I, Angela. You know, it was very difficult to try and figure out but all I did was come back to the idea that different people have different needs therefore it has got to be flexible. How that works I'm just not sure. Again, a collaboration between the three parties I think is essential. We talk about justice as being something that's applied to everybody overall and in some respects that's right. But when you do get different cases and very good reasons why a quick return to the workforce would be advantageous to people, suddenly you realise that justice can be applied in different situations nonetheless. So I think we must take that view in that area.

**MS MacRAE:** I guess, if I can just follow the thought experiment a little bit, that you would be saying then that to the extent that the government got involved if it was to make - say it was to make a payment or vary a tax threshold or whatever in respect of these, that you would just make that a universal arrangement. When I say "universal" I mean those in and outside the workforce. So people have maximum flexibility. They would still be eligible for whatever was there.

**MR BULLOCK:** Yes.

**MS MacRAE:** If anything, I suppose, if I'm reading it correctly, you would really slightly want it skewed - if anything, you'd want a slight incentive for women to stay out of the workforce for a period.

**MR BULLOCK:** For the sake of building - - -

**MS MacRAE:** For the sake of the child.

**MR BULLOCK:** Yes, building the bonding.

**MR FITZGERALD:** Can I go back to the issue about the valuing of all women who have children, mothers. One of the issues that is confronting us is this, that valuing motherhood, and valuing mothers more specifically, doesn't necessarily mean that everybody gets exactly the same payment. I'll put that on this. Some people have said to us in this inquiry that all mothers should get exactly - whatever the payment is, it's the same. Yet it is true that women who are currently attached to the workforce and have been for some time suffer an additional detriment. That is, that they suffer an immediate loss in terms of income, career disruption and so on and so forth.

So I suppose I just want to canvass with you the notion that you can value motherhood generally and mothers in particular, whether they are attached to the paid workforce or not, but that doesn't necessarily mean that the payment is exactly the same and that a differential payment wouldn't necessarily show that you're treating one group inequitably to another, because the circumstances are different. I'm just wondering how you see that, because it does strike me that people are making an assumption that the amount has to be equal in order to show that you value, but that's not necessarily the case.

**MR BULLOCK:** Well, if we're calling it a mothering allowance or whatever - and that's what we're saying, "We value you as mothers. We value you as homemakers. We want you to spend time with your kids." I think that's what it should be. Okay. The other thing that goes on is that a person who is working has to take time out, and that affects financially the family. But isn't that something that comes into their choices that they make and couldn't they put that into their situation? That would allow for having - in the work situation there could be some kind of payment, paid maternity leave, that is still there but lesser than the other side. When I worked this out I was thinking in terms of, "Yes, equity is involved in what you're saying." That's why I didn't commit myself.

**MR FITZGERALD:** So if I understand correctly, whilst you're not dealing with necessarily the design features in your submission, you believe that there's a mothering allowance and maternity allowance which is paid universally, but over and above that there could be paid parental leave for women who are in the workforce?

**MR BULLOCK:** I guess I would allow for that. Now, whether that again would

offer a greater incentive for a woman is perhaps another matter.

**MR FITZGERALD:** The second thing is a societal issue. There is a tension now occurring. In one sense society is now demanding, in order to maintain its current standard of living, that we have greater participation of everybody in the workforce, women in particular and older Australians, those two groups. So what is now happening is that choice is being supplanted by community need or desire, whichever way you wish to see it.

**MR BULLOCK:** That's well put.

**MR FITZGERALD:** So now we are actually saying we want two things. We do want children and we do want women in the workforce. We as a society are saying that in order that my standard of living doesn't decline. So I just wonder, that context has changed. Whereas with my own wife, yes, she had a choice of either staying at home or being in the workforce. Today she would be expected to be in the workforce as a collective good. But I wonder whether the context changes that in some way.

**MR BULLOCK:** Well, it certainly has got to the stage where that is the case. I don't necessarily think that having less women in the workforce will be detrimental to society at large. There is still other casual, part-time employment, all of those things are available for people who want to express themselves. My wife delivers junk mail and that kind of thing. It's a problem but I think we need to face it and say that women in the workforce is not the be-all and end-all that we used to think it was. I mean, why are we bringing in on an immigration policy lots of people to fill different kinds of positions? Because we haven't got them. It's not going to make that much difference. We just get in more people to fill that.

**MR FITZGERALD:** Just in relation to the role of fathers, in particular, or other supporting partners. I was just wondering whether I can clarify your views about that. A number of participants have put to us that if there is to be a paid parental leave scheme, that part of that needs to be quarantined in order that the mother can recover and bond with the child. Then some people have said there also needs to be specific acknowledgment of the role of the father and, therefore, there should be paternity leave. Others have said leave it to the family to decide. But I suppose there's an issue of signalling. That is, what do we actually want to happen? Do we want women to be able to stay at home for whatever period of time? Do we want particularly fathers and other supporting partners to be part of that bonding and attachment process? Or are we really saying it's up to everyone to work it out themselves? I'm just wondering whether you've thought through that issue.

**MR BULLOCK:** Well, in the context that I've presented this, the idea is to maximise the time that families spend with their kids to bond. However, there's a

limit to that. I can't see that the idea of mum and dad both taking time off to bring up the kid is going to be very helpful. I think men particularly have a greater need to be the hunter-gatherer, if I could put it that way, and that's their thing. So work is a big thing for them. On the other hand, again choice plays a part here. But I would think that we need to honour the nurturing, the mothering of the child as the prime thing. If there has to be a time when - if mother has been the greater earner of the family and there's an urgent need for her to go back to work, then there might be a case of, "Okay, let's swap," and do that kind of thing but not both at once.

**MR FITZGERALD:** Angela, any other final comments?

**MS MacRAE:** I don't think so.

**MR FITZGERALD:** Are there any other final comments you'd like to make, Geoff?

**MR BULLOCK:** One thing. I'm putting all of this in the context of the importance of relationships for stable relationships where goodness and justice and love can be passed on to our children. I believe that's foundational to any good society. I'm in this business because I see so many people mucking up families; so many people who don't know, if I could put it, the right hand from the left. I just want to see better outcomes for the young people who are being sold the dummy.

**MS MacRAE:** Thank you.

**MR FITZGERALD:** Thanks very much for that. If we could have our final participants, Children by Choice.



**MR FITZGERALD:** All right. Take your time.

**MS CALCUTT (CBC):** So would you just like me to read my two points?

**MR FITZGERALD:** Sorry, can you just give your full name, the organisation that you represent and then any opening comments that you'd like to give us and then we'll have a chat.

**MS CALCUTT (CBC):** My name is Cait Calcutt and I'm representing Children by Choice here today. My position at Children by Choice is the coordinator of a small staff team.

**MR FITZGERALD:** If you can speak up just for the (indistinct) at the back, that would be great. These are just recording mikes. They're not - - -

**MS CALCUTT (CBC):** They're not amplifying? All right, thank you. So just a little bit about Children by Choice. We're a Queensland-based community agency that provides counselling, information, education services on all unplanned pregnancy options. We are pro-choice and we support a woman's right to freely make a decision whether to continue or terminate an unplanned pregnancy. We provide over two and a half thousand counselling and information sessions to women and their families each year, and we advocate also for the expansion of women's reproductive health rights, both in Queensland and more broadly in Australia as well. One of the key issues for us, obviously, in relation to pregnancy is, about half of all pregnancies in Australia each year are unplanned, and about half of these pregnancies again will be terminated. So therefore the other half will continue on to birth.

As we know in Australia in current times, adoption is not a usual choice for women. So most women who do continue on to birth do also continue on to parent that child as well. Women's individual decision-making around an unplanned pregnancy is affected by a range of issues, usually a multiple of issues and differing life circumstances that they find themselves in. However, career goals and workforce participation and financial impact of birth and parenting do inform many women's decision-making around an unplanned pregnancy. As around one-third of all these pregnancies that continue to birth are unplanned, many of these women and their partners would not have been in a position at that time prior to the discovery of a pregnancy to be able to prepare financially for pregnancy, birth and then caring for a newborn and ultimately parenting that child.

So, for example, a woman may have not expected to have a pregnancy and may have taken some time out of the workforce to undertake further studies or maybe start a new business or start a new kind of career direction. So it's also important to note that unplanned pregnancies and often the women who come to see us, they find

that the pregnancy has placed their relationship with the man involved under significant stress. It can often lead to highlighting problems that may have already been existing in the relationship but do then come to a head or a crisis point due to the pregnancy. Many women who do access our service do decide to continue with the pregnancy. However, the man involved is not supportive and the relationship ends. So she is left to be a sole parent in that circumstance.

Partner violence and abuse may often be initiated in pregnancy, and a recent study that was just published last month indicated that around 20 per cent of women experience abuse and violence during pregnancy. In such cases it is very important that the women is adequately financially and emotionally supported in the early months after birth, particularly if she has decided to leave that relationship. C by C, as you imagine, strongly supports the development and introduction of a paid maternity leave scheme into Australia. This would bring us into line with many of the agreements that Australia hasn't signed internationally, particularly the reservation that we have to CEDAW which requires the provision of paid parental leave following the birth of a child. We believe that paid maternity leave is essential for the improvement of women's economic and health status in Australia, and also the better health, wellbeing and care of a newborn and infant.

We're obviously not an economic or social modelling organisation. We're an unplanned pregnancy counselling agency and we have read with interest a number of the models and proposals that other organisations and individuals have put to the inquiry and publicly advocated for over the last few months. We're attracted to the National Foundation for Australian Women's model of the provision of essentially a type of social insurance scheme that would provide for 20 weeks paid leave at full or near income replacement. We believe that this would allow adequate time for a woman to recover physically and emotionally from the pregnancy, birth and adjusting to parenting. Particularly allowing that extra time beyond the 14 to 18 weeks that is proposed in some other proposals, it allows time for women who have experienced antenatal and postnatal depression to recover from the experience.

We also recognise that women who may be returning to work after the birth of a child will need enough time to renegotiate appropriate working relationships and working arrangements with their employer, adjust to the expressing of milk or transitional from breastfeeding and implementing acceptable child-care arrangements. Many of those who have had children in the last few years will know just how difficult it is to often find adequate child care that's of acceptable quality.

The model proposed by NFAW which does require employer contribution of around 0.5 to 1 per cent of wages and salaries of all employees into a central pool administered by the federal government for the funding of a PML scheme, as I said, is generally supported by us but we do have some concerns, particularly as a small community organisation that receives the majority of funding from government, or

governments if we're lucky. So we're conscious of the financial impact that that might have on small employers such as ourselves who don't actually have a lot of ability to increase our income without negotiation from governments.

So if such a model was going to be introduced, we'd like to see the government grants that are provided to community organisations such as ourselves indexed to recognise that additional burden that we would actually have to meet. I'm sure Commissioner Fitzgerald would know that in the community sector many of the organisations are small and they're run by a predominantly women-based workforce and generally underpaid as well. So I think that's important to note. We also support their proposal for a four-week parental support payment, which we believe should be able to be transferable to whoever the woman herself nominates, whether that be possibly the grandmother or a sister, if the man involved is not longer on the scene.

We're also concerned about issues of equity and social justice. These are two of the key values that inform our work at Children by Choice. So we're concerned that women who may have been out of the workforce do find themselves with an unplanned pregnancy, such as women who may be receiving unemployment benefits because they have been unable to find work or who are studying, possibly to further their career in some way, that they do also have access to adequate funded maternity leave so they can have enough time to breastfeed, bond, et cetera, with the child without having to worry about resuming studies or looking for work.

So we would actually like to see a federal government scheme as well funding for a 14-week at the minimum wage paid maternity leave scheme for women in those circumstances. We also support the retention of a means-tested capped one-off maternity type payment, such as the baby bonus was, just to assist with the out-of-pocket expenses around the time of birth for those women who may be financially disadvantaged. They're our general key points.

**MR FITZGERALD:** Thank you very much for that. Much appreciated. Can I just ask one question. If we were to introduce a scheme in the way that you've indicated, 26 weeks, what do you think would be the behavioural pattern that we would see that would demonstrate whether or not this scheme is having a positive effect? In other words, if you were to review it in a couple of years' time, as some have suggested, what would be your indicators to see whether or not a scheme has worked? I suppose implicit in that is, what are the key objectives you'd like to see achieved as a consequence of this scheme?

**MS CALCUTT (CBC):** Our understanding in relation to paid maternity leave and the importance of it is enabling women to both combine parenting and work-related responsibilities. So we certainly would like to see that women were able to both parent and continue to work after the birth of a child as well, but haven't been able to take adequate time off and not have to return earlier than they would have liked to

workforce.

**MR FITZGERALD:** Do you see in the service you provide women seeking a termination because of the financial difficulties that are likely to be associated with the birth of that child? Is there some sort of way by which you can - I'm sure they're complex reasons.

**MS CALCUTT (CBC):** They are complex, yes.

**MR FITZGERALD:** But is there any sense at all that the future financial stress is a contributor to, if not the actual termination, then the anxiety around having children, particularly those that have not been planned?

**MS CALCUTT (CBC):** It does contribute to it. Whether it's the main factor, it's hard to say, but it can be a significant factor in decision-making, particularly, as I said, if the relationship is under stress. I mean, our role at Children by Choice is to assist women to find within themselves the decision that is right for them in relation to continuing or not continuing an unplanned pregnancy. While financial stress is not generally the overriding reason why a woman may choose to terminate, it can impact on her decision-making. I can't really be any clearer than that because it is a - every woman is different, but particularly for younger women, women in their 20s, those issues of career development, finishing studies and being able to continue on in the workforce and also being able to, I suppose, get ahead in the workforce - to be able to map out and follow a career path is important to them.

So paid maternity leave is not the only thing that I think is going to contribute to that. Certainly the discussions that we've had in the organisation has also been about the necessity for improving and supporting employers to provide improved flexibility in the workforce, improved access to child care affordability and quality and those sorts of issues. So there's a range of factors there other than just paid maternity leave but we do see it as a key part of that.

**MS MacRAE:** Just in relation to classifying pregnancies as unplanned. I mean, it's obviously difficult. A third sounds very high to me. I mean, I haven't looked at numbers like this before so I was just surprised that it was that high. Do people tend to call them unplanned even if it was, "I thought I'd have children but it has come a bit earlier than I was expecting," and sort of how much earlier, I suppose. So how do you gauge when it's unplanned or is it kind of a self-report thing?

**MS CALCUTT (CBC):** It's a self-report thing - - -

**MS MacRAE:** Right, okay.

**MS CALCUTT (CBC):** - - - in terms of the most recent research that I was looking

at which was women reporting an unplanned pregnancy. Again, that half of all pregnancies figure came up. It has been a fairly standard figure for a number of years now. Yes, often those women are - you know, they may say, "I do want to have children but now is not quite the right time." That may be that, you know, "Next year would be a much better time."

**MS MacRAE:** Yes.

**MS CALCUTT (CBC):** Or it may be that five, 10 years might be a much better time.

**MS MacRAE:** I was just interested in how flexible that was because it does make quite a substantial - I mean, one of the issues that we're facing is if we were to have a paid maternity leave scheme and we had some ideal time for which we might think that it's good for mothers to be home with their children, how much would we have to pay to get a certain length of period out of the workforce because we know that many people take more weeks than they're paid for. So if we paid for three months many women would take six months, for example. But the extent to which people can plan for that of course makes a big difference. So if people have got unplanned pregnancies it sort of takes out one of those factors for a fair proportion of those babies.

**MS CALCUTT (CBC):** That's right.

**MS MacRAE:** Planning and making financial - saving your leave is a really common thing that we've heard in a lot of the personal submissions that we have had. Saving money but also saving leave.

**MS CALCUTT (CBC):** Yes.

**MS MacRAE:** But obviously if you're suddenly having a baby and you're not expecting it then those sort of strategies don't work so well.

**MS CALCUTT (CBC):** Yes, particularly if you've been on the fantastic holiday that you've been saving for and you're so relaxed that the pregnancy resulted.

**MS MacRAE:** So that's interesting.

**MS CALCUTT (CBC):** Yes, I mean, I think it is an important factor to consider that for many women they haven't been able to do that pre-planning. I mean ultimately a lot of women are in a position to. But if you are one - not necessarily in a well-paid role such as if you're working in the community sector and it was unplanned you're at a double disadvantage.

**MS MacRAE:** Yes.

**MR FITZGERALD:** I notice you've talked about some sort of eligibility being 26 weeks. Is that attachment to the workforce or attachment to an employer?

**MS CALCUTT (CBC):** We noted that a lot of submissions had said around 40 or 52 and we were actually saying 26 of attachment to the workforce. I suppose our reasons for that were informed by the issue of unplanned pregnancy, the fact that a woman may have taken a semester off or she may be starting a new business, she may be carrying on in a small business that's starting up; so those sorts of issues that build in a bit more flexibility. But as I said, we're not economic modellers. I suppose we're looking at what - from our experience women with unplanned pregnancy and the fact that it's - not able to foresee a pregnancy, allowing for a bit of give in the system.

**MR FITZGERALD:** The second part of that is for women who are not attached to the workforce or not eligible for the scheme you've proposed, have you got a view as to what would be the support that should be provided to those women?

**MS CALCUTT (CBC):** We'd like to see a government-funded scheme for those women who are not in the workforce, which would be paid not at the full or near-full income as we would prefer to see, but at minimum wage.

**MR FITZGERALD:** At a minimum wage level?

**MS CALCUTT (CBC):** Yes.

**MR FITZGERALD:** The question here is is it the - we've asked this of a number of participants. If the issue here is about income replacement or the loss of income and therefore the financial pressures, one could achieve to some extent relief by simply increasing the baby bonus or some other equivalent payment so that you can still pay on instalments but you just increase it. Others have said to us no, it's the actual leave issue. It's about the attachment to the workforce, it's about making sure people take the time off and so forth. I was wondering whether or not you had given consideration to what's the key objective here, is it income replacement or reducing income loss that is important or do you believe that there is something inherently important about a parental leave scheme that is of a paid nature?

**MS CALCUTT (CBC):** I think I said before we do see paid maternity leave - about that attachment to the workforce and recognising the ability of women to be able to both parent and be involved in the workforce, which men have been doing for generations, and that a paid maternity leave scheme is about creating equity in that account - in the count. But in terms of the issues that we have around social justice and equity we do believe that there does need to be adequate funding to allow

women to have at least that three months after birth to recover and to adjust to parenting. So it's a bit of both but the primary is the former that I mentioned.

But in terms of issues of social justice and equity we feel that there does need to be a provision made for those women who may, obviously, have had an unplanned pregnancy and the circumstances have just not been - the fact that they were not attached to the workforce at that time but they may have had plans to re-attach themselves to the workforce, maybe in the year following but that hasn't come about. Finding work during pregnancy also can be challenging if you can't commit to a 12-month or even a six-month contract.

**MR FITZGERALD:** Given you're an employer, if I can just take it from that angle for a moment. You referred to the community sector a few times. Yes, you're right, generally underpaid and never enough resources. So I was wondering if there was to be a scheme of a similar nature to what you've recommended how do you think that would play out in the workplace, your workplace or more broadly community sector workplaces similar to yours? I mean, would we see a noticeable difference in the retention rates of women in that case? What do you think would happen, as an employer?

**MS CALCUTT (CBC):** I would hope that it would see an increased attraction to working in the community sector and an increased commitment to working in the community sector. There is a lot of anecdotal evidence that we have experienced ourselves that young women do - work in the community sector is not so affordable for young women now who may not partner for a number of years. They may not partner in their 20s. Working on a community sector wage doesn't really allow you to save to buy a house, doesn't necessarily pay the rent sometimes either.

So many women are actually attracted to going to government and to work in government because the conditions and wages are better and the paid maternity leave is generally far more available and more generous in the government sector. So as a community sector employer, and our workplace is all women, we are very conscious of the competition that we face from government because they do have better conditions such as paid maternity leave. So I think our workers would probably throw a party.

**MR FITZGERALD:** That's terrific. Angela, any final questions?

**MS MacRAE:** I don't think so.

**MR FITZGERALD:** Just in relation to the paternity or parenting leave that would be available to the other principal carer, primary carer, why do you think it's important to specifically provide a period of time for that, as distinct from simply having a period of time which can be used whichever way the parents or partners

choose?

**MS CALCUTT (CBC):** We don't really have a strong view about that. I suppose our - key issue for us is that there would be the capacity for that leave - there be leave available in whichever way a paid maternity leave scheme or parental scheme does come about for the partner or a nominated person by the woman to be able to take some time. Say for a young woman who the relationship - it's an unplanned pregnancy and the relationship with the man involved does end, her primary support may be her mother or her sister. If that's the case the mother or the sisters themselves may already be working. So we think there needs to be a recognition that that woman may be - the grandmother, say, for example, the grandmother may be the primary support to that young woman and she herself may need to take some time out of the workforce to support her daughter. That's an example. So that's why, I suppose, we believe there needs to be that flexibility of allowing for leave by the primary support person to the woman.

**MR FITZGERALD:** Good, okay, any other queries? Any other final comments you'd like to leave us?

**MS CALCUTT (CBC):** No, really just thanking you for the opportunity.

**MR FITZGERALD:** Thanks very much for agreeing to the change. As it turned out it was very fortuitous. We changed because Angela was running late as well. So thanks for doing that. That was terrific.

**MS CALCUTT (CBC):** Thank you.

**MR FITZGERALD:** That concludes our formal participation this afternoon. However, anybody who has been sitting in the audience is entitled to make a formal statement on the record if they like. So if any of you would like to do so now is the time. Other inquiries I have been on we have had a galaxy at the end of the day.



**MR FITZGERALD:** So if you could give your name?

**MS PEIRCE:** My name is Heather Peirce. I'm here just as a citizen but 26 years ago I tried for a test case for maternity leave. The committee met weekly and monthly and it was called the Baby Committee in the end. It was the higher education field. Six weeks before the birth of our child we did find out that we would have maternity leave. But at the time we had no equal opportunity, anti-discrimination legislation and within two weeks of the birth of the child my boss encouraged me in a letter to resign because that would be easier.

So I think we have come a long way in that we can now discuss this openly. However, in 26 years I wonder about the cost of inaction and how this present generation will probably pick up a bigger financial burden when we look back at what we could have done in 26 years. We also have to consider the opportunity costs to do it now, knowing that the baby boomers will retire en masse in this decade and we need people to replace them very quickly, but we also need a highly skilled, knowledge-based workforce. So it's in our best interests to retain as many people into the workforce but at the same time consider social wellbeing as we move into a time in our economy where we look at a sustainable global economy and we think about the issues of climate change, some countries facing poverty and starvation. We have a bigger responsibility in Australia to raise our productivity to help those nations who won't have productivity. Thank you.

**MS MacRAE:** Thank you.

**MR FITZGERALD:** Thank you very much. Any other comments? Okay, well, thank you very much for everyone who has participated during the day. We will now stand adjourned until we meet in Melbourne for the final day of public hearings. Thank you very much.

AT 2.53 PM THE INQUIRY WAS ADJOURNED UNTIL  
WEDNESDAY, 11 JUNE 2008

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GEOFFREY BULLOCK	857-863
CHILDREN BY CHOICE: CAIT CALCUTT	864-871

