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PRODUCTIVITY COMMISSION

**DRAFT REPORT ON PAID MATERNITY, PATERNITY
AND PARENTAL LEAVE**

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

TRANSCRIPT OF PROCEEDINGS

AT BRISBANE ON TUESDAY, 25 NOVEMBER 2008, AT 8.37 AM

Continued from 21/11/08 in Melbourne

MR FITZGERALD: This is the third day of public hearings in response to the draft report on the inquiry into paid parental leave. It's good to be back in Brisbane again and some familiar faces are going to be presenting during the day. As we indicated in the first round of hearings, these are relatively informal, although participants are required to be truthful in the information they provide to the commission and I am sure most of them are. The hearings will take the same format as they did previously where we will ask participants to give their full name and the organisation they represent, then an opening statement and then we will have a chance for a brief discussion. So without any further ado, Queensland Nurses Union. If you can give your full name and the position in the organisation you represent and then an opening comment.

MS MOHLE (QNU): Yes, my name is Beth Mohle and I am the assistant secretary of the Queensland Nurses Union and appearing with me today is QNU research officer, Dr Liz Todhunter.

MR FITZGERALD: Great.

MS MOHLE (QNU): The Queensland Nurses Union would like to again thank the Productivity Commission for the opportunity to appear here today. As we stressed with our last appearance in June, this issue is obviously our great importance to our union given the make-up of the membership. The nursing and midwifery workforce remains overwhelmingly female in its composition and it's also a particularly important issue given the current and predicted worsening shortages of this important workforce.

Firstly the QNU acknowledges the significant work undertaken by the commission and the recommendations you have made in your draft report. The commission has proposed that a taxpayer-funded scheme where employees can access 18 weeks of paid parental leave, it commences after any period of other continuous leave available at the birth of the child and before six months after birth. Leave is only payable if it is taken, an additional two weeks would be available as paternity leave and would be reserved for the father or other eligible partner on a use-it or lose-it basis.

We reiterate the main points we made in our response to the draft report and that is that we believe the scheme should provide access for 26 weeks of paid parental leave at full ordinary earnings or the federal minimum wage, whichever is higher, in addition to any other existing paid leave entitlements. We also advocate flexibility around the timing of the taking of leave and that the proposed scheme should extend to the provision of two weeks' paid paternity leave to four weeks' to ensure partners have a longer period time to accommodate the needs of the mother and family at this important time.

The proposed entitlement should operate in addition to any existing paid parental leave entitlements and should be codified as a national employment standard or separate statute. In Queensland only 8 per cent of registered nurses and 7 per cent of enrolled nurses are male and that is from the Australian Institute of Health and Welfare data, the most recent nursing labour force data. The length of leave available to nurses in Queensland, as you know, varies depending on where the employee works and the inconsistency of current leave provisions results in serious inequities between nurses and midwives, depending on where they're employed. It actually causes distortions in the labour market, we believe.

We need a range of workplace facilities and strategies to complement the scheme such as flexible work arrangements, breastfeeding rooms, lactation breaks and access to high quality, affordable child care that meets the needs of shift workers. Extended hours child care is a particularly important employment equity issue for the QNU as the majority of nurses and midwives work 24-7. The QNU supports part-time payment for the benefit where it extends the total duration of paid parental leave by a prorata amount of time. There remains a high proportion of part-time employees in nursing. The number of registered and enrolled nurses employed on a part-time capacity, which is defined as less than 35 hours per week, decreased from 51.6 per cent in 2001, but it remains at around 48 per cent in 2005. That is actually a reverse of the previous trend where there was actually an increase in part-time hours, so I think we can see the shortages of nurses and midwives actually coming into play there.

The QNU recommends that access to a national parental leave scheme should be exchangeable between either of the child's parents, but limited to only one parent at a time. Under this option the mother could return to work earlier than 18 or 26 weeks after the birth of the child and eligibility for the balance of the paid leave component would transfer to the partner. The QNU believes that all paid leave entitlements should continue to accrue during the entire period of the paid parental leave. This includes the 18 weeks of the proposed model, as well as any other period of paid leave taken in combination with this leave.

The QNU also contends that the employer superannuation contributions should be at 9 per cent of the payments or the employee's normal wages, whichever is greater, and should not require 12 months' prior service with the employer. In respect to the eligibility for family tax benefit B and payment of superannuation, we seek the inclusion of a provision that the parental leave payment will not leave any employee worse off overall. The depth and breadth of the nursing and midwifery workforce shortages remains a particular concern to the QNU, although the Queensland government and some other employers are taking some measure to alleviate the chronic nursing shortage, however, there remains a significant shortfall across the profession as well as specific shortages in 19 specialisations and that make this inquiry of particular importance to the QNU.

Analysis by the QNU of 2006 ABS census data and population growth indicates that there will be a predicted shortfall of 14,000 nurses in Queensland by 2014. Although the nature and the extent of the current global financial crisis is acknowledged, the QNU strongly urges the federal government to take measures to ensure that there is no delay in implementing the government-funded paid parental leave scheme. We make this recommendation not only from an equity and social justice perspective, but also from an economic perspective. What is required now is appropriate government interventions that not only instil community confidence and hope in the economy, but also promotes economic growth and improved workforce participation. The prompt introduction of a long-overdue government-funded paid parental leave scheme meets all these criteria. It would also have a particular impact on sectors of the economy where the female workplace participation predominate and that's health, education and the services sectors and all of these sectors are ones that the government has identified as being key priority policy areas for them.

In conclusion I would just like to stress again that the introduction of the government-funded paid parental leave scheme is one important strategy to assist in addressing the current nursing and midwifery workforce shortages in this country. At our last appearance before this inquiry we highlighted the importance of ensuring workforce attachment for those nurses aged under 44 years. Those who are most likely to be taking breaks from the paid workforce for childbearing and rearing. According to the latest available data from the Australian Institute of Health and Welfare, this age cohort represents about 44 per cent of the employed female nurses and midwives, close to 100,000 nurses.

The significance of ensuring workforce attachment for this particular group cannot be overstated, especially given the current and predicted nursing shortages mentioned earlier and also given that 60 per cent of the currently employed, enrolled and registered nurses in this country will be reaching retirement age in the next 20 years and we know that that's something that the commission knows about from the previous studies of the health workforce. The introduction of a government-funded universal paid parental leave scheme will be an important mitigation strategy across all of the health and aged care sector, but especially in the private sector where adequate paid leave schemes are less common. Given the make-up of the workforce, this would be an important and long overdue strategy.

It is, however, merely one strategy of a myriad of strategies that are required to address the current nursing and midwifery shortages. Although the nursing and midwifery shortages are not the specific focus of this inquiry, we do know that the commission has undertaken extensive work through your Treasury commissioned health workforce study a few years ago and the QNU has recently launched a campaign to address those shortages called Nurses For You For Life campaign. So it's something that we're working very hard on right now and we will continue that

work. So thank you again for the opportunity to appear here before you today and Liz and I are happy to answer any questions that you have.

MR FITZGERALD: Thank you very much. Liz, do you want to make any comments at this stage?

DR TODHUNTER (QNU): No, that's fine, thanks.

MR FITZGERALD: Thanks very much for that. Angela, do you want lead off?

MS MacRAE: There were two things that came out of your presentation and another issue that you didn't raise directly but I'd be interested in your views on. The first was about prorating or allowing the payment to be taken at half pay. The reason for not allowing that in our draft proposal was primarily an administrative one, that it is a lesser period that you would be paid and we were of the view that if someone wanted to take that longer period they'd still get the money, they'd get it up front and then could extend that according to their own preferences. Do you see a problem with that? Why do you see the half-pay being an important one?

MS MOHLE (QNU): It's something that's taken up a lot by nurses. It's available to nurses not only in the public sector, but a lot of the private sector actually offer that ability to actually take it on a prorata basis to extend their leave. So it's something that we found has been very popular amongst our members, so that's why we would recommend that it be - it hasn't proved to be particularly administratively burdensome for those employers that actually do that, is our understanding anyhow.

MS MacRAE: Just in relation to the preference for 26 weeks at full pay, I think you probably know from our report why we've gone for 18 weeks in terms of the objectives of the scheme and primarily we are thinking that if we provided 18 weeks at the minimum wage that for the vast majority of families, they would be able to spend the first six months at home with their children and have that as a genuine choice, given the patterns of current leave that are taken. Do you have a different view about that or is your 26 weeks' request - you know, have you got other objectives that you're looking at?

MS MOHLE (QNU): Our objectives in relation to that are primarily health objectives and the World Health Organisation recommends breastfeeding for a six-month period, so it's from a health perspective that we actually argue for that. Liz, did you have anything else to add?

DR TODHUNTER (QNU): No.

MR FITZGERALD: Can I just understand: currently nurses in Queensland are entitled to what level of paid parental leave?

MS MOHLE (QNU): It depends on what sector they work in, but in the public sector, it's currently 14 weeks. It's just been increased from 1 July to 14 weeks.

MR FITZGERALD: So assuming that the 14 weeks continues and then you add on in some way the 18 weeks, not necessarily directly but in some sort of package, you would get to your six-month period, wouldn't you?

MS MOHLE (QNU): You may with that, yes.

DR TODHUNTER (QNU): Yes, you would.

MR FITZGERALD: So I suppose our contention is that we agree with you that we want to get just about every mother particularly being able to be at home for six months should she choose. The point that Angela has raised is that you don't necessarily need to finance the full 26 weeks to get there, given the pattern of behaviour currently. So I just want it to be clear that we're on the same page; it's just whether or not you actually need to pay 26 weeks to get 26 weeks, given the current pattern that exists in the workforce at the moment.

MS MOHLE (QNU): I can understand where you're coming from.

MS MacRAE: The other thing which has come up, when we spoke to the Australian Nurses Federation - I can't remember which city it was now - when they presented to us, and the ACTU I think have made a similar point about the qualification that we've currently got in the draft of an average of 10 hours a week for 12 months and that there was a concern for shift workers in particular, particularly in relation to maybe second and third children, that the 10 hours a week on average might be a bit too high and that it's a bit more than a shift and it might be that women are coming back for a single shift a week, particularly after earlier children. So there's been a request to look at that eligibility criteria and I just wondered if you had a view on that because it wasn't something you raised in your opening comments.

DR TODHUNTER (QNU): No, it wasn't something we addressed in our submission either but a normal shift for a nurse would be around about eight hours.

MS MOHLE (QNU): Yes, the shift lengths can vary between four to 12 hours really for a nurse, so it depends on where you're working, so there's a fair bit of flexibility there to start off with. So it would be of concern if they had a number of children that they may just be back for a shift a week and it's really important to keep the hand in, so to speak, to actually keep contact there. So it's something that we haven't addressed specifically but we support their concerns in that regard.

MR FITZGERALD: In your presentation you have mentioned the accrual of other entitlements, sick leave and so on. As you'd be aware, many in the business community have, whilst welcoming the scheme, very strenuously opposed the superannuation commitment that we've recommended and are utterly opposed to any extension of that to other workforce entitlements. I suppose the question I have for you is whilst I understand why you might recommend that, how significant is it in the scheme of things if it were in fact to prove an absolute obstacle for business? There seems to be at the moment general agreement around the scheme, as I say, but real resistance by business to paying any further entitlements, including super.

MS MOHLE (QNU): Yes, it doesn't seem from your report that their contribution would be as significant as government's, so that's a point that we would make.

MR FITZGERALD: It's significantly different, I must say.

MS MOHLE (QNU): Yes, that's right, so we would think that it's not uncommon for employers to actually oppose just about any advance like that, so that would be the first comment we would make. In relation to superannuation, it's something that I feel very strongly about, being a director on a superannuation fund and one where predominantly there are women members. They are horrendously under-superannuated and it's the structural issues that we have to address to bring up the female earnings as compared to male superannuation earnings. It really is something that we have to address as a community, I think, and it is something that broken work patterns from the paid workforce contribute to that significantly, as do periods of part-time employment. So it's something that we feel very strongly about from an equity and a structural perspective, we think, that we just do have to bite the bullet in relation to superannuation. Certainly the Queensland government scheme currently, for example, they actually pay with respect to superannuation.

I was reading also just the other day about the EOA diversity awards. Mercy Health Care actually pays superannuation for periods of maternity leave, so some employers, not only the public sector, are already doing it because they see that there are benefits in actually doing so. So I think it might be useful to look at some of those particular award situations where the employers are doing the right things and the benefits that they see that they get back from actually introducing initiatives such as that. I think it might be useful to look at some of those particular award situations where the employers are doing the right things and the benefits that they see that they get back from actually introducing initiatives such as that.

MR FITZGERALD: There seemed to be some scepticism by some business peak bodies about the benefits to business in this area. Some acknowledge them but some are less sure about the benefits to business, and I suppose the question is, a lot of this depends on whether we think the retention rates will increase or the return to the same employer will increase. I think you were talking about that last time, as to what

evidence we have that this will actually lead to a higher rate of return to the same employer.

MS MOHLE (QNU): I can only speak from our experience, and our experience has been that it has promoted people to return to their employer. It has actually increased loyalty to that employer and it has actually encouraged a return to work following maternity, and it's really very critical given the shortage situation. We can't stress that enough. All that we can do to address this current and impending worsening nursing shortage, we have to do, and that's a very important thing, as I mentioned before, for that particular age cohort of nurses and midwives aged under 44.

MR FITZGERALD: One of the other things that's happened, when we were going through the inquiry process prior to the draft was that it seems to be a position where once you provide a reasonable or adequate level of paid parental leave or maternity leave, the issues for workers change to be more concerned about flexibility upon return to work and so on and so forth. I'm just wondering if you could explore some of those issues. Apart from the parental leave, what are the dominant issues for women in your industry returning to work?

MS MOHLE (QNU): Certainly it's flexible and secure patterns of work engagement, certainly rostering for nursing. As you could appreciate, it's a bit of a nightmare rostering 24-7 to keep everybody happy and there's quite often a tension there between people who have actually got family responsibility requesting particular set shifts and those who then may not have children who have to actually work over the whole roster.

As was mentioned before, things such as lactation breaks, which a lot of employers have actually implemented, and lactation rooms within workplaces is a very important thing. That's actually important in the context where a mother might have to return to work earlier than the six months, or if they want to continue to breastfeed after six months. It's a very important room to have, a facility to have, to actually have a lactation room and also lactation breaks to actually facilitate that to occur. It is mainly around flexible work arrangements, secure work so that they're actually assured of that, and issues such as child care.

Child care is a critical one for nurses and we still haven't got that right. We still haven't done enough to actually make affordable child care that meets the needs of shift workers. As you would know, the ABC Learnings of the world and other for-profit providers, the money is just not there for them to actually provide extended hours' services. There's only one extended hours' centre in the state of Queensland and that's the Lady Ramsay Child Care Centre at the Royal Brisbane campus. That operates till about 11.30 at night from 6 am, and also on Saturdays. But we have to find a new way of actually providing child care for nurses and other shift workers in

particular, particularly given the workforce shortages. That's one that we haven't been able to crack because everybody is too scared of the initial money that that costs, because it costs more to provide an extended hours' service.

We think that there is really an opportunity to work with family day care to actually have more innovative in-home based care. It's something that I've been passionate about promoting for many years but we haven't been able to get much advance in relation to that because it's just a bit too difficult. Employers see that as not being their core business, even though we would say, "It's a core HR function for you," particularly with nursing you need a workforce, but they say, "No, it's not our core business." Even Queensland Health, who actually operates the Lady Ramsay Child Care Centre, at one stage was running that argument. It's been threatened to be closed, that centre, on a number of occasions over the years because of the costs, and that has been their argument. So for our members, child care is a key issue.

MR FITZGERALD: Just a couple of things. In your submission, you've asked for an increase from two weeks to four weeks for the paternity leave, which applies to fathers and supporting partners. What's your rationale for that? If I can just preface it, when we looked at this issue, we were mindful of the fact that the research in relation to the benefits for fathers staying at home is clearly much less developed, that research, in relation to maternal both health and wellbeing issues as that relates to the child. We thought two weeks was a good entry point in for this and, in fact in our projections, we're only projecting that 25 per cent of men will actually take the full two weeks. We hope we're wrong, but the evidence is even if we provide this, the take-up rate for the full two weeks isn't likely to be great, so what would be your justification for doubling the period?

MS MOHLE (QNU): I'll let Liz speak there, but I'll firstly preface her comments by saying that's probably the reason why we would go for four weeks is to try to actually change the mindset about whose responsibility it is to actually rear children, and to actually encourage better engagement of fathers in the child-rearing process. But I'll hand over to Liz.

MS TODHUNTER (QNU): That's right, and that was consistent with the ANF submission as well, and it's really I guess a bit of a cultural change, I suppose, to encourage fathers to be more involved at the time of birth. But particularly for second children or where there's more than one, I think that's a particularly difficult time for mothers when they're at home with a young toddler and a little baby as well. So any opportunity to be able to have the dad or the partner at home at that same time and to extend that - if there's only as you suggest perhaps 25 per cent who might have an uptake for two weeks, it's probably even going to be less for four weeks. So I think it's a crucial time for families and anything that's going to ease the burden on the mum at that particular time is really important.

MR FITZGERALD: One of the things I'd be interested in is that the research we saw was also trying to link the father being home having a direct benefit for the child itself - not just supporting the mother, but also - - -

MS MOHLE (QNU): Attachment, yes.

MR FITZGERALD: - - - directly supporting the child, but the research is very sparse and very early in relation to that.

MS TODHUNTER (QNU): I think it probably, as I said, comes into play a little bit more when it's not the first child. When there are other children at home as well, that's a very, very busy time for mums and any help particularly from the father is always really crucial.

MR FITZGERALD: All right. Just my last question, it's in relation to the timing. As you know, in our report we talked about parents being required to take the statutory scheme within six months, but not concurrently with other leave. What we've discovered is of course that firstly what we intended has been misinterpreted; but more importantly, it seems to us to have created a problem because many of the schemes go beyond the six months already, especially if you take a part-time - even your own scheme, 14 weeks taken at part-time takes you to 28 and what have you. What we're contemplating at the moment is whether or not we should worry about concurrency.

In other words, our aim was to have a situation where you didn't have parents taking concurrent leave - that is the voluntary scheme plus the statutory scheme at the same time - because we were about additionality. But it now seems that maybe whatever formula we come up with is going to be full of complexity and difficulties, so we're wondering whether or not we should be concerned about concurrency. In other words, we simply say you've got to start it within six months. Now, whether you take it at the same time as other leave or not is really a personal matter, or one for the employer.

MS MOHLE (QNU): Yes, look, we haven't given it a great deal of thought. I guess our aim was always to provide as much paid leave as possible for mothers at that point in time. The issue of concurrency I can understand, because there's that caveat on it where it has to be started within the six months. We might have to perhaps consider that a little bit more. I guess our objective, and certainly we stated that very strongly, is we don't want a tax-payer funded scheme to undermine any existing entitlements that staff already have, so I guess in my mind was always the notion that it would run in addition to, and extend out, that period of paid leave to give mother as much time as possible on paid leave as she could possibly have. So the issue of concurrency, I have to say, hadn't struck me.

MR FITZGERALD: But if you had the concurrency - so you would be paid for the voluntary scheme and you would be paid for the statutory scheme - would it be reasonable to expect that people would extend it anyway? In other words, you've got the entitlement to unpaid leave for 52 weeks and it's about to go to 104 weeks, so the question for us is as long as the person gets the payments, they would extend the period anyway. So you don't have to be prescriptive about when you take the leave. Anyway, it's just an issue you might have a think about, because we've just got - - -

MS MOHLE (QNU): It's just going through different scenarios in my head right now and I can see - - -

MR FITZGERALD: You might want to have a think about it, because currently the way in which we've framed it doesn't work. But the more central issue is whether or not we should be concerned about trying to be prescriptive about non-concurrent leave.

MS MOHLE (QNU): I think it probably would be simpler not to be prescriptive about that really.

MS TODHUNTER (QNU): I mean, we were keen to try and keep some sort of limit on in terms of having it to be paid within six months, say, because we didn't want the admin burden of checking that you have actually been on leave from the date of birth. Then maybe if you had all sorts of leave, including long service and whatever, we didn't want to be checking that for a two-year period or something.

MS MOHLE (QNU): It would be very burdensome, yes.

MS TODHUNTER (QNU): So that was why we were thinking taking within six months would be good, but alternatively one other option would just be to say that you have to commence at birth but if you're taking other leave at the same time, that's fine and just be done with it as easily as that. From the administrative side, that's much simpler.

MR FITZGERALD: All right. Have a think about that. Have you got any other questions?

MS MacRAE: No.

MR FITZGERALD: Any other comments?

MS MOHLE (QNU): No.

MR FITZGERALD: All right. Thanks very much for that. If we could have the YWCA next.

MR FITZGERALD: If you could give your full name, your position and the organisation you represent and then some opening comments and we'll have a discussion.

MS LAMBERT (YWCA): Good. Caroline Lambert, the executive director of the YWCA Australia. The YWCA would like to congratulate yourself and Angela and your team for the work that you've done on this very comprehensive report.

MR FITZGERALD: Thanks.

MS LAMBERT (YWCA): We thought it was a very pragmatic approach and a very sensible range of suggestions for how we can work towards the adoption of a universal paid parental leave scheme in Australia.

When the YWCA first came to contemplate what objectives might be met through a paid parental leave scheme, it seemed to us that we were looking to achieve four particular sets of outcomes which we have spoken with you before about: maternal welfare outcomes, child welfare outcomes, family welfare outcomes and social and economic outcomes.

So in that context, we particularly welcome a range of the recommendations that have been made in the report, particularly the flexible approach to recognition of a primary caregiver that's contained in the recommendations; the starting point of two weeks' paid parental leave - we have some further comments on some of these other matters - the mandating of employer superannuation contributions; the inclusion of casual, self-employed and contract workers; the adoption of a new maternity allowance for parents having twins or higher multiple births; the provision of publicly provided information on the workings of a statutory scheme; the keeping in touch provisions seems particularly sensible and reflects our experience; the scope for eligible self-employed parents to maintain some oversight of their business is also eminently sensible and the provision of additional resources to provide for effective support for breastfeeding is particularly important and we note also that it will take us much further in the steps of meeting our international legal obligations that at present are struggling to be met. That's not just a situation that Australia encounters. The provision of support for lactation is actually the kind of final frontier of that kind of maternity provision. You see it around the world that where employers or governments have provided for some level of paid support for maternity leave, the extension of that support into lactation is really poor.

Having said all of that, we do have some observations. In terms of the duration of leave, we note the commission's view that the provision of 18 weeks' paid parental leave combined with parents' annual leave entitlements and savings would in many circumstances enable at least one parent to provide primary care for children or a child in the first six months. However, we also note that for a number of women

who are predominantly employed in casual and part-time work, the ability to access that leave, particularly workers in casual employment, the ability to be able to cobble together that six months is reduced.

In our view, because we have identified those four factors, particularly the family's social and economic benefits, it seems to us that we need to have a scheme that does go beyond six months, and the YWCA put forward a view of nine months, and that was particularly important to us because what it enabled us to do was to break the nexus between the six months' recommendation around breastfeeding and then our commitment to the ability of a scheme like this to transform social relations and particularly to encourage the non-breastfeeding carer to be involved in a meaningful manner in the first six to 12-month period of a baby's life.

So certainly while we understand the pragmatics of the 18 weeks and the view that through other leave entitlements, you would be able to cobble up to six months, we actually think that a six-month scheme with the cobbling up to nine months would actually help us achieve the broader gender equality and reconstruction of caring responsibilities that are an important part of what our views of what a paid parental leave would do.

In terms of the paternity leave, we acknowledged that two weeks was a good starting point; because this is an advocacy piece, we would prefer to see it four weeks. We think that that's important for a couple of reasons: the first is that as you pointed out in the report, the evidence around the impact of paid paternity leave on child, family, social welfare outcomes is scant and that's because it's not provided for in that many cases and it's because of the cultural norms that preclude fathers taking it up. But in our view, I guess the symbolism of a four-week period of paid paternity leave actually goes a long way to creating a culture shift that would encourage more men to take up that sort of leave entitlement. In our view, it also ensures that you enable the family welfare objectives which we included as being the bonding between the non-breastfeeding parent to be better achieved. That's particularly important because most fathers or non-primary caregivers would probably take the two weeks in the immediate period after birth and in that two-week period, there is a lot of energy that goes into establishing the breastfeeding routine, so of necessity you're seeing an increased bonding time between mother and child. If you had a four-week period, then you actually give the non-breastfeeding parent the opportunity to engage with the child in that kind of post-establishing lactation regime period of time and we think that that will address some of the tensions that naturally arise. Your father or your non-breastfeeding parent wants to be involved, but the feeding routine at that age is just so constant that you're not actually giving them that opportunity.

In terms of the minimum wage versus wage replacement, we just reiterate that in our view, parental leave is simply another form of leave and we don't minimum

wage-out annual leave and we don't minimum wage-out personal leave and we don't minimum wage-out long service leave, so what we're doing is creating a bifurcated system where we value one sort of leave more greatly than another sort of leave. In our initial submission we called for a mandated contribution for employers to take the employee up to 75 to 80 per cent and we would reiterate that call. Nonetheless, we recognise the pragmatism of the situation and certainly if the employer-mandated provisions weren't to get up, and we understand they're unlikely not to, we would certainly support a scheme that provides maximum flexibility to do as the commission suggests, ensure that employers can put forward the employer of choice options to top up or to extend out or to provide some other mechanism for extending the period of leave that parents have got available to them.

In terms of the superannuation component, as employers, the YWCA supports employer responsibility for the 9 per cent contribution. We weren't sure whether or not we had read the recommendations correctly, but we were concerned that the recommendation at 2.1 seemed to suggest that the contributions would be limited to the statutory rate of 9 per cent and we weren't sure how that would interact with employers who offer greater the 9 per cent contributions. It just seemed to us that there was an administrative burden that would be created if you had one set of employer contributions that were at the negotiated rate of 12.5 or whatever it is and then one set of employer contributions that because that person was on parental leave were at 9 per cent, and that that would create some degree of administrative complexity that could probably be avoided by simply simplifying that and not limiting it to a 9 per cent contribution.

In terms of the qualification and compliance for self-employed people and contractors, we welcomed the commission's view that there be a degree of flexibility in the definition of "continuous employment". That seemed particularly important to us. The notion of reasonable breaks, we thought that it would be useful to provide some sort of guidance and we looked to the National Employment Standards which provide four weeks, and while we understand that casual employees aren't covered under the annual leave provisions of the NES, we thought that they provided a useful community benchmark that could be used in defining "reasonable break". We were, however, concerned that the idea of compliance also have some flexibility. If you've been self-employed or casual and you actually simply can't find work, what happens to that person when they're actively seeking work but the contracts have dried up or the casual work employments in their area have diminished? So they want to be workforce attached but they're unable to be workforce attached and then they become pregnant and are not actually able to access. So we thought that there could be some greater flexibility built into that to enable those sorts of circumstances to be met, because in our view the workforce attachment component which we built into the economic welfare outcomes is really considerable and we shouldn't punish people where the employment market actually is stopping them from doing that.

I was interested in the discussion that you had with the nurses before about the shifts. Certainly from the YWCA perspective, when we look at our part-time workforce, there are a number of people who are engaged simply one day a week. It's valuable work. It's enabling them to maintain their attachment to the workforce and when we looked at that, the 10 hours, we wouldn't meet that hurdle. Most of our hours - you know, working days are between 7.6 and eight hours. The only workers that we would be able to get up under that 10-hour attachment provision are some of our family day care workers who work a 10-hour shift. So perhaps we need to be looking at a kind of standard working day, as the parameter or the hurdle for that provision.

In terms of the compliance for parents who are self-employed or contractors, we were interested in the commission's exploration of the issue, that a statutory declaration from an accountant could be part of the evidentiary requirements. We were discussing while something like 80 per cent of Australians employ an accountant to prepare their tax returns - and we were postulating, we didn't actually know - but we figured that your lower income workers are probably the ones who aren't going to be employing a tax agent. We just wondered whether or not there might be a simpler way to get that proof and whether or not tax returns from the previous year could actually provide that sort of evidence, rather than requiring a tax agent to provide the statutory declaration.

In terms of whether or not parental leave should be available on a part-time basis, we are of the view that parental leave should be available on a part-time basis and we particularly appreciated the commission's exploration of that through the idea of four days a week for one primary caregiver and one day a week for the other primary caregiver. That particularly met our objectives of the familial welfare outcomes and also the broader social objectives of transforming notions of care and who provides care.

In our view, as employers, we have been able to accommodate this sort of practice, not necessarily in the context of paid parental leave but when we think about our workers adjusting their hours downward for specific periods of time, around study leave, or because our employees generally accrue time off in lieu provisions. If somebody has accrued a huge amount of TOIL, one of the ways that we manage getting that down is to say, "Right, on Fridays you won't work." So we do have the experience of how to make that kind of specified period of reduction in hours work, and in our view it's not an administrative burden and it would go a long way to meeting the broad agenda of equality objectives that we see in this sort of scheme.

On the question of junior wages, we had quite a robust discussion on this and our concern, and we noted your concern and we quite liked the language of "short-sighted decisions" by young people, but in our view the evidence doesn't

support this assertion. We note a literature review that was conducted to explore this question, where it was found that research suggests that women's fertility is generally not influenced by one-off government payments or government social messages and there has been some recent research in 2007 that's had a look at that, which I'm sure many of my other colleagues have drawn your attention to.

We also discussed the fact that a parent on junior wages doesn't get a junior wages discount at the supermarket or at Baby Bunting or any of those areas, and particularly when you're a new parent, your costs are increasing. So actually capping the wages, it will damage the economic security of those young families who are already at a disadvantage. The assumption that the commission has made is that you can cobble together your annual leave and then savings to be able to reach the six months; well, most young families don't have the savings behind them to enable them to get there.

In terms of the accrual of leave, our position is that as other entitlements accrue, leave, paid parental leave should also accrue leave. We welcomed the flexibility of family structures that the commission adopted in your report. In our initial submission we talked about a broader range of carers, particularly grandparents, and I seem to recall that we've probably said this to you twice, but we have provision for grandparents to take up that sort of leave, and it's the leave we never want to use, but we think there should be provision to particularly enable the transfer of leave to a grandparent particularly, because many grandparents are still in the workforce. So if they need to step in and take a primary caregiving role, then there will be economic burdens on them for doing so. There was something else that just flashed into my brain but it has gone, so I'll leave it at that for now.

MR FITZGERALD: Thanks very much for that, Caroline. If I might start with the last point about grandparents, there are circumstances - we heard in Melbourne at the hearing just the other day - where a relative, generally a grandparent, will end up with the permanent care of the child because of circumstances that may occur, including the death of the mother and other circumstances. One of the things we were concerned about is if you extend the general provisions of parental leave, say, to be able to be taken by the grandparent, in a sense you start to get to a stage where this becomes a scheme that subsidises alternative child care arrangements. One of the central tenets of this scheme is that it's not a subsidisation of child care, it's actually about trying to maintain attachment between parents, who are also the workforce.

So I suppose whilst we think that in the final report, we may need to extend the category of people that can access the leave because of certain special circumstances, I must say I'm still reluctant to see a general provision that extends it to grandparents, when really this is about trying to keep parents attached to the kids.

MS LAMBERT (YWCA): Certainly in our discussions of it, it was in the context of the special circumstances provisions because we do see it as special circumstances. That said, if a parent is not available as a primary caregiver, what we do need to do is have a scheme that enables the alternative primary caregiver to be able to achieve the same level as bonding as is envisaged by this scheme, and also if they are in the paid workforce, we still have the similar workforce attachment issues for them. So we would certainly support your ruminations around perhaps we need to look at the special provisions and extend that definition.

MR FITZGERALD: Angela? I'll come back in a second.

MS MacRAE: There were two things that I wanted to talk about just in relation to your understanding of our recommendations. One was in relation to the super; we've had it raised quite often and it must be something in the wording that has made people think that when we said that the 9 per cent was mandatory, we weren't saying that you couldn't pay more if you wanted to.

MS LAMBERT (YWCA): Okay, yes.

MS MacRAE: So we definitely did not intend that you could only pay 9 per cent. We just wanted to say that would be the mandatory part. If the employer and employee agreed to pay more, absolutely no problem; in fact we think that's quite good.

MS LAMBERT (YWCA): Yes.

MS MacRAE: So definitely no intention. I think the use of the word "capped" obviously has a use within the industry that we hadn't appreciated and to our economic minds, "capped" just meant capped at the mandatory bit, but you certainly could add to it, so just to make that perfectly clear that we never intended that that would be a roof that you couldn't go beyond.

MS LAMBERT (YWCA): Right.

MS MacRAE: In relation to the compliance for the self-employed and the contractors, you mentioned about tax agents and who is likely to go to a tax agent. The idea of having a tax agent declared stat dec was something that we looked at because that's how the New Zealanders, who have extended their scheme to the self-employed, manage that. I think while it's true that there's a proportion of people that don't use tax agents, as you said, that's really looking at individual tax returns. I think if you looked at business returns, you would find that the proportion of tax agents is much higher.

MS LAMBERT (YWCA): Yes, that's a good point.

MS MacRAE: So I think for the cost of going to a tax agent for a business, it's highly likely that the vast majority of those people would already have an accountant, even if all they're doing is an end-of-year sort of check for those people. So I think the cost in relation to self-employed is probably less than you're imagining.

The other interesting thing that I just wanted to tease out with you a little bit more, if you could - there were two things. One was in relation to lactation and your concern that even where there's a fairly entrenched sort of culture of provision of leave, that the lactation still sort of remains off the table and you'd be aware that we've recommended that we should be doing something, especially for the post-initiation phase of breastfeeding. Having said that, we've put that in there as a recommendation but we haven't at this stage been very prescriptive about what sort of form that might take and I wondered if you had some ideas on that that you might be able to give us.

MS LAMBERT (YWCA): Yes. Certainly we can look to international standards, and the ILO sets out quite clearly lactation breaks and prescribing the duration of the break and if there's an availability of a room in a convenient place. So I think that what we're looking for is I guess both the actual provision, so mandating what it looks like, setting out reasonable periods of time, setting out how that can be rostered in, setting aside a particular room, but also I think that in the same way that you were talking about providing information to employers, there would need to be a significant part about that that kind of spoke to employers to create a culture shift and a cultural change around what lactation is and how important it is and kind of the simplicity of making those sort of rooms available and the simplicity of building it into the roster system. I'm not really sure if I've - - -

MS MacRAE: I guess in terms of mandating that kind of requirement, I can see from a micro-business type perspective, if you're saying you're mandating rooms and that sort of thing, that doesn't seem very practical for them and especially there might be some micro-businesses that, because of the nature of their business, might never expect that they would actually have anyone that would use it.

MS LAMBERT (YWCA): Yes.

MS MacRAE: So that doesn't seem a realistic kind of option for them. But if you don't mandate it for the bigger employers, your experience has been that it doesn't really come on board.

MS LAMBERT (YWCA): No.

MS MacRAE: As I say, we haven't thought about it a great deal yet and it's

something we're investigating further, but they're the sorts of issues that we're sort of grappling with in terms of - I guess mandating seems, in some respects, the last thing in a way that you'd want to do. You don't want this to be seen as another burden. On the other hand, if we're leaving it open and it's not happening, then there are other sort of more gentler methods, I suppose, we might be able to use to encourage those sorts of breaks.

MS LAMBERT (YWCA): It might be that what you could do is get some former employees of X operator and you could certainly look to maybe some of the EOA cut-offs that they have for reporting obligations as helping to establish that or those sorts of things.

MS MacRAE: One of the other issues that you raised and we haven't heard much about it at all in terms of either submissions or from the hearings but I was interested in was that you strongly supported the keeping in touch provisions.

MS LAMBERT (YWCA): Yes.

MS MacRAE: I was interested to see in a lot of the submissions from the unions that they have supported it but on the basis that it become very formalised and these things would have to be paid and they would have to be agreed, you know, all these sorts of rules and regulations around it. I must say I think it's reasonable to say the commission as a whole but I'd certainly thought that we would have something much more akin to the UK arrangement which is very flexible and, you know, we'd agree, and whether it's paid or not and whether you come for a couple of hours or a whole day, it was a very sort of informal arrangement that would work for hopefully the employer and the employee. I do have some concerns that if it was to become an entrenched kind of right and it became necessary to pay people the full amount and have them in for a minimum period and all those things - and in fact employers might well say, "This is too much trouble and we're not interested, after all." Do you have a view around how formalised that arrangement might be and the value of that?

MS LAMBERT (YWCA): Yes. Certainly for us, we have some provisions in our operational manuals around if parents are on parental leave, coming in for training and so establishing some minimums around that. There's also some informal practices around keeping them on email bulletins with update and that sort of thing. So I think there's probably a bit of a happy medium around some informal practices and perhaps setting out some suggestions of what some informal practices might look like, but also safeguarding some kind of employee rights and entitlements. You don't want to get to a situation where there are workers being required to come in or - - -

MS MacRAE: Sure. I mean, we've already said it would have to be totally at the discretion of both parties and both agreeing, so you couldn't be coerced that, "You

must come and do this." It would be something that would need to be agreed.

MS LAMBERT (YWCA): But I think some of the provisions that we have around access to training while on parental leave and those provisions are really only a couple of lines long and they seem to have served us quite well.

MS MacRAE: Okay, thanks.

MR FITZGERALD: Just a couple of things: the junior wage issue which you have raised, we are looking at that at the moment. I suppose the concern we have when we looked at that is whether or not there were perverse incentives being established in relation to junior wages, particularly given in light of the concerns that people raised in relation to baby bonuses and other things. Clearly, your view is that that's not the case, that the evidence would not support that view.

MS LAMBERT (YWCA): Yes, absolutely. I think one of the interesting things that this inquiry has revealed is that there's opportunity for further research into a lot of these questions. I can point you to one or two studies that would suggest that it doesn't act as an incentive but it's probably the same one or two studies that everybody is pointing you towards.

MR FITZGERALD: Just in relation to the maternity leave, you would have heard our exchange with the Queensland Nurses Union so I won't go over all that, except to say that when we're talking about public funding, one has to have some fairly substantial reason as to why the government would pay up to four weeks. If it's simply about trying to encourage more men to be involved in and of itself, is that sufficient justification to go that high?

MS LAMBERT (YWCA): Absolutely.

MR FITZGERALD: Why do you think so?

MS LAMBERT (YWCA): It meets our international legal obligations, so the Convention on the Elimination of All Forms of Discrimination Against Women establishes international obligations for Australia to address cultural patterns that put caring responsibilities onto one gender or the other. So it enables us to meet those international legal obligations. I think because it's an emerging field, you also want to push the envelope. If there's a lot of research around that's talking about two weeks but four weeks would go further towards reconstructing gender norms, let's - you know, you can always have government policies that will have an objective of actually testing some behaviours and that sort of thing. This is simply another area where we're testing a behaviour and we're seeking to see whether or not we can change it. Legislation to require us to wear seat belts, there were cost implications of that, but we wanted to encourage people to change their behaviours,

so we pushed it out and no other country was doing that at the time, certainly not to the extent that we were. It's an opportunity to be bold and brave.

MR FITZGERALD: Bold and brave in public policy. Look, thank you very much for that.

MS LAMBERT (YWCA): Thank you.

MR FITZGERALD: That's great. Thanks again for your presentation this time and last time.

MS MacRAE: Thank you.

MR FITZGERALD: If we could now have the Australian Services Union, your opening statement, and then we'll have a chance to have a bit of a discussion.

MS JUSTO (ASU): Thanks very much. My name is Jo Justo. I'm the national industrial officer for the Australian Services Union. I'd like to say good morning and thank you. I would introduce Jan Sheppard, a member of the ASU, who when I've finished going through our submission, we'll be able to tell you her story.

MR FITZGERALD: Good on you, okay, Jo.

MS JUSTO (ASU): Thank you for your time this morning and for hearing our submission on the need for paid parental leave to become a fundamental and guaranteed part of Australia's industrial system and also why a system of payment equal to that of the industrial paid parental leave should become a basic right for all Australians.

As I said, my name is Jo Justo and I represent the Australian Municipal, Administrative, Clerical and Services Union or, as we really like ourselves to be known, the ASU. We've provided the commission with an initial written submission on 2 June 2008 and our submission then gave support to the ACTU's submission at the time and also provided some insight into the need for ASU members to have a system of paid parental leave through the that not only brought them into line with the majority of the rest of the world, but also ensured that parents be given the best opportunities for their families whilst they're at work and be able to provide sustainable lifestyles in which to raise those families.

Our members live in all corners of Australia from remote territories to the hub of capital city life. The diversity of our members also ensures that we represent those families who are created in many different ways and it's vital in all that we do at the ASU to ensure that any description of family encapsulates lesbian, gay, bisexual and transgender members. The ASU also identifies that raising a family does not only include straight or same sex couples or single parents, but includes the extended family as seen in the indigenous communities where, for example, a mother may chose to have a primary carer and any related payments transferred to grandparent, auntie or extended family member. I noted your comments earlier and I would be happy to go further on that point.

ASU members that we represent here today come from an amazing range of working environments as well. Our union is a very diverse one. Our members work in areas such as flight simulator trainers, taking your bets over the phone or at the race track, community and disability workers, university, local government, public health or utilities, admin workers, travel agents, call centre operators and many, many more. Our members work at the highest level of industry and many of our members are engaged on state based awards and are reliant on all forms of protection

provided by the industrial system for their work. We represent ASU members who work in environments where collective bargaining provides the ground rules for wages and conditions and in many cases these agreement workplaces have been bargaining for years and good gains have been made in areas such as paid parental leave.

So at this point I would like to turn to the substantive matters in our submission which is in response to the commission's interim report and then following Jan will have her story to share with you. So the ASU keenly endorses the Productivity Commission's conclusion that an Australian statutory paid parental leave scheme is not only desirable but affordable and achievable. This is a landmark position that will finally provide the economic and social foundation for working families in Australia and we can look forward to deriving some of those benefits that many of those other countries have developed in the past couple of decades.

The basic position of 18 weeks' paid leave for primary carer and two weeks' paid leave for the secondary carer is an essential step towards a system that validates the role of women in the family and of parenting in particular. The importance of early childhood years are already enshrined in the proposed new employment standards and the various state acts providing a statutory basis for family and parental leave which can now start evolving into a system that will provide a fairer economic and social foundation for parents. It will also be important for the new system to be as equitable as possible and without any features that may inadvertently lead to inequality, particularly amongst the lower-paid sectors of the Australian workforce and also those who are not in paid employment.

As it is only correct that the existing standards allow for up to two years' leave paid or unpaid and a return to work on a part-time basis, where reasonable, up until the child is of school age, it is very important that no artificial cap be imposed on the proposed statutory payment of the 18 weeks' leave. It is also noted that the average desirable duration of postnatal absence from work should be around six to nine months or 26 to 36 weeks and the adoption of an 18-week statutory payment should in no way whatsoever prevent the statutory system from evolving into a more substantial economic foundation for family formation and development, together with a continuing attachment to the workforce. The caring role must be able to coexist with the economic system and the capacity of a new statutory arrangement to be able to move to periods of paid leave of up to 26 weeks or more is not inconsistent with systems in other parts of the world and is certainly seen as more reasonable by many unions and other stakeholders, including ourselves the ASU.

The ACTU submission in response to the draft inquiry report is recognised by the ASU as being comprehensive and detailed and we are in full agreement with it. There are a number of potential anomalies which the ACTU has articulated which will need further details to be developed to ensure that there are no adverse

unintended consequences. At this stage we would like to highlight just a few specific issues that arise from all of the submissions and responses. The first regards the amount of pay. Ultimately, full income replacement is the only way to address the structural inequality between a man and a woman's income over a lifetime which is inclusive of the superannuation guarantee and any other mandated superannuation payments. It is well established that it is primarily a woman's role as mother and carer for children and for dependent adults which creates the inequity.

When equity has been achieved there will be viable choices available to all people ensuring a work and family life are truly balanced. At that point it will not be necessary for complex qualification, evidentiary and statutory provisions, dispute resolution or administrative arrangements. However, in the meantime there must be a very carefully developed means of enforcing the new entitlements and certainly there should be more than just an administrative review in two years' time. It is also clear that the \$450 per month minimum is no longer reasonable within the superannuation guarantee levy system. Clearly many part-time employees, the majority of whom are women, earn more than \$450 a month by working for more than one employer. In introducing statutory paid parental leave this historical anomaly can be corrected by way of recognising service in a portable fashion across more than one employer and using the same concept that new payments can work across the workforce where there are multiple employers.

In terms of the amount of total leave, it is the case that some current paid maternity and parental leave provisions have been bargained by trading off sick, long service, annual and carer's leave. This has ultimately prevented the proper use of those leave - sick, long service, annual and carer's leave - conditions and the resulting paid maternity leave is devalued as well. It will be important that any existing limits to paid parental leave or taking of that leave are removed and that any deadlines for accessing the paid parental leave are consistent with the general provisions that currently exist, for example, within the two-year framework. It will also be important to preserve any state based or other higher standards that may currently exist if it's not possible to apply them in a universal fashion, for example, the right to request up to eight weeks unpaid concurrent leave as a non-primary caregiver and the recognition of a non-biological parent, such as a foster parent, grandparent or same-sex parent.

Regarding the 2009 federal budget, given that the commission's final report is due in February 2009 and the monetary negotiations involving next year's budget are happening as we speak, it's important that the priority for implementing the new scheme is confirmed with the government now. It is recommended that the commission continue in principal discussions with the government in order that the scheme can commence next year. There are also industries which are primarily reliant on government funding and so for the purposes of this submission we'd like to refer to local government and the social community services sector. It is the case

that there are very small organisations in both fields that have little capacity to raise funds other than those provided by either level of government and there are organisations which are substantial to very substantial and which have significant amounts of other income on top of that funding. Some of the smallest organisations provide relatively generous paid parental leave and some of the biggest provide nothing but the bare minimum unpaid parental leave and other minimum statutory conditions.

It is between the patchwork of these arrangements, none of which are ever fully funded by grants made by the lone government departments, government departments usually recognise long service leave, annual leave, annual wage increases and increments but not all of them and not all of the time. Generally funding recognises the need to meet on-cost and formulas that have been developed to cover workers compensation premiums and leave loading et cetera, but most of these organisations operate in a very complex administrative environment working with multiple funding agreements from the same or various government departments and correctly every one of those dollars has got to be accounted for. But while the government doesn't employ the employees of these organisations, the government departments often effectively determine the boundaries of the remuneration.

So rather than create further administrative complexity it will be important that both state and federal governments recognise the additional funding that will be required and that the concept of portability be applied by way of COAG in the same way that portable long service leave should work and also essentially the superannuation system as well. The ASU also supports the submissions made to this inquiry verbally by the ACTU and other unions to date. We're aware that you've heard from many women and families on the difficulties or the successes that they face during their need for parental leave. For the ASU, our representations on behalf of members and issues related to parental leave are varied. We have represented members whose employment has been terminated due to their announcement of their pregnancy. We have a representative who, on advising her employer she was pregnant at three months, she was given a first and final warning in the event that she ever brings her child, as yet unborn, anywhere near the workplace.

We have had members working in regional towns as disability workers, a husband and wife team. The employer would not provide the husband with flexible working arrangements to allow him to be the main caregiver and to allow the mother to breastfeed and to follow the return-to-work plan for the mother's postnatal health needs. This couple ended up being left with no money, the mother had to stop breastfeeding, she suffered further health aggravation due to the organisation not being compliant with her return-to-work program and the union was forced to take the organisation to the Industrial Relations Commission no less than three times in an effort to achieve some sort of settlement and reasonable program for work for the family. Ultimately they were forced to find work elsewhere but the damage of the

forced end to the breastfeeding, the exacerbated health issues for the mother couldn't be remedied.

We have members in workplaces where we have negotiated very successful paid parental leave schemes, open to all families, including same sex, foster parents, long-term early carers such as grandparents and extended families and whilst the number of weeks' leave in many cases continue to form a part of the bargaining process itself, as we addressed earlier, the conditions and provisions around a person taking leave, seeking flexible return-to-work arrangements and continuing to be a part of the workplace whilst they're on leave have been achieved. If there were to be indeed - and we would very strongly support that there should be - a government paid parental leave scheme, this will only enforce the fact that such leave, like annual leave, long service leave, are a fundamental right for all workers and guarantee that families have the best opportunity to raise their families.

So we thank the commission for your time in hearing our submission today and I would conclude my remarks by thanking Ms Lurline Comerford for her assistance in preparing our submissions to this inquiry and by presenting to you Ms Jan Sheppard. Jan is a member of the ASU and Jan would like to take the opportunity to present to you, as a working mother - and we thank her very much for her time and courage in coming forward today - to add her story to those you've heard and to assist you in your deliberations with the government to ensure that paid parental leave becomes an enshrined right in this country and that the new system be included in the 2009 federal budget.

MR FITZGERALD: Thanks Jo. Jan.

MS SHEPPARD (ASU): Hi, I'm Jan Sheppard. I believe this story that I'm going to tell you is probably the same as you've heard many times before. I have two children. I had to return to work at four months with both of my children because we just could not afford for me to not go back to work. I did have a husband, but we just didn't have enough money to be able to pay our rent and all our other bills to be able to do it. Unfortunately, I actually had to have caesarean births with both my children so that meant I had six weeks of recovery to start with. My daughter had colic. So I returned to work at four months. In the end I had to stop breastfeeding because I just couldn't manage to do both which led to some health complications for me personally that required a whole range of things that I needed to do. My employer though was quite generous and would allow me to return to work, but wouldn't allow me to have flexible starting and finishing times. I had to drop my children at child care. My son didn't sleep through the night until he was nine months old which meant I averaged five hours' sleep a night for the six months that I had actually returned to work.

So the bonding wasn't quite there either because by the time you've had your

caesarean, you don't see the child because you're asleep, you don't get the same level of contact with them. I spent probably the first month and a half crying every day on the way to work as I dropped my child who didn't really care because they were four months' old and as long as someone fed them they didn't care. But it was really hard on me. I think this is something that most women find. Women don't go back to work generally at such an early age of a child if they have a choice. I had no choice. We had no other income. At least if we had paid maternity leave I would have been able to stay at home for 18 weeks with my child. That is really my story.

MR FITZGERALD: Thanks very much for that, Jan. I might ask Angela to start.

MS MacRAE: Just in relation - and there was a lot in your opening comments, so thank you for that - to comments about having a lot of your members on state based awards and as a result of that we have had a bit of a debate in some of the sessions about whether any form of statutory leave should be reflected in the NES or whether it should be in a stand-alone piece of legislation, whether you had a view on that, particularly, as I say, given that you've got quite a number of your members that are on state based awards rather than being covered by the NES, if I'm understanding that correctly.

MS JUSTO (ASU): Yes, absolutely, thank you. In the first instance our support at this point in time would be that the NES be the place where the provisions be included. Ultimately, depending on any change that may come about and under the same breath that our industrial system is, possibly as we speak, commencing its changing process it's a bit difficult to predict where the end result is going to be in terms of state awards and exactly what their coverage is going to be a year's worth of negotiation around - not quite a year's worth of negotiation around - the development system. So at this particular point in time it would appear to be the very appropriate place for the provisions to sit within the NES and then there is going to be a much broader capturing from our point of view, certainly for our members who, for quite a lot of those state based awards are ultimately going to be covered by federal awards once the legislative changes and the award modernisation process concludes. So we would see it sitting in the NES in the first instance.

MS MacRAE: You also talked about enforcement and the importance of that from your point of view. How would you see that ideally sitting? Where would the responsibility for that lie and would you see that ideally as also part of an NES-type provision or - - -

MS JUSTO (ASU): The enforcement as in compliance?

MS MacRAE: Yes.

MS JUSTO (ASU): In the first instance for us - I think one of the reasons why we

talk about there needing to be a level of understanding for employers is that even whilst we've bargained in many places and quite often with employers who have reasonable levels of responsibility in terms of compliance with their general working conditions. If there are things that aren't very clearly determined for them that are, "You must comply with this or there is some form of other punitive measure that may come your way," then there is a capacity for them to work around them, attempt to adjust them. We would like to think that there wouldn't be a requirement for punitive measures, they're a little like saving water in Queensland. People have not got penalised too often and they've come too used to using buckets to wash the car. Whilst that is as equally a broader societal issue, it is not quite the same as an employer who doesn't comply with the legislative standards.

It would be that there would need to be, whether it's through the Fair Work Australia, whether it's through whichever of the structural systems that are going to be developed that there be a direct link from the NES to those systems for dispute basis to be able to be raised.

MR FITZGERALD: Just in relation to that, can I just ask: at the moment, of course, under the NES employees have the right to return to work or the unpaid parental leave for 52 weeks and that's about to go to 104 weeks, as we understand it.

MS JUSTO (ASU): Yes.

MR FITZGERALD: As a union, have you experienced many problems in relation to the exercise of that current arrangement? One of the things that has surprised us is how many employees and employers don't seem to understand those arrangements anyway, notwithstanding they have been in place for some time. But do you experience difficulty as a union in trying to ensure that those current requirements are implemented?

MS JUSTO (ASU): We have endless issues. We have endless issues on the basis that the provisions currently available in the end for an employee to be able to enforce the right to request, the onus is entirely on the employee. The NES will, when it comes into effect, deliver that the onus changes and that's going to bring about a different effect from the employee. Not only a different effect in their right to request, but that the onus is not entirely on them to prove that the employer hasn't done the wrong thing. We have had enormous difficulty, I would have to say over the years, it's probably one of the higher rating issues our members contact us about, is how they're going to negotiate their return to work or how they go about requesting from their employer or they made an arrangement have come back and it's nothing like the arrangement - everything to do with the arrangement has completely changed and things in between.

MR FITZGERALD: Just leading to that, Jan, you made the comment that when

you returned to work after the four months you had difficulty with the employer arranging flexible hours and so on and so forth.

MS SHEPPARD (ASU): They just refused. They said, "These were the hours that you worked. If you don't work these hours, there's the door."

MR FITZGERALD: Was it the type of job where a more flexible approach to hours would have worked or was it a job dependent on being there at those hours?

MS SHEPPARD (ASU): No, they could easily have actually changed it. I was actually working on a switchboard and there were five of us and in fact we had to have the switchboard open from 8 am to 5 pm. I asked if I could actually have my hours in the middle. The other staff that I was working with said that was fine, "Because you've got a child we're happy to do that." The employer refused because they would then be discriminating against the other staff who didn't have children. That was their argument, even though the staff that I was working with agreed to it.

MR FITZGERALD: The changes in the NES that require - I'm not quite sure of the wording of it, in relation to employees being able to seek flexible arrangements in the workplace. How do you think that would pan out in Jan's case if they're implemented or introduced.

MS JUSTO (ASU): When an arrangement is not able to be negotiated with the employer, when an employer under the NES now seeks that and the answer is negative, there is an obligation on the employer to provide that response in writing. Up until that point when the NES comes into place there's no onus on the employer to provide anything other than a "no". So for an employee and even for an employee who is a union member and has the assistance of the union - and there are many who do not, as our Working Women Services can attest to - there is no real capacity - it is kind of like going to court for murder without any evidence. You have to somehow get it out of the employer whilst you're in the court process. At least there will be an obligation - it's a very small one and it's not going to go a long way - but in terms of then taking a dispute with the employer, there at least has to be some response from the employer formally first for the employee to be able to say, "Okay, fair enough, it can't be done," or, "No, that's completely not right and there's more we can do to try and make these arrangements flexible because we do try to encourage and educate employers that we work with that it's actually going to cost them much less at the end of the day to do that than to lose an employee and start again.

MR FITZGERALD: Okay. Anything else?

MS MacRAE: Just in relation to - and you did say that you might come back to the point in your opening comments and you have heard what we had said earlier about the reasons that we had, at the moment, kept our eligibility in the sharing of care

relatively tight in terms of parental care and, I guess, your proposal is for something broader where there's anyone assuming the primary care role that they would be given access for that. Can you just explore that a bit more for us and perhaps comment on some of the earlier comments that Robert made.

MS JUSTO (ASU): Certainly. I think probably the fundamental issue that comes to that is that we have a very middle class, white view of what is family and that Australia actually has a significant proportion of members of our community that that description doesn't cover and if we bring about a legislative or statutory environment that precludes us from encapsulating what is in fact two Australians' definition of what family is, then I think we've got a very flawed system. So I think, meaning no disrespect to the commission's position on that, that it's not "just a", it's about grandparents and I understand absolutely your points about taking us to a position of having carers getting the opportunity to take parental leave. But there are cultures within our community that say very clearly that that is in fact parental care and that the extended family or whoever is nominated as the person who has the primary responsibility is doing the parenting.

So we need to be very sure that we do not remove one more time that opportunity for the cultural experience to be gained. There are many other smaller communities - smaller in number and smaller in location - within the Australian community that identify that their extended family are all collectively responsible and the fact that the parent who gives birth or the individual who gives birth to be able to nominate that this is the primary carer of the child, then that fundamentally is not taking it outside the realm of carer, it is still all about parental leave and it may well be that that may be the only person available to take up that caring. There are a range of reasons why it is very important for us to - we can say, "Yes, it's all important - let's not put our children in some enormous child care service, let's have somebody from the extended family and, great, we can get them some money on the side." It's not about that at all, it is about the fundamental values that people have about what they consider to be their family and who are in fact in many cultures it is the grandparents who are the seen as the appropriate people to raise the child from birth for a couple of years and that is how families say they raise good children.

MR FITZGERALD: Okay. Can I just go to an issue that's obviously contentious in relation to this inquiry and that is the payment of superannuation and other entitlements. Obviously we're hearing from business groups and others and we will shortly. Your view in relation to the payment of superannuation and other entitlements is premised on the basis that this is an ordinary leave arrangement and therefore these should be attracted. Nevertheless, that comes at an increased cost to employers generally and I was wondering whether or not, for the sake of getting your scheme up, trade-offs can be made in relation to those particular issues or whether you see them as fundamental to the integrity of the scheme itself.

MS JUSTO (ASU): I think they're fundamental to the integrity and I think we've been trading off for a very long time and as a result workers' basic conditions have been traded off in order to get something else that should be included in the same list of fundamental rights and entitlements for workers. I see that in terms of superannuation specifically that it would be very inappropriate for it to be an issue that's bargained against any other entitlements that workers have. They have been put there for a reason through agreement by dispute and consultation with many employers and employer groups over a very, very long history that I'm sure you've heard much about in your travels.

But the point is they're there for a reason and if we start slowly whittling them away in order to gain something else which really is not a big stretch to go at the basic entitlement. We're very keen that employers should be racing and willing to the front door to say, "No, we're going to continue to pay people their full superannuation entitlement," but in terms of maintenance of the bottom line and the system becoming portable, available to all workers who would be in receipt of paid parental leave, then it's imperative that, no, we don't bargain off anything else.

MR FITZGERALD: Can I just ask about your portability in relation to superannuation. Can you just explain to me what you're proposing in relation to the superannuation.

MS JUSTO (ASU): Our issues would be concerning around the \$450 a month at this moment and the Productivity Commission has very reasonably put forward a mechanism for how people at the very lowest end of the wage earning can encompass a range of employers in order to achieve that payment. That same process can't be achieved through the superannuation guarantee, so there needs to be an address to that issue in order to ensure that those people who would be through your provisions at the moment as they're stated, for those people to be able to access that, which is a wonderful thing, they would actually be cut from accessing superannuation because they necessarily don't add up to the total under the multiple employers.

MR FITZGERALD: Okay. Can I just ask Jan one question. Had there been a statutory scheme of 18 weeks in the way that we've proposed, how would that have changed your decision to return to work in terms of timing? What do you think in hindsight you would have been able to take if there had been this scheme, in addition to whatever other benefits you currently have.

MS SHEPPARD (ASU): I believe that I'd probably be able to take up to 12 months because I would be able to stretch that money out. We were actually only able to survive - with my first child I left six weeks before the birth and went back four months after. With my second child I left at two weeks and then went back three months later. If we'd actually had the paid maternity leave I would have been able to

stretch that I would say probably close to 12 months because I would have been able to halve that money and spread it out over that time which meant I would have had that time with my children which meant I would have been able to continue breastfeeding and bonding. I suppose you're considering the first six weeks after you've had a caesarean - - -

MS JUSTO (ASU): A black hole.

MS SHEPPARD (ASU): Absolutely. I mean, I don't know, but I think I probably would have been able to stretch it probably to 12 months.

MR FITZGERALD: Okay, good. Angela, have you got any other questions?

MS MacRAE: No, that's all.

MR FITZGERALD: Any other final comments that you have, Jo?

MS JUSTO (ASU): No, only to say thank you for your time and your interim report and we're very happy to support you in ensuring that this is in the 2009 federal budget.

MR FITZGERALD: Come February it goes from us to others and it's up to you to see what happens. Thanks very much. If we could have the next participants, please.

MR FITZGERALD: If we could have your full name and positions and the organisation you represent and then, as you've observed and done previously, just some opening comments and then we'll have a discussion.

MR BIDWELL (CCIQ): Certainly. Paul Bidwell, I'm the general manager policy with the Chamber of Commerce and Industry Queensland.

MR NANCE (CCIQ): Stephen Nance, state manager workplace relations of the CCIQ.

MR BEHRENS (CCIQ): Nick Behrens, state manager policy, the state chamber.

MR FITZGERALD: Good, over to you.

MR BEHRENS (CCIQ): We'll be very brief. Since we appeared before you last we've changed our name from Commerce Queensland to the Chamber of Commerce and Industry Queensland which is a mouthful, but we haven't changed our position which is still that we strongly support a government-funded parental leave scheme. We don't support, we oppose the prospect of business picking up any of those costs. So in terms of your recommendations, we're opposing the business picking up the administration cost as well as business carrying the cost of the employees' superannuation. The issue of the 20 weeks, which we may well come to is something that - we did support the 14 weeks, but we concede the benefit, the merit, in terms of a range of issues for that to be extended to a 20-week period, but we're still consulting with our members to get a sense about that. But in principle, obviously we strongly support the proposal to have that paid paternal leave scheme.

Mr Nance, my colleague, Stephen, is an industrial relations expert so there were a few questions to ask last time which Nick and I felt underdone, so we thought we'd bring in some heavy guns if you asked us any ticklish questions and Nick can deal with any economic issues, of which there are some I think in terms of timing. It's important to bear in mind the conditions that we're currently operating in and when you talk about the federal budget, what's that going to look like next year in terms of the global financial crisis.

MR FITZGERALD: Okay. Any other comments?

MR NANCE (CCIQ): Just one point: when we talk about the 20 weeks, we're talking about the 18 weeks plus the two weeks' parental, and we see that as the cost, the real cost, rather than just talking about the 18 weeks. But as Paul said, we'd support a government-funded scheme. That was our initial submission. We had a difference of view what that amount would be, but the decision of the Productivity Commission to say 18 weeks, yes, we'll accept 18 weeks if it's fully funded by the government, but the issues that Paul has raised of employers being the paymaster is a

major concern for us and the additional on-costs of the 9 per cent on that period of time is another concern because when this was envisaged or when this was discussed, the Labor government basically stated there wouldn't be any additional on-cost to the employer, so we took that in good faith. The 9 per cent is an additional on-cost, and being a paymaster in itself will add up the costs, so that's our principal concern.

MR FITZGERALD: Okay. If I could just start in relation to the paymaster function, I suppose I want to go back. We have to make a decision very clearly, as all schemes around the world have done, as to whether this is a work-related or an employment-related entitlement or it sits within the welfare scheme. I suppose we came to a very clear view as the inquiry went forward that it rightfully fits in the wage system as a workplace entitlement before you come to who pays it. I just wanted to deal with that. I get a sense that the business community is not at one in relation to this. They are at one about who pays for it, but put that aside for a moment. Do you have a particular view as to whether or not it is right to actually form a view that this is a wage-related or an employment-related entitlement, as distinct from simply a recasting of the baby bonus and other welfare payments?

MR NANCE (CCIQ): If I start - hopefully we'll all say the same thing. I believe it's part of the welfare payment and not an employment-related issue. My views are manifest on a situation where an employee could be on sick leave, if they've got no sick leave left in the company and they are still at home, they apply to the government for sick leave benefits. Now, that's part of the welfare. As I said, this is no different to a situation where the government is paying for a proportion of that time or fund a proportion of that time. It's not an employer or employee-related payment. The employer is not actually making a direct payment to the employee. The funding or the money is coming from the government.

MR FITZGERALD: Do you see any benefit that derives to employers or to business from such a scheme, because if we look at it, 53 per cent of female employees are covered by some form of voluntary schemes. Now, we understand why the voluntary schemes or the collectively bargained schemes exist, largely to ensure the employers become employers of choice and attract labour. But one of the things that we did look at very extensively is whether or not there were benefits in terms of workplace attachment. The evidence, whilst it is clear that there are some benefits to employers of having employees return to that workplace - some won't of course but others would - if you believe it's purely a welfare payment, your view then must be to discount those, because this is fundamental. The design of the scheme flows from how you see this scheme. The design features didn't flow the other way - like, we'll have superannuation because it's a good idea - it flows from how you see - - -

MR BIDWELL (CCIQ): Can I make a comment on that? I don't - well, I do in

some respects disagree with Stephen on that. I can see why someone would push a very strong argument that it is employment related but our view is as Stephen outlined, but there is no doubt that the cost to business of employee churn is significant; there's a lot of statistics, up to 150 per cent of their costs. So it's obviously in an employer's best interests to ensure that employees stick with them. That, I know, is part of it. So on that basis, I can see why you follow that line, but looking back, I suppose, there's obviously two clear views, so without contradicting - - -

MR FITZGERALD: No, we understand the variance of views. I mean, it's not a problem to us that people have slight variations, except to try to get a sense of where people are coming from, in the conceptual sense, before we actually go into the detail of the scheme itself.

MR BEHRENS (CCIQ): The previous witness confirmed that whilst the long-term objective may be for attachment of the employee with the employer, there's a short-term result in that the previous witness confirmed that normally they would have only had three months' leave and that would now extend out to 12 months' leave, so there's an interim period where the employer would actually lose participation from their employees in the workforce and I think that really strengthens the view put forward by Stephen, in that it's more or less a welfare argument as opposed to being employee based.

MR FITZGERALD: If I just push the argument, we've got now through the NES the 52 weeks' unpaid parental leave and right to return to work and that's about to go to 104 weeks. Would it not be logical, if you were introducing a paid scheme for leave, that it sits within that framework? I'm not saying that it becomes part of the NES itself, which I'll come to in a second, but is it not logical that it would sit within that unpaid parental leave arrangement which is squarely and fairly a work-related arrangement?

MR NANCE (CCIQ): Yes. Logically, yes, it can sit there. Whether it's the best place for it to sit, I would have a different view. I believe it should sit in the welfare arrangement because it is a welfare payment. Whether you've got 52 weeks, 104 weeks, whether it's six weeks' leave that you take or whatever, that payment will be made by the government and it will be paid on that basis. It's not going to be related to the NES. It's not related to whether the employer has given reasonable consideration of whether they would extend the 52 weeks to a greater period. That is a totally separate payment and it's a payment - you know, we're talking about unpaid leave - but now you're looking at encapsulating in the unpaid leave some form of payment, so it seems to be an analogy of that situation in itself.

MR BIDWELL (CCIQ): It really depends on where you start the conversation, so there's a logic - we would argue on our side that there is inescapable logic on the

point you push as well, so I understand your dilemma.

MR FITZGERALD: It's an incredible one. It's the same with the objectives. If you agree with our objectives, the three sets of objectives that we have, which is enhancing child and maternal wellbeing, enhancing workplace attachment and ensuring greater work-life balance, then in fact, yes, the scheme flows in a particular direction. If you have a different set of objectives - for example, simply increasing payments to families, then in fact our scheme doesn't best suit that, so it really does depend on the agreement around the objectives, I suppose, and whether there's a fundamental difference or not. Angela?

MS MacRAE: I guess one of the first things that I'd ask is just maybe if you could elaborate a little bit on whether there's more you'd like to say about whether an arrangement such as this should sit within the NES or have it's own stand-alone legislation.

MR NANCE (CCIQ): I believe it should either be part of the SGA legislation, superannuation guarantee legislation, in some form, or whether it's a stand-alone piece of legislation but I don't believe it should form part of the National Employment Standards. Taking into consideration that the National Employment Standards would only apply to organisations or effectively trading organisations or constitutional trading organisations, that would still leave about 40 per cent of the workforce not covered by the NES. In Queensland, that's roughly about the percentage. Now, it varies in each state. New South Wales is most probably about 25 per cent, South Australia about 30 per cent. However, you could put it into the National Employment Standards and then it will only apply to federally registered employers and employees. It would not apply to employers and employees that are still in partnerships, sole traders, those types of people that would be still covered by the state system.

I don't believe it should have a mirror piece of legislation in this state because we are talking about superannuation here or some sort of welfare payment or work-related payment, whatever term you finalise on, but I believe it should be covered by the federal system. The reason why I am the SGA is that that covers all state and all federal employees and it's very simple; the majority of employers have an understanding of the legislation.

MR FITZGERALD: You mightn't be able to answer this question, but I understand - and I may be wrong - that certain provisions of the NES actually apply nationally already - parental leave is one of those - because it was introduced not under the Corporations power but under External Affairs powers.

MR NANCE (CCIQ): That's correct.

MR FITZGERALD: So is it correct - and it's a question that I'm not sure about - that some provisions of the NES apply nationally to all employees, whether or not they're part of a corporation, whereas other parts don't?

MR NANCE (CCIQ): You are correct. The parental leave provisions were made through the extraterrestrial powers, if I could use that term, because it's fairly strange that it came through, that one. But yes, you're right. The trouble is that it's just going to be very, very difficult in trying to educate state based employees and employers that one part of a national employment scheme has application to them, whereas under the Queensland legislation, the Queensland Industrial Relations Act 1999 covers those requirements, the Family Leave Award.

MS MacRAE: So they currently mirror the unpaid leave provisions of the NES, is that what you're saying, the Queensland - but it's state based legislation

MR NANCE (CCIQ): Similar, yes, very similar. I wouldn't say they're a total mirror but they still provide the 52 weeks. There's just some minor differences around the notification.

MS MacRAE: Just in relation to the comments that you've made in your subsequent submission about it being a major cost and that there are major cash flow implications for business, on our estimates of the potential maximum cost to business of the super contribution at least, which is really the only financial cost that's - sorry, not in relation to the super, in relation to the paymaster function, because we've premised it on the fact that you would only be in that role if you were getting quick reimbursement through the pay-as-you-go arrangements, we've estimated that even on relatively conservative sort of 10 per cent type rates that we're talking about a maximum of \$5 per employee per week, recognising that for the vast number of businesses, this is going to be a rare event as well. So the only time you're facing a cash flow cost is when you actually have somebody taking this leave, and we're talking about a maximum of \$5 a week.

Do you think it's fair to say that perhaps the cash flow element has been a bit overblown in some of the discussion, and to the extent I guess that it is an issue, if the commission was to adopt a provision such as the UK arrangement where there's a bit more than 100 per cent on its 104.5 per cent reimbursement for employers rather than the 100 per cent for small employers, if we were to take some sort of provision of that kind, would that satisfy you or is it the compliance issue as much as the cash flow that's a concern for you, if we're just talking about the paymaster function initially?

MR BEHRENS (CCIQ): Indeed we've had this conversation ourselves and notionally the cost doesn't appear to be too onerous. However, we have centred on the fact that it's more of a principle, that we're imposing an additional cost on

employers, given that employers already contribute significantly to the social wellbeing of Australians generally which is detailed in our submission. From our point of view, it really is the administrative aspect of dealing with this scheme as opposed to perhaps the notional putting a dollar value to it.

MR FITZGERALD: Can I just ask: we acknowledge that there is an additional compliance cost if this goes through. We acknowledge that. But if you look at the arrangements that currently exist in relation to employers with the payment of the army reserve, the child support arrangements and so on and so forth, in the scheme of things, the compliance burden is in fact very modest. Now, it's additional, I accept that, but it's not as extreme as, for example, the introduction of the GST and the BAS and all those sorts of things, nor would we want it to be anything like that.

But again, we've talked to employers directly and most of them acknowledge that it's additional but modest in nature and I think, as Angela said, it only applies if you have an employee going off and the chances of that are very small in most businesses. There are some very highly female-oriented businesses where the burden is higher, but just to try to get some proportionality into the discussion, it's a modest compliance cost.

MR NANCE (CCIQ): We would accept that, but as Nick said, it's that incremental addition of just more compliance. One of the continual gripes we hear from business is regulation and red tape and this is just another bit. But your idea of the 104 per cent is certainly attractive and would go a long way to negate that concern.

MS MacRAE: Just in relation to the cost to employers, if we're talking about the super component itself, one of the rationales for the payment of employer super - well, there's a couple of points, I think. One is to say that from the discussion we had earlier, I think you would understand that the commission's view was that this was an important workplace entitlement and should be seen as such and to try and entrench that view, rather than having it seen as part of the welfare system, that if super was paid on that, it would be more like many other workplace entitlements. We've also tried to design it to minimise the impact on employers, so one of the things we did was to say that if the employee was eligible for these things before they went on leave, then they would be afterwards, so we've tried very hard not to have employers in the position of having to define some new groups that they're not used to dealing with and try and keep that as consistent as we can to minimise that administration sort of issue.

We also thought that in relation to the quantum of the contribution that business would make, it's capped at that - if we include both the paternity and the maternity, so if you were an employer that had actually both those, the employed husband and wife and you got the whammy of both of them taking that leave that you're still only talking about less than a thousand dollars over that 18-week period.

We did take the view that there are some benefits to business, that this was a contribution that, in the scheme of what we were asking from employees and the government, that the three parties were making a contribution, I guess, and a contribution, from the employee point of view, is that we thought being able to take six months' leave was important, but to get to six months - "We're not paying six months" - so the employee is going to have to use some of their other leave or take unpaid leave for a period, so it's not like we're saying the employee shouldn't be making a contribution. They are, in kind, by having to take these other kinds of leave or whatever. The government is making its contribution by making this 18-week payment.

In some respects, I guess, we also thought that employers might say that if they're able to make that payment and in time they top that up or whatever through their own payments, then in fact there might be a benefit to business in being able to - the employees over time are unlikely to distinguish between those two, so they're going to see it as a benefit from the employer that really costs the employer nothing. That was another sort of reason for saying that the direct business contribution wasn't unreasonable.

MR NANCE (CCIQ): May I make a couple of points there: (1) there are some employers who offer very generous schemes for a whole range of reasons.

MS MacRAE: Sure, yes.

MR BIDWELL (CCIQ): So what we're really talking about is the bare minimum scheme that might apply. Our view is that the employers are already - particularly in small business, their contribution is almost that that person is going to be away from the workplace and they are going to have to backfill that position and that is a real struggle. Even in these times of a global financial crisis, it is still hard to get good staff, skilled or unskilled. So our sense was that was the employer's contribution to it. If it was to be a government-funded scheme in the broad, then the government should fund all of those costs, so we take your point about the administration. But the superannuation, I was going to ask the question about the rationale for that split, the 100 per cent and 9 per cent. So that would be our view.

MR NANCE (CCIQ): Just the other point that you raise, you raised that over time, employers will see this as a benefit from the company. After nearly 20 years of bargaining or more, I don't agree with that statement because the employees are very smart. They are saying, "That is a requirement that you've got to pay, by the company," or something like that. "That's not an additional benefit that you're making on top of what you are providing us," or in the negotiations or any sort of workplace bargaining. They do make it very known to you that that is government legislation and you are required to do that. So from my own experience that doesn't relate to, "This is an additional benefit and it will get clouded." It certainly, in my

opinion, doesn't get clouded.

MR FITZGERALD: Just in relation to the work/family/life balance issues which are very current and are going to be more enshrined in the NES that it's the suite arrangements that are put in place that will overall or over time enhance the relationship between the employer and the employee? One of the things we're very clear about is that for women returning to work the nature of that return is very important, the flexibility that exists on return to work is critically important, access increasingly to breastfeeding facilities and you've heard about that this morning, and others are very important. One of the things that has come through very clear to us is this view that this is such a significant issue that if employees embrace this scheme then it's a very clear change in the way that employer and employees will see the relationship around birth.

So whilst I hear you say that you don't think that's so, it seems to us that it's part of a suite arrangements. It is an important element in a changing relationship between employers and employees. We don't want to overstate it, but you're much more pessimistic than we would believe.

MR NANCE (CCIQ): I think it depends on the demographics of the workplace, to be honest. I had a workplace agreement voted down because I had paid maternity leave because the demographic said, "That was no benefit to us, we wanted other things." So again it goes back to your own individual workplace or how it will be seen. Younger workplaces, it would be seen as attractive. If you had flexible workplace arrangements when they could come back and look at all the different sort of arrangements that you could put in there, yes, that would be a great enticement. Does that mean the employee is going to stay? The answer is no. Those things do not give guarantee to people staying. It is a factor, but it's not the factor. There are a number of other different factors that will come into consideration whether an employee will either stay or whether they will move off or whether they just take time off for their own reasons and not to go to the workplace. They're the factors that have to be considered.

MR FITZGERALD: It's true that some people won't return. The evidence overseas seems to indicate that there would be an increased likelihood of staying with the firm. We can't be precise about what that will be and only time will actually tell us in the Australian experience, but the overseas experience is that there is a higher percentage do return to the same employer. Again, not 100 per cent and nowhere near that.

MR NANCE (CCIQ): I'm not saying that the employees won't return to the same employer, it's how long they will remain there before they move on or alternatively they do move because they get offered better jobs. Reality states that the XY generation will look at moving if they're offered better positions, faster career paths.

They're other factors that will be taken into consideration.

MR BIDWELL (CCIQ): But your point about the suite of measures that might be agreed in the workplace is very true, but just going back to the point that I was trying to make before that what you're proposing would set the base of that - - -

MR FITZGERALD: Sure.

MR BIDWELL (CCIQ): - - - and there may well be a suite of things on top of that.

MR FITZGERALD: Yes, there is.

MR BIDWELL (CCIQ): I don't see it as part of the suite, I just see it as, "That's our starting point." As Stephen said, people aren't going to say, 'Well, thanks very much for that. You're not giving me anything I'm not entitled to.'

MR FITZGERALD: Just in relation to the NES and this issue about flexibility and you've heard the presentation by the Australian Services Union just before you came on, how do you think that will play out in the workplace as part of this suite that I talk about? This inquiry is not just about parental leave, it's about support to parents of newborn children up to the age of two. So it's of relevance to us, although I suspect by the time the report comes out the decisions have already been made, in fact as we talk today. So just your view about that.

MR BIDWELL (CCIQ): The proposed changes to the National Employment Standards where the employer will have to give reasonable consideration to any request on return and in writing, we totally support that. We think that's a good idea because that avoids a lot of disharmony within the workplace because people don't actually know the reasons why. Gossip spreads very quickly and that can cause a lot of disharmony in the workplace. By giving a reason in writing - whether the employee agrees with that reason or not - at least she has or he has something in the form of saying that, "This is the view of the company and the reason why it cannot be granted," or, it cannot be granted in the form that they're asking, however, it can be granted in some other format or some sort of other flexible arrangement that may give a similar or a total support to, but not in the way that they're looking at.

Employers generally do try to accommodate. The majority of employers will try - look, some employers won't and, sorry, I can't help that, and for whatever reasons and some of the reasons are, "This is not what happened to me when I came through," and it works on both sides of the females and males, you know, they have some of these very strong views that state, "It didn't happen to me, so why should it happen to them." Generally employers will try to accommodate, they will be flexible in looking at it, but the bottom line with any organisation is that they will look at the

position and see whether that position can be on a flexible arrangement. People say, "We can job share, it's easy to job share." But job share is very difficult, you've got to get people similar, they've got to work together, they've got to be able to work, integrate with each other. A lot of times job share it actually breaks up because the other half doesn't want to work with that person and the company is left saying, "Well, that was the arrangement. If you can't do it, then you have to leave." That is the unfortunate aspect.

Part-time employment is good, but in circumstances it is just not viable to have somebody in a part-time arrangement. Companies may try to do it for a short period of time, but when you're looking at extending it to 104 weeks, that creates a whole lot of different problems. It's a bit of a wait and see game. Hopefully there will be more good stories rather than bad stories.

MR FITZGERALD: Just a question. We talked about increasing the duration of time that a person will be away from work which is an absolute key objective of the scheme. It's designed to in fact elicit behavioural change so that women are able to stay away longer or parents are able to stay away longer. Some employers have put to us that that actually has a benefit, whereas it is very difficult to replace people for three to four months, it is easier to replace people for longer periods. I have no idea, I'm sure it's industry-specific, but I was wondering whether you have had any feedback in relation to that because there is some logic to this; that you can get people - - -

MR BIDWELL (CCIQ): To some degree, yes, that is correct. It is easy to try to get somebody on a fixed-term contract for 12 months where they've got 12 months' security of employment rather than saying, "Look, we'll give you a job for six weeks and depending on what happens after that, you may or may not have a job," from a prospective employee where you go for six weeks or 12 months. Again, it will depend on the employee themselves. They may be quite happy, it may be fitting in to some of their arrangements, their personal arrangements and it suits them. However, from a business point of view I would say that a longer period of time of 12 months would be easier to attract staff. There is a fine line, beyond that it becomes a little bit more difficult because then you're really committing to two years and that comes into different factors that you would have to consider.

MR BEHRENS (CCIQ): It's a relative thing. So while six weeks might be better than 12 months, a full-time job is better than 12 months. I wouldn't necessarily subscribe to that. I wouldn't subscribe to that view. It might be a bit better, but it is still problematic, particularly for small business and particularly - well, in the almost current environment.

MR FITZGERALD: Well, yes, whatever that might look like in a few months' time. My last question - and Angela might have some others - is in relation to the

current voluntary arrangements. As you know, in our report we have not been prescriptive in relation to what should take place and in relation to the existing arrangements. Many of the unions have indicated that we should in fact recommend that the current schemes remain as they are and enshrine that in the law. Our view has been that the employers will in fact maintain those schemes for a whole range of reasons: one to be an employer of choice; two, because of the collective bargaining arrangements that are now in place. But what happen is that they might change in character. People might use them to top-up, to extend periods, to vary them according to what best suits the workplace in relation to family life balance issues. But I was wondering whether you have a view as to what you think employers will do, firstly, and, secondly, what should we recommend in relation to that issue because it's obviously a clearly important issue.

From the commission's point of view, I will be very clear, we are not in any way supporting a situation where what we're proposing suddenly substitutes for what exists, and we've made that point in the commentary in our documents.

MR BIDWELL (CCIQ): Contrary to the union's view, most of the additional benefits or paid paternity leave or maternity leave are contained in some sort of workplace instrument. So they just can't not abide by that instrument. From the organisations that I have dealt with, and I deal with a range from small to medium to large, their general view is that any paid parental leave that comes out from the government will be in addition to what they have already provided to their employees. They see it as a retention attraction. That's their principal reason why they're doing it. The other reasons are the secondary reasons: that is, bringing them back, it's easy to keep staff there rather than training new staff into their areas like that.

So I don't agree that it should be automatic top-ups or anything like that. I suspect that will be part of the negotiations, but I certainly do not support any enshrining of any existing arrangements because they were entered into by bargaining and when those agreements come up for renewal then all matters will be subject to negotiations. Rather than the employers, employees also change their views because if they see better benefits in something else, they may be prepared to forego paid maternity leave knowing that it's already there and seek some other benefit which they see as a greater benefit to their family.

MR NANCE (CCIQ): So our recommendation to the commission would be that the commission support the right of the employer to determine for themselves whether a voluntary offered paid parental leave scheme is appropriate for their own business.

MR BIDWELL (CCIQ): For what's it worth, after we met here last time I talked to one of our major members who offers a generous voluntary scheme and asked

them that very question. Unfortunately, I never got back to get a final answer. But the initial response was they would want to be able to use that as a bargaining. Well, in essence - well, exactly what Stephen outlined.

MR FITZGERALD: Okay, good. Angela, anything else.

MS MacRAE: That's all.

MR FITZGERALD: Are there any final comments you'd like to make?

MR BIDWELL (CCIQ): No, we'll leave it in your very capable hands and we look forward to what you put forward to the government.

MR NANCE (CCIQ): Thank you for the opportunity for hearing from us.

MR FITZGERALD: It's a pleasure. We will now take a 10-minute break and there is tea and coffee outside for those who would like it.

MR FITZGERALD: Okay. If you could give your full name and any organisation you represent or if not - - -

DR O'SULLIVAN: My name is Jane O'Sullivan and I'm presenting in a personal capacity, so it's not probably appropriate for me to identify my employer.

MR FITZGERALD: No, that's fine if you're here by yourself. Just make an opening statement and then we'll have some discussion.

DR O'SULLIVAN: Thanks for the opportunity to present. I've got a fairly lengthy opening statement if that's all right but I'll just get through the points that I wanted to make.

MR FITZGERALD: About quarter of an hour is fine.

DR O'SULLIVAN: That's fine. Firstly, I'd like to congratulate the commission on the formulation of a scheme that is largely robust and equitable, catering for a wide range of circumstances of both employees and employers, and in combination with the unpaid leave and return-to-work entitlements under the National Employment Standards, the proposed scheme addresses many of the current inequities and barriers to workforce participation and career development that mothers face.

It presents a clear message that taking time away from employment for family reasons is a normal expectation for both mothers and fathers and therefore one that employers should support, and it alleviates the cost burden on employers' support. Direct government funding at the level of the minimum wage is the most equitable and transparent approach. The mode of payment was discussed at some length in the report and I believe that payment of leave entitlements by the employer and reimbursement of the employer by the Commonwealth would seem to provide the simplest system from a number of angles.

The draft report discusses attitudinal benefits of presenting the payments as normal employee entitlements and increasing employee loyalty and workplace attachment. There are other practical benefits that I did not see discussed in the report. From the employees' point of view, it would minimise effort to find information about and apply for entitlements, as well as allowing income tax to be deducted on a PAYE basis and not requiring additional complexity in filing tax returns. Employers who choose to top up the maternity leave payment would simply be able to pay at a higher rate and claim a partial reimbursement.

In relation to the discussion immediately before the break of a Commonwealth payment being additional to existing voluntary schemes, I believe that it would be preferable to present the universal scheme as a minimum employer payment for

which the employers are fully reimbursed, rather than as a separate additional payment so that there isn't a perception that people on maternity leave could get their full salary plus the government benefit, which I think would send negative messages.

But my main purpose in wanting to speak to you today is to advocate that only a woman's first two childbirths should be eligible for the government contributions to maternity leave. I don't wish to talk about the situation of adoption, and I don't think there is any need to restrict eligibility for numbers of adoption. My reasons for this proposal are threefold: firstly, the proposed parental leave scheme is likely to further increase fertility rates and I see this as an undesirable outcome. Since I made this case at some length in a written submission and yet the draft report reflects only a pro-natalist's perspective, I thought it more useful to make a further presentation in person rather than another written submission.

Secondly, limiting eligibility in this way will encourage women to defer having children until the period of employment has been established. This is highly desirable in terms of both financial and sociocultural circumstances for the children, the career prospects for the mother and elevation of workforce participation rates benefiting the nation. Thirdly, limited eligibility will reduce the cost to government, thus reducing the pressure to defer introduction of the scheme. Immediate adoption with a degree of rationing is far preferable to delayed or denied entitlements.

I'd like to give some rationale for each of these arguments in this opening address and invite further discussion afterwards. Firstly, in relation to fertility, the draft report agrees that a universal paid parental leave provision is likely to provide a small stimulus to fertility, although insufficient to make this an objective of the scheme. The language of the report refers only to the perceived risk of low fertility, not to the costs and risks of high fertility. It refers to Australia's fertility being in a safe zone, meaning not too low, while acknowledging that total births are at a historic high.

The capacity of government policy to modify fertility rates is greater than many believe. Over the period since the introduction of the baby bonus, Australia's fertility rate has risen from 1.72 births per woman and falling to 1.93 and rising in the space of only five years. This is a remarkable and alarming turnaround. While the report attributes much of this shift to women having children later, this is not a valid explanation for this statistic. Only an increase in births to younger women would increase the bunching effect that the report implies.

I've already given arguments against population growth in my written submission and I'd be happy to elaborate these in response to any questions. The concern about below-replacement birth rates and ageing demographics are largely misguided. Objective analysis of these issues is not reaching the government, due to its refusal to review population policy. On the other hand, highly partisan selective

and at times dishonest analyses from business and property lobbies are being heard.

I acknowledge that it's not the business of this commission to debate a population policy for Australia. However, it should be a concern that the maternity leave scheme should not provide a barrier to future changes in population policy. Such a change is quite likely to come sooner rather than later, as it becomes evident that the infrastructure crisis is intractable and election promises for improved education and health services are not deliverable because they can't keep up with our growth. Ross Garnaut has argued for smaller greenhouse gas reductions for Australia than other developed countries on the basis that our growth necessitates greater per capita reductions to achieve this. If the international community rejects this position, as they should, on the basis that our population growth is deliberate and avoidable, this may increase the government's incentive to change track.

On the second subject of encouraging deferral of births until after women have gained employment experience, I want to draw your attention to Australia's relatively low score on child welfare indicators in comparison with other OECD countries, despite our high expenditure on families as a per cent of GDP. The Australian Research Alliance for Children and Youth, in collaboration with UNICEF, recently published a report card of the wellbeing of young Australians. Dr Fiona Stanley, an author of the report, argued that the relatively low level of several statistics constitute an issue of great concern that should be of the highest priority for the Australian government. Aboriginal Australians fare among the worst in the OECD for health and poverty indicators, but the statistics for Australians generally are more relevant to our discussion today.

Why is it that Australian outcomes are so poor, despite our high level of spending? Other countries, particularly those in northern Europe, with whom we share closest cultural ties, appear to get a much bigger bang for their buck. Looking at the OECD's report card for Australia, in the report *Babies and Bosses, Policies Towards Reconciling Work and Family Life*, the profile of Australia's spending stands out from the rest, due to its very large proportion of parenting payments to unemployed parents. I'm not suggesting that these payments are inappropriate, only that they indicate the low level of workforce participation among parents in Australia.

Unemployment, single parenting and especially very young parents are associated with lower health, education and social outcomes for children. Rather than focusing only on responses that attempt to assist children already in vulnerable circumstances, governments should be pursuing policies that reduce their conception in the first instance.

Before I am accused of Aryan attitudes of deciding who should or shouldn't breed, please let me clarify that I'm talking about having children at an appropriate

time in life. For young single people, having a child creates an enormous barrier to the pursuit of a range of educational or career options. A parent's lack of life experience leads to poor social adjustment of the children. Even for couples, having children young increases the risk that children will be raised in broken families, and broken families mean unemployment or part-time employment for most single parents in Australia, with associated impacts on their children of poverty and lack of security.

It was recently reported that teenage pregnancy rates were declining in Australia but have remained stable over the past five years. The arrest of this decline coincides with the introduction of the baby bonus. Moreover, rates in capital cities have continued to decline, apparently thanks to life education programs targeting teenage women, but in rural and regional areas where these programs are less available, pregnancy rates have increased. Thus, discounting the effects of the education programs, the baby bonus has increased teenage pregnancy rates.

Why do Australia's single parents have almost the lowest workforce participation rate in the OECD? There does not seem to be evidence to argue that work-family balance is so bad here that parents can't sustain work. A more plausible argument is that the parents were already unemployed and chose to have children because of financial incentives or to give their life purpose that is denied them in unemployment or to escape the demoralising constant scrutiny of an overly demanding unemployment benefits system.

A parental leave system alone can't address all of these issues. However, it can provide an incentive in the right direction by rewarding parents who delay parenting until they are established in the workforce. It's not appropriate to penalise teenagers or unemployed parents directly, as this is against the interests of their children. However, the disincentive of forfeiting future paid parental leave may be sufficient to reduce the number of vulnerable children. This is a penalty they only incur by their own choice to have a third or subsequent child after gaining employment.

Finally, on the issue of reducing the cost of the scheme by rationing paid leave entitlements, I acknowledge that the saving would be quite small if only the third or subsequent children were exempt. However, in a political context where the majority of families pay no net tax and those who are childless by choice bear a heavy burden in subsidising families, I believe an open-ended entitlement may build resentment. Those who choose to have large families would still benefit from the unpaid leave and return-to-work provisions and would not have to deal with their colleagues regarding them as freeloaders.

If maternity leave provisions are intended primarily to improve parents' access to the workforce, this effect is diminished for parents of more than two children, as increased demands of parenting reduce the scope for workforce participation,

regardless of the leave provisions. I concede that the attitude to my proposal will depend on whether you think that raising any number of children is a benefit to society and parental payments acknowledge this work or whether you agree with me that further population increase is a net social cost and that parenting payments address the individual's right to have a family, a right that is fully realised with one or two children. I'd be happy to discuss any of these issues further with you.

MR FITZGERALD: Good. Thank you very much.

MS MacRAE: There's a lot of issues that you've raised which we haven't dealt with directly in our report, and I think you'd acknowledge that some of them are at least tangential to our terms of reference, not directly related. But on the fertility issues, I'm sure you're probably aware that the commission put out a separate fertility report which was a staff working paper and that in fact as a result of that work and other analysis, we did make it plain in our draft report that we don't see a pro-natalist rationale for a paid parental leave. So if your reading of our report is that we are taking a pro-natalist view, then I think that's probably a false reading of it. It may be to some extent a slight outcome of the scheme because we are making it relatively easier I suppose to have children but we certainly think if we're talking about a minimum wage payment for 18 weeks, looking at the overall costs of having a child is obviously a substantially bigger financial burden for a family than that, and so the impact on fertility is, we would estimate, very marginal at most. So I don't know if you've got anything further you want to say on that.

I would also probably refer you to that report in relation to how we see the change in the fertility rates and the issue of the catch-up, the tendency now for women to be having children younger than they were, and the joining together of that with the current generation also having their children older. Now, I think from your introductory comments, you argued that that wasn't the case for the fertility rates going up but I think if I remember the report correctly, it says that that echo effect was actually an important contributor for that period.

DR O'SULLIVAN: Yes, I'm sorry, I don't have the draft report in front of me but my reading was that it was attributed to women having children later - - -

MS MacRAE: Yes.

DR O'SULLIVAN: - - - and that they were then now having those children, whereas if that was a continuous trend, it would continue to spread the distribution of childbirths through time.

MS MacRAE: I think we were arguing that that was unlikely to be a continuing trend, that what we've got is one group of women that are having their children older but at the same time, younger women coming through, having their children earlier

and that we were expecting that earlier birth pattern - if you like, what had been normal before this shift - would return back to a normal cycle.

DR O'SULLIVAN: The definition of what's normal probably needs a lot more justification but to me, you confirmed my reading of that phenomenon as being a switch to younger motherhood over the last few years associated with those increased fertility statistics. I find that quite disturbing because the statistic gives averages and that is deceptive, whereas in fact what we're seeing is that a large number of women are continuing - the pressures that cause them to defer childbirth until later still exist for them, and that's what they are doing. But at the same time, there's another group of women who are having babies very young and that's a disturbing effect which I believe is an effect of government policy.

MS MacRAE: I feel like I'm going slightly out of my comfort zone here because I'm trying to recall what our fertility report says, but I'm pretty certain - and Robert might back me up on this - that the rate of teenage pregnancies, for example, has been falling. I think it has, as you'd noted in your opening address, stabilised somewhat but it is still pretty low and low by international standards as well as by our own history.

DR O'SULLIVAN: Certainly in the report card, The Wellbeing of Young Australians, it's not nearly as low as some of the better-performing countries, and we rank - I'll just try and find that particular chart. We certainly don't rank near the top in terms of teenage pregnancies.

MS MacRAE: I guess I don't want to go too far down that route because I guess again, I would just come back to the main point, that for our report, it's not intended to be a pro-natalist policy response that we're adopting here and it's certainly something that while we saw it in a range of our submissions, we have explicitly said in our draft, and I don't think we've seen anything to the contrary in the submissions we've had to date, that we are designing this as a pro-natalist policy; that there are other reasons, and we've outlined our three key objectives for the scheme, but increased fertility is not one of them, (1) because we don't think this would help much, even if we wanted it to, so that's one issue. But also we don't see a case for it on the basis of the other work that we've done on fertility. I accept your view that our - - -

DR O'SULLIVAN: In fact we rank 21 out of 30 countries for which they had data, which is more than two-thirds of the way down the pack for teenage fertility.

MR FITZGERALD: But just in relation to teenage fertility, you've indicated, as I understand it, that you don't believe they should be discriminated against in an active way.

DR O'SULLIVAN: Yes.

MR FITZGERALD: Clearly, we would agree with that. Part of our proposal which we are looking at at the moment is, as you know, we had a differential for junior wages which was in a sense trying to ensure that there was no perverse outcome in terms of young workers, although I suspect at the end of the day that our arguments are not very strong and need to be reconsidered in relation to that issue.

But if you're only talking about the scheme being changed such that you eliminate the parental leave being available for the third or subsequent children, that doesn't address that issue at all, does it? I mean, it's a strange link, your arguments - back to the actual proposal- of removing the benefit for third and subsequent children. Whilst I understand that your view is that it may send a signal in relation to the total number of children being born, it won't do anything for that issue which you've raised in relation to very young people having children, will it?

DR O'SULLIVAN: I believe that it may.

MR FITZGERALD: In what way would that be?

DR O'SULLIVAN: Because it's providing an incentive to defer having children until after becoming established in employment; certainly for young couples who may choose to have a family immediately and only have one of the parents in the workforce or they may choose to secure their financial position by both working for a period of time, knowing that it's not going to be a barrier to them having children because of the parental leave provisions.

MR FITZGERALD: Just in relation to your proposal about not providing parental leave for the third or subsequent child, would you also not provide the baby bonus in relation to women who are at home but have a third or subsequent child? We've got two parallel systems happening here, we've got the parental leave and we've got the welfare system with the baby bonus in another guise continuing on. So how would you handle third and subsequent births in relation to women who are not attached to the workforce?

DR O'SULLIVAN: My personal preference would be to abolish the baby bonus entirely. I have spoken to a lot of economists who also believe that it's an appropriate mechanism and is not likely to stand the test of time. But in terms of justifying a baby bonus which is an up-front payment at the birth of a baby which doesn't address the ongoing costs of raising a child, it has relevance really only for the first child if you need to buy the equipment for a new baby. I would advocate limiting it only to first children.

MR FITZGERALD: The baby bonus itself is very contentious in the way that it

was introduced and designed and it's a very imperfect instrument, I might say, to achieve anything, other than to provide additional money into the hands of families with newborn children.

DR O'SULLIVAN: Yes, and I think it has a lot of negative - - -

MR FITZGERALD: But there's two main elements that I picked up: one was the issue about population and obviously your view that increasing the fertility rate is not a social good for society long term, and the second was that a positive is to delay the birth of children until people have established careers and what have you. I must say you're the only presenter that's put those views to us, so we appreciate your thoughtfulness in presenting an alternative.

But I must say one of the other things that happens with the women's groups that have presented and others is that most people have said to us, "You shouldn't try to social engineer families. What this scheme needs to do is to maximise choice that's available to parents," not only in terms of the number of children they have but also in terms of timing and what have you. So I suppose in a sense we're torn by two things. Even if we were to support your views, even if we were, the other side of the coin says really, it's up to families to be able to make those decisions and really, your scheme should be as flexible as possible to facilitate that choice. In a sense, your proposals would in fact limit and deliberately limit or change those choices that are being made by families.

DR O'SULLIVAN: That's a very complex area to debate really because the borderline between personal choice and societal responsibility is never sharp. Certainly the personal choice to have a family I feel is one that as a society we should support wholeheartedly and I'm very in favour of a universal paid parental leave provision, but whether a family of more than two children is something that society needs to support to the extent that other taxpayers should be subsidising that choice I think is highly debateable because the benefit to the parents is really quite arguable, whether there is any additional benefit that that outlay is providing.

MS MacRAE: Just in relation to one of the issues in relation to your very opening comment and it was to the specifics of the scheme, you talked about your concerns about the concurrent use of leave and I don't know whether you were here for the earlier discussion but the possibility that people might be able to take other leave and then take the paid maternity leave with that, so you might be taking your annual leave and the government component of the paid leave scheme at the same time, and you were concerned about perceptions involved with that.

We've currently suggested that the government scheme should be taken within six months and that it couldn't be taken concurrently with other leave, but since the draft, we've come across a range of situations where that just doesn't seem to work.

There's a number of people that if they were taking other leave at half pay and whatever would go beyond that six-month period and would then disqualify themselves from the paid parental leave. So have you thought in any detail about what the arrangement might be or were you happy with that original suggestion that we've made in the draft about no concurrence and having to take it within the six months, whether or not you realised that that might cut some people out of eligibility?

DR O'SULLIVAN: I think that the perception that it's something separate to the leave arrangements between the employer and the employee is introducing a lot of complexity that is not necessary and if it's presented as a minimum entitlement that the employer must provide to the employee and that the government will fully reimburse, none of those issues then matter. There's still the entitlement for up to two years' unpaid leave. The employer can still fully fund salaries for 24 weeks or whatever their current or future arrangement might be, but the government will reimburse 18 weeks at the minimum wage. That's so simple.

MR FITZGERALD: Simple but has some consequences, yes, we're aware of that. At the moment, without complicating the discussion, is that a bad approach? The alternative approach is to have what we've got where the employer makes the payment as an agent on behalf of the government which is effectively the scheme we've put forward, and they are different, and they have different consequences. We're looking at those at the moment. All right. We're just about out of time. Is there a final comment you would like to make?

DR O'SULLIVAN: Only to reiterate that I do believe that even though the issue of fertility may be seen as tangential, it's important. The signals that such policies give to the community at large does have a significant effect on people's attitude to family size. Also, I personally don't think that the paid leave system will increase fertility a great deal but it's not so much encouraging people to have more children but in enabling people who would otherwise never have children because they can't see a way of fitting it into their work-life balance, enable them to have children. I believe that's a very beneficial effect because if that's what they want, it's something that society should enable. But on the other hand, we shouldn't be allowing people to have any number of children at the public expense.

MR FITZGERALD: Right. Thanks very much, Jane.

MS MacRAE: Thank you.

MR FITZGERALD: Okay. Patricia, if you could give your name and if you're representing an organisation. Otherwise, just some opening comments and we'll have a discussion.

MS JOHNSON: My name is Patricia Johnson and I'm representing - well, I'm not actually representing Soroptimist International but I'm a member of Soroptimist International which is a worldwide organisation. But I firstly would like, Commissioner Robert and Commissioner Angela and to Clinton, to thank you for the opportunity for me to submit my views, not as a soroptimist but as an individual but to let you know that the soroptimists haven't put in a separate submission. However, the national president has signed a submission by WomenSpeak and also by the AWCM and soroptimists support CDEL and the optional protocol. So in fact we do support paid parental leave which is one of the cornerstones of the convention and if the federal government introduces paid parental leave, they are complying with the convention. I just wanted to make it clear from the outset that I'm here as a soroptimist but also as an individual and would very much like to give you my views.

MR FITZGERALD: Please.

MS JOHNSON: The reason why I'm so vitally interested in the paid parental leave is because my daughter is in London and was working and had a second child and was given five months' leave of absence on the proviso she returned to work in the September. She wasn't able to do this because her husband then decided to come to Australia and she had to go back to London and resign her position. They very generously gave her six weeks' redundancy with full pay, her superannuation, her English pension and said, "Just keep your five months' paid maternity leave," which was very generous. I'm really doing this for my daughter's daughters because I think Australia is way behind and I think in Europe, most countries do look after their women and their children as well. In lots of European countries the children are looked after for 12 months.

I do believe in this day and age - and speaking as a member of a professional women's organisation where we are professional and businesswoman - if you want to encourage the women in the workforce to be professional and to be involved, you must then give us some incentive to then return back to the workforce and to indeed keep that position open for them. But having owned three businesses, I can see the other point of view, where it is difficult for a business to give someone five months' or 26 weeks' or 20 weeks' leave of absence and leave that position open for them. So I think your idea of 104 per cent contribution would be a great idea, so that it does give the businesses a bit of an incentive to keep the positions open for employees.

I don't know whether it's a welfare situation or a workplace situation but I don't

think the government should just hand out money willy-nilly and I do think this is a position where women can be encouraged to return. I've made some notes here and I must say - I can't say "we" - but I appreciate the hard work that's gone into the inquiry and the care the commission has taken to consider and accommodate in a balanced way, in as balanced way as possible, the different interests of all parties involved in this very major social and economic issue. I'd like to thank the Productivity Commission for their extensive draft inquiry report on paid parental leave and for the opportunity for the public to comment.

Regarding funding, in particular I approve the recommendation that the scheme be government funded, apart from employers' superannuation contribution at a minimum rate. I think the government-funded scheme is the only feasible way to achieve universal coverage. It also means that the government will be in control of both the paid maternity leave system and the payments made to mothers not in the workforce. The fact that the latter are not to be disadvantaged in any way by the introduction of paid parental leave will be important in ensuring that this scheme is not seen as socially divisive.

I am not opposed to the income from paid maternity leave being taxable but I am extremely opposed to any suggestion of an incoming contingent loan as a source of payment for the period of leave. Apart from the fact that we consider it outrageous in terms of social justice, I also believe that it would be economically inefficient and administratively complex, whereas it is highly desirable to keep this scheme as simple as possible.

A strength of the proposal made by the commission is that we do away with the patchwork ad hoc way of addressing supports for parents of infant children. Regarding that period of paid leave, the recommended period of leave recognises the importance of early infancy in establishing the foundations of a child's good physical and mental health through breastfeeding and through parental bonding. While some would argue for the desirability of a longer period, what is recommended is more generous than that provided in most of the existing paid parental leave schemes and we understand the commission's need to consider the additional costs that would accrue with each additional week of leave.

I do accept any suggestion that the period available for maternity leave should be determined by the fact that it can be extended by women taking other forms of leave entitlements such as recreational, long service or sick leave. Maternity is neither recreational nor sickness, although it may well involve long service. Any taking of other forms of leave in conjunction with maternity leave should be an option dependent upon the wishes of the woman and her employer but other forms of leave are not a good substitute for maternity leave.

I also reject any suggestion that it should be obligatory for a woman to take any

component of paid maternity leave prior to the delivery of her child. If she requires unusual medical attention in that period, it should be covered by sick leave. If the work is of a nature that makes it hazardous in late pregnancy, every effort should be made by the employer to offer alternative work but ultimately, arrangements should be left to the good sense and goodwill of the woman and her employer.

Regarding the right to return, the recommendations recognise the fact that without the right of return, maternity leave may not be taken at all or for a period too short to establish the benefits cited above. The right of return may at times create problems for the employer but without it, paid maternity leave would be ineffective in achieving firm workplace attachment.

Regarding recognition of the parental role through paternal leave, I endorse the report's recognition of the need for paternity leave. It represents an important recognition of the role of fathers and affords them an opportunity not only to support their wives physically and emotionally as they adjust to parenthood but also to relate to the new child in their own way and on their own behalf. I believe that research needs to be done in the take-up of paternity leave in existing schemes and that if, as seems possible, the culture of work has not embraced paternity leave with proper enthusiasm, then an educational campaign should be undertaken for both employers and their employees.

Regarding transferability of leave, there are nonetheless many fathers who are enthusiastic about participating more extensively in the care of their child and I strongly support the proposal that it should be possible for the leave granted in the first instance to be the mother, to be transferred to an eligible partner if that arrangement suits the needs and wishes of the family unit.

Reservations for the need of monitoring: there is apparent continuing anxiety of small business as to the effects of paid maternity leave in that sector. We understand that the smaller scale of these businesses can make the prospect of staff receiving paid leave and being absent for a substantial time very alarming. We believe, however, that much of this anxiety is misguided as to the expense and inconvenience potentially involved and applaud the commission's decision to issue information specifically addressed to the perceived difficulties expressed by this sector.

The other issue also frequently raised by others in consultation is the extent to which the scheme is fully inclusive and equitable for all women in the workforce. Casuals, whose work is spread over several employers, also may seem less well provided for. There will be a need to monitor the scheme in the early stages of its operation to identify possible gaps and inequities in its coverage and take immediate action to ensure that it is as inclusive as possible for all women in the workforce.

In conclusion, despite reservations, I strongly recommend the recommendations of the report and hope they will be accepted and implemented expediently by the government. Paid maternity leave offers very real advantages for the social and economic wellbeing of Australia as a whole and really, I think as I said earlier, we are well behind other countries. I think in this world of educating women, it's important that we do address this issue. It does worry me in this meltdown or this economic situation - I'd like to know if the government has a low priority in the next budget and if child care is of parental importance - it is of parental importance as well - and not only would I like to see paid parental leave in place but I think the child care in Australia is prohibitive for some parents for them to even be able to go back to work because it's so costly to put your children into child care. So whilst we are offering parents support to have a baby and they have only got this few weeks' leave of absence from work, it's then almost impossible to go back to work because they can't afford the child care. It almost eats up all their salary, so I think that needs to be addressed as well.

As a soroptimist, soroptimists are a worldwide international organisation for business and professional women, we are in 126 countries, 3000 clubs with 900,000 members. We are invited to be a soroptimist and we do mainly help women in developing countries. My role is the president or past president of 12 clubs in south Queensland. We are in 12 countries in the South Pacific. We are in four areas around the world. We meet biannually and quarterly every four years and we have a seat on the United Nations. I am also responsible for our region in Queensland for five other business and professional women's groups like Business and Professional Women, the National Council of Women, the Australian Federation of University Women, Soroptimist International and Zonta International. We have worked together for 25 years on projects around the world for women, and women of all sorts of socioeconomic conditions. I just think Australia is lagging behind in its implementation of paid maternity leave. So if you'd like to ask me any questions, I'd be more than happy to answer them.

MR FITZGERALD: Thanks very much, Patricia, and thanks for telling us what Soroptimist International is about. I must say that this inquiry has given us the opportunity to talk to people from groups that I didn't ever know existed and yours is one. I'm pleased that you've given us a bit of an insight into that. Angela might want to start with questions.

MS MacRAE: Firstly, I've been to two soroptimist fundraising functions recently, so I do know who you are and I do know you've been doing some very good work.

MS JOHNSON: Good. You know that Margaret Smith is our national president and we haven't put in a submission sadly. We should.

MS MacRAE: Yes. Obviously from the soroptimist membership, you have the

two sort of sides that often seem to be warring a little bit over this issue in terms of the role of business and how much they should be contributing and from your personal point of view, I take it that you see that the employer role that we've suggested is largely acceptable to you, although you see a benefit in having maybe a little extra in terms of the reimbursement for small business. Are there other business issues that you would want to draw to our attention or do you feel that the recommendations as we have them are otherwise fairly sound?

MS JOHNSON: I think I would put one recommendation to you: if you're going to give someone three or four months' leave of absence, I think it should be on the proviso they return to work within 12 months maybe, because it's all very well to have, like my daughter, five months' leave of absence. Her company kindly let her keep that. She was not able to go back to work through other circumstances. But I think from having owned three businesses, it is very difficult to keep - I agree with the Queensland Chamber of Commerce. I think most businesses would struggle to keep a job open. You then have to employ someone again; there's a half per cent loading. Business is not easy and small business is the backbone of our nation really. So I don't know what the answer is but it's a twofold thing. It's a juggle you'd have to assess.

MR FITZGERALD: Just on that, when we were looking at this, we gave some consideration to whether or not there should be a requirement to return to work. The problem with that was two things: we noticed that a number of the voluntary schemes have moved away from that because employers were saying to us it doesn't work anyway. The second question for us as a government scheme is if the person doesn't return, you've then got to extract the money back. In other words, it becomes a punitive mechanism. I suppose given that this scheme has most benefit for low-income families, that seemed to us to be problematic. So we did consider it and it's not without its merit, but I think we came down in the end that the negatives outweighed the possible benefits. It's a point of view that we're still looking at it.

MS JOHNSON: Yes, it's not an easy thing to implement and it's more taxpayers' money being spent.

MR FITZGERALD: Sure.

MS JOHNSON: I just worry whether the next budget - obviously they're going to be in deficit - whether the government can actually afford to implement this in any case. That's my concern. But I do think we should be up there with the rest of the world, we should be ahead of the rest of the world in looking after our families.

MS MacRAE: I guess the other thing, I'd just be interested if you wanted to elaborate a little bit more, you were particularly anti the income-contingent loan concept and I just wondered if you could elaborate a little bit more on why that was

of such concern to you. It's something that we've heard also from a range of the union submissions. Partly, was there any business concern around that - I expect not - but also then from an individual's point of view, why that would be, particularly if we're looking at it as a possible add-on to the government scheme, which I think the proponents of that scheme are now suggesting that it would only be an option available to people in addition to the government and partly business-financed scheme that we're proposing.

MS JOHNSON: Actually that was something that the Australian Federation of University Women - one of our Project Five-Os - were looking into, so I'm probably not able to answer that question correctly, but it is something that I will - - -

MS MacRAE: We certainly have heard from them.

MS JOHNSON: Yes, you have from them.

MS MacRAE: Okay. So it would be similar to that.

MS JOHNSON: It would be for Dalma Jacobs who is with the Federation of University Women to maybe expand on that for you.

MS MacRAE: Sure.

MS JOHNSON: I have taken notes from our opinions of all our - but whilst I am giving you their opinions, I am here personally today, not representing them in any professional way, if you know what I am saying.

MS MacRAE: Yes.

MR FITZGERALD: All right. Thank you very much, Patricia.

MS JOHNSON: Thank you very much.

MS MacRAE: Thank you.

MR FITZGERALD: If you could give your full name and the organisation that you represent and your position in it, then some opening comments and then we'll have a brief discussion.

MS WARD (CCQ): My name is Vicki Elizabeth Ward and today I am representing Child Care Queensland. I would, however, like to clarify I'm not the CEO of Child Care Queensland. Gwen Bridge is the president and she's asked me to represent Child Care Queensland today. I work as CEO for our family company that operates two child care locations on three licences in Brisbane, plus an additional four that we provide management and consultancy for. We've been providing child care services since 1994.

Productivity issues abound in the child care sector. Attraction of skilled staff is difficult in metropolitan areas and nigh on impossible in rural and remote areas. This not only impacts on business viability, it impacts the workforce issues of the community and therefore the economy as a whole. A number of factors impact negatively on recruitment and retention including the low value the community, government and even the parents place upon child care professionals, seeing the sector as glorified babysitters; the joy of the work being eroded by unreasonable bureaucratic demands; a predominantly female workforce in the child-bearing, partner-following and world travelling years; regulatory inflexibility around qualifications.

An example of this is that in the last four weeks our company has engaged a programs coach for our two services. This person holds an internationally recognised three-year qualification in each of the birth to three years area, three to six years area, special education and also holds a Masters of Education. She has 27 years of experience. We could currently only offer this person an assistant position in our services and she would be required to pay for an undertake study.

Child Care Queensland is experiencing an inquiry relating to centres that have closed rooms, not due to lack of demand but solely due to being able to compliantly staff the rooms. This is seen in areas such as Roma and the Bowen Basin. Mining companies are experiencing the effect of these closures with the lack of child care places resulting in additional workforce participation barriers.

The proposal for paid maternity leave for 18 weeks would impact our sector as follows: significant impact on cash flow, paying for staff on leave, carrying the government's commitment until such time as it is reimbursed, and the significant cost in paying 9 per cent superannuation for these staff. I've actually done a case study from one of my own services where I calculated that just with the superannuation contribution alone, it would be an additional 35 cents per day, assuming we had full utilisation of the places in the centre. I did glance through the percentages in the

document and felt that they were quite low. My case study is a near-city service here in Queensland. I have 75 places with an average fee of approximately \$65 per day. This service requires 11 contact staff per day when at or near capacity. There are 20 staff currently on the roster; 19 of these are women and one is a man.

10 staff have been taking or will be taking maternity leave between January 08 and March 09, so you can actually see that's 50 per cent of the rostered required number of staff. Other staff are planning or trying for babies. Our director is currently on maternity leave and our staff member acting as director in her absence is currently pregnant, having twins. Six of the 10 staff have returned or plan on returning within approximately six months of the birth of the baby and will have the babies in care at our centre.

One of the 10 is planning to return to work when the baby turns one year old. Two of the 10 may return to work in the longer term. There are other circumstances at play there and as I said, it's uncertain, and one of the 10 has moved away to be closer to extended family. Of note, the service has had a former staff member who has been overseas for five years return to work at the centre in recent months and another former staff member who has been overseas for four years is returning in December with the intention of returning to work at the centre, so a lot of issues around the workforce are not only due to maternity leave.

In case that was just a blip, I'd just like to mention that our other service which has 110 places and approximately 25 rostered staff have five staff currently on maternity leave or not currently work due to having had a child. So either we are just a significant company anomaly or I would challenge the statistics in your document.

I'd like to speak for a moment about the nature of child care. A child care service operates best with high levels of stability and consistency. Child care services operate on relationships, especially between workers and children, but also between workers and parents and also within the team of workers. Fostering this consistency is impacted upon by a couple of dot points: job share or part-time preferences of staff, particularly those who are parents; regulatory requirements for training, resulting in replacement staff being needed to allow relevant staff to attend additional training. For example, we recently found it necessary to train six staff from each of our centres in food safety due to the council requirement that we have someone on site at all times when food is being handled who is a food safety supervisor. So when mum, who is a nurse, drops off their child at 6.30 and they need to have some milk poured on some Weet Bix, we must have a food safety supervisor technically available.

We can be impacted by a lack of reliable on-call relief staff. We have off-contact tasks that require backfilling and we are also impacted by the fact that we have high volumes of working families accessing long day care and very low

volumes of at-home families accessing the programs for their children. This results in pressure on rosters early in the morning and late in the afternoon, leading to more additional staff being required than a centre operating predominantly for at-home families. I know the whole importance of child care has been for many years that we are a workforce support. What we end up then as is I guess a dual early childhood program, one that caters for those that are at home and one that caters for those that are working. But having predominantly working families actually places barriers to quality because of the nature of providing the extended hours of care.

I've done some charts just to I guess illustrate - this is an actual arrival pattern and this is if we had a greater volume of non-working families. You can see that the numbers of children - I can provide these for you - at particular times, early in the morning and late in the afternoon, are significant and that results in greater numbers of staff being required across the week which impacts on consistency. I also have a typical roster which you are welcome to have a look at.

MS MacRAE: It looks a bit scary.

MS WARD (CCQ): Yes, it's very colourful because we need to know which room the additional people are going into and what days, so we colour code everything. Child Care Queensland has some solutions to suggest, not just for paid maternity leave but for improving child care access as a whole; firstly, additional funding for child care qualifications, and there are three suggestions for this: training, funding for diploma, advanced diploma and bachelor levels to make them financially accessible for workers in the sector; ensuring that the funding levels reflect the cost of providing comprehensive and broad training; secondly, that the child care sector workers with higher qualifications are perhaps provided with tax rebates or other funding to recognise their service in this particular sector and perhaps services provided with funding to support the employment of staff with higher qualifications.

Another thought is more flexible arrangements about staffing qualifications, especially in rural and remote areas to ensure that centres can operate to the level of demand and the licence capacity, rather than being hindered by lack of workers with a particular qualification. Not wanting to endorse an unqualified workforce for the child care sector, but I think sometimes compromise is in the best interests of the community and the children and the families as a whole. More flexible arrangements around employment of staff with unrecognised or similar qualifications, with a process around assessment of their ability on the job, such as endorsements the Queensland sector previously held; prior to the current regulatory system, we were able to engage people who didn't have an already certified qualification and assess their ability to do the job in conjunction with the Department of Communities and as an employer, provide them with any support that was required. That's not currently available, hence the situation where we're having centres closing rooms.

A mentoring program offered by licensing bodies to support not yet qualified staff alongside of the centre as they gain the full complement of knowledge and skills required for the position, and I believe some scheme of this nature operates in Tasmania; funding for child care as a service industry with a particular set of needs to support any paid maternity leave proposal that requires employer contribution, and I think I've already demonstrated that some services would be significantly impacted in comparison with other types of workplaces. I'd also like to see the promotion of the sector as an equivalently positive place for early learning for families who are choosing to have a parent at home and an inquiry into how government funding of sessional services is impacting on the service delivery in the long day care sector.

MR FITZGERALD: Thanks very much for that. Can I just ask a question to start with, Vicki: what are the current arrangements in relation to maternity or parental leave that you are required to provide as an employer at the present time?

MS WARD (CCQ): I believe that if they have worked with us for 12 months, we are required to offer them 12 months' unpaid maternity leave. Our particular company is a lot more flexible than that. For instance, we recently hired a director who was already four or five months pregnant, knowing that we'd be offering her maternity leave. She is currently back two mornings a week with bub in the office just to do a bit of admin.

MR FITZGERALD: So there's no award provisions or workplace agreements that require you to provide paid maternity leave at this stage. Is that correct?

MS WARD (CCQ): The NAPSA that we operate under does not have a paid maternity leave provision. Our company operates with a collective agreement. We have not put paid maternity leave in there as a standard condition.

MR FITZGERALD: When you came to negotiating those arrangements, what was the view of the employees or the workforce in relation to their desire for voluntary maternity leave in the past? I just want to get some sort of understanding of how the sector works itself.

MS WARD (CCQ): I'm not actually requested to pay maternity leave from any of my staff and I myself took unpaid maternity leave with my three, even as company director. Maybe times are changing but to date, I've not had that request from a staff member and certainly with a valued staff member, it may be something that we would look at entering into in a private way.

MS MacRAE: I think the case study that you outlined would be of interest to us. Will you provide - - -

MS WARD (CCQ): Yes, I'm happy to give this.

MS MacRAE: Okay. Because we are very interested and obviously we are aware that for some employers that do have a concentration of women, and particularly in the child-bearing years, that there are some issues there. I must say the numbers of 50 per cent of your rostered staff currently are on maternity leave seemed pretty exceptional. I'm not saying I disbelieve you, I'm just saying that's quite astounding.

MS WARD (CCQ): We find it quite a challenge as well.

MS MacRAE: Yes. In relation to the retention that you might see of your staff, you talked about the arrangements and it seems apparent that they must regard you as quite a good employer because you're getting quite good return rates already, but do you think if a government-funded scheme - or a predominantly government-funded scheme - such as we've proposed would give you a better return rate than you're currently getting?

MS WARD (CCQ): I think that when you have a baby, you have no way of knowing prior to having that baby exactly how you're going to feel, exactly how the baby is going to be. I've had the experience where people who have said they are going to be at-home mums return to work and those who intend to return to work stay at home. I just think it's an unpredictable factor. If paid maternity leave would make a difference to whether or not they return to work, to me work is about a whole-of-life experience and people need to determine whether or not they return to work as a part of their whole-of-life experience and therefore I don't think that the paid maternity leave is an issue for whether or not they return to work. Whether or not it assists families in the first crucial period of having a new baby, that to me is a completely different discussion and a very important one.

MS MacRAE: I guess it's sort of the point that you've just raised but our proposition I guess is that there are real benefits in parents being able to care for their own child up to that first six months or at least to make that a realistic option for most families. As a child care service provider, would you agree with that assessment?

MS WARD (CCQ): I can't speak on behalf of Child Care Queensland, I can only speak on behalf of myself and my colleagues in the sector. I've not heard one person be concerned about lack of utilisation. The babies' area is the area of highest demand. I think you will always find families who, for whatever reason, are determined to return to work or for whom the minimum payment isn't enough and return to work before that six-month period and do so. However, in my experience, we're not at all concerned in our company about utilisation. We are going to fill our babies' room up with staff babies anyway, so there's not going to be much room for outsiders, I'm afraid. It doesn't seem to be a concern, certainly within our organisation or within my colleagues in the sector.

MR FITZGERALD: It raises an issue for government which you may have a comment on and that is, does the government increase its level of commitment to very early child care, that is, under six months, or does it redirect resources into paid parental leave? Clearly, you're right, there will always be a need for some level of provision of formal child care for very young children, but I suppose a question that's intriguing governments right throughout the world is whether you invest more heavily in formal child care for very young children or use those additional resources into paid parental leave. As you're well aware, this always gets down to the issue of quality and staff ratios and so on, but I wonder if you have an opinion about that sort of discussion that is taking place, not only here but everywhere.

MS WARD (CCQ): You've opened a can of worms for me, Robert. I've been very affected I guess by the news story we had a couple of months ago here in Brisbane; 18-month old twins starved to death in their cots, and no-one in the street was even aware that the twins existed. For me, I feel that certainly in the first six months, the mother is very significant and should be the predominant carer of the children, although I myself worked after each of mine at around the three-month mark. It was slightly different because they were through a wall from where I was and I was able to continue breastfeeding. However, I think that raising children in isolation is also a very negative structure. I would like to see all babies that are born in Australia linked in with the community and I see that perhaps formal child care settings can have a role in that. It does need a little bit of a rethink, perhaps a little bit of flexibility around attendance times with parents in attendance, partnerships with community health and other places. But I guess if I were put in a position to design a structure for early childhood in Australia, I would be wanting to both address the important place of the parent and the importance of raising children in the community, with support structures and friendships and information for families during those early years.

MR FITZGERALD: Okay. In relation to the specific issues around the so-called quality of early child care or child care for young children, there's been a lot of discussion about ratios, staff ratios, in relation to that. I'm wondering if you have a view about that issue of increasing staff ratios or improving staff ratios.

MS WARD (CCQ): I always find it interesting that if media videos in a child care service, they will play the worst 15 seconds of four hours of footage. We operate on a 1 to 4 ratio here in Queensland and I have seen that work extremely well for the children. We've got to remember that mums at home have moments too; the phone has rang and the pot has just boiled over and there's a knock at the door and baby is screaming on the floor. I'm sure if you videoed for four hours in the phone, we could still pick 15 seconds of the worst possible footage to make the same point. Here, I'm going to use the M word. I determined not to use it coming in here today. I personally am Montessori trained and the person I mentioned in my presentation

with all those qualifications was a Montessori 0 to 3 specialist. She has been working in our babies' room and I think it's quite possible to run babies' room with that 0 to 4 ratio with extremely high quality of care for those babies. I do think that additional skill and training and equipping is necessary to achieve the standards that I like for my services.

Going to 1 to 3, I did do the sums based on a roster prior to that event where I met you, Robert, which was that media event, and it did cost an additional \$25 in just flat wages to staff a person for a 1 to 3 ratio in a service, recognising again that we are predominantly working families, so we've got lots of children arriving prior to 7.30 in the morning and not being collected until some time after 5.30 at night, recognising that the services run from 6.30 am to 6.30 pm. It is a hefty cost and I think that it can be good for children and for families but I think that it's for families to make that determination, although I think that some empowerment and further education would probably not go astray.

MS MacRAE: I think the only other point I was just going to raise was that it was apparent from your presentation that you feel that to some extent there's a bit of over-regulation and that some of the flexibility you would like that you think would actually improve quality has been quashed because some of the concerns about extra regulation. On the other hand, I think it's very hard to provide that level of flexibility when you're trying to cover a range of services. How do you see the general process in terms of regulation for your industry and is it lack of consultation that's giving you a problem or how do you see that that might be able to be improved in future?

MS WARD (CCQ): I think that we need to have an aspirational view of the sector and trust the people who've committed their lives to the sector. Child care has been very much driven by a great divide between the community sector and the private sector. I myself has been in tears over the insults that I have taken upon myself as being a private provider in the last 15 years. I feel that a lot of our regulation has been driven by the sense that we need to catch out Mr Dodgy Operator, whoever Mr Dodgy Operator is, and when you're gearing regulation to try and catch out the bad guy, it prevents you from having a visionary approach.

I recognise there need to be base level lines but, for instance, in what other industry will you find a requirement to have signs up that actually specify the size of the font as being bigger than 18? That roster I flashed is not compliant if I put that up on the wall because the font is not over 18. The types of detail and the evidence-driven approach for accreditation is very taxing on staff. Sometimes we're so busy crossing the t's and dotting the i's that even within our service, we're forgoing our own vision and our own direction in order to make sure that we're jumping through all of the hoops. So I think consultation is important and completely and utterly necessary. That food safety thing was completely without consultation with the child care sector, even though it impacts upon us. I was standing for the

committee of Child Care Queensland during that period of time and nothing regarding the food safety standards came across our desk and that was implemented without our knowledge.

I think that the child care sector needs to grow up and stop flinging mud at each other. I don't know if the recent events with ABC Learning is going to change the nature of the sector. I hope so, because I think that we need to be working together and not working against each other.

MR FITZGERALD: Can I come back to the paternity leave scheme; I just want to be clear. Your concern obviously is that the superannuation imposition that we've placed on the employers is your major area of concern. It's not the 18 weeks or the actual scheme itself, it's really about the on-costs associated because of - - -

MS WARD (CCQ): It's about carrying that wage until it's reimbursed, and the superannuation.

MR FITZGERALD: Just on the carrying of the wage, I think as Angela has described to other presenters today, the costs to an employer of that we think will be very limited because you're not actually waiting for a cheque from the government, you actually deduct it from your PAYG withholding, and most companies put that in within days, weeks or a month; in other words, it's a very short period of time. Nevertheless, we acknowledge there is some cost and we're looking at what that is, so your examples will be helpful. It seems to us that a lot of businesses are more concerned about the superannuation and potentially other entitlements as a cost impost.

MS WARD (CCQ): I guess it depends on the volume. If it is 30 or 40 per cent of your wage bill and you're on quarterly BAS, it is significant.

MR FITZGERALD: Do you put in a PAYG withholding form on this?

MS WARD (CCQ): I don't personally do that in our company. I know it was quarterly but we may have moved up a bracket.

MR FITZGERALD: No, that's fine. I was just going to ask a question about that.

MS MacRAE: I mean, if it was quarterly, then we'd be saying that you wouldn't have to do that paymaster role because we're saying if you're on to quarterly rather than monthly, you'd be out of that net, but I'd be very surprised with the number of staff you've got if you're not monthly.

MS WARD (CCQ): Yes, we may well be monthly now.

MR FITZGERALD: No, that's fine. Look, thank you very much for that. Are there any other comments you'd like to make in conclusion?

MS WARD (CCQ): No, but just thank you very much for listening.

MR FITZGERALD: That's good. We're very pleased to hear from you.

MS MacRAE: Yes, thank you.

MR FITZGERALD: Thanks again. We'll now just adjourn until 1 o'clock and then we've got two participants to conclude the day. Thank you very much.

(Luncheon adjournment)

MR FITZGERALD: If you could give your name and the position and organisation that you represent.

MR MONAGHAN (QCU): Yes, my name is Ron Monaghan. I'm the general secretary of the Queensland Council of Unions.

MR FITZGERALD: Okay. Over to you for an opening comment and then we'll have a discussion.

MR MONAGHAN (QCU): Thank you. Just before I go on, I have some witnesses; do you want me to introduce them first or at the end.

MR FITZGERALD: It's up to you.

MR MONAGHAN (QCU): I'll do it later than. The Queensland Council of Unions welcomes the opportunity to make a further contribution to this inquiry, appearing at this public hearing. The QCU supports the interim findings of this inquiry that the introduction of a statutory paid parental leave scheme is affordable, achievable and a vital step in supporting parents at a time when it's most needed.

At this time of global insecurity, it is more important than ever to invest in Australia's labour market and a statutory paid parental leave scheme is a positive step towards this. Paid parental leave will strengthen the job market by retaining skilled, educated and experienced employees and would reduce the employers' rehiring and training costs. In the 30 developed countries that make up the OECD, Australia and the United States are the only two countries that do not provide some form of paid parental leave. It should be noted that in these global economic times, none of the countries that already have an existing paid parental leave scheme and have done for many years is intending on taking the scheme away.

The Queensland Council of Unions agrees that the average desirable duration of postnatal absence from work would be around six to nine months. We believe that all parents should be equally able to dedicate at least six months exclusively to the care of their new child. The Queensland Council of Unions believe that the need for parental leave is twofold: new parents need this amount of time to recover from childbirth, adjust to parenthood, establish breastfeeding and to bond with their baby. In addition, working women need to know that they are valued enough both as workers and as mothers to take this leave with the reassurance that they are not financially disadvantaged and that their job will still be there for them when they return.

The Queensland Council of Unions continues to strongly advocate for full income replacement, whereby the government contribution would be at the federal

minimum wage rate and then the employer would top up the employee's paid parental leave entitlement to the level of their ordinary earnings. Only full income replacement will ensure all parents can equally access leave.

Today, the Queensland Council of Unions has brought along four women to share their experiences of having a child, both with and without paid parental leave. Each of their stories show the diverse range of issues that a paid parental leave scheme must address in order to ensure all women and their partners can positively start on the journey of parenting. The witnesses are as follows: Leisa Cusak, a tutor train driver from Mount Isa; Melissa Pignolet, a public servant; Sam Pidgeon, a career teacher, and Susan Wesley, a security officer. A further witness, Susan Wittons, an optician technician, was unable to appear at the public hearing due to the demands of work. However, we'll provide her written statement. So we intend to have the witnesses appear in that order, so I'd ask Leisa Cusak if she could say some words to the Productivity Commission.

MR FITZGERALD: Welcome. If you could just give your full name.

MS CUSAK (QCU-QR): My name is Leisa Marie Cusak. I'm a tutor train driver with Queensland Rail from Mount Isa. I've been with the organisation since 2002. Last year I accessed paid maternity leave when I fell pregnant with my fifth child and I was entitled to 12 weeks' paid maternity leave in that scheme. I am the primary income earner in our family. My job requires me to work 24 hours a day shift work seven days a week with only 48 hours' notice in advance of my roster.

Being a female in a male-dominated workplace, I was determined to set a precedent and not satisfy the low level of expectations that were placed on pregnant females within this culture. This meant that I worked tirelessly throughout my entire pregnancy and provided quality on-the-job training for my trainees whilst maintaining a large family and unforgiving shift work. As a result of my stubbornness and desire to be equally respected and appreciated, I completed a 16-hour shift at work and 10 hours later, my waters broke, and seven weeks earlier than my expected due date I was in labour.

I was admitted to hospital and given two doses of steroids 12 hours apart to assist my son's lungs to develop. My waters broke that night but I never progressed to full-blown labour. I was overwhelmed with guilt as I had never experienced such an early labour before and I was scared for my unborn child's wellbeing and felt responsible for putting him at risk so that I could be a martyr. I don't know if the guilt will ever go away for that. I'm sorry.

MR FITZGERALD: That's okay. Just take it easy. We've had a lot of people cry at that table in the last few months, so it's okay.

MS CUSAK (QCU-QR): So as a result of the complications, I pleaded with my doctors at the time to have allow me to have a natural birth because my maternity leave only allowed me 12 weeks' paid leave at my base rate of pay and it would not allow me enough time to recover and return back to work adequately. They allowed me to attempt a natural birth with the aid of an induction drug called oxytocin and before long, I was in labour and had to endure the most painful and unnatural labour and birth of all of my children because I wanted it to be natural, so then I could return back to work as soon as possible.

Jeremy arrived safely but six weeks premature, meaning a whole new world of heartache. He required a respiratory ventilator to assist him to breathe and he was severely jaundiced and was diagnosed with a hearing impairment. He also had to stay in hospital to gain enough weight before he could be discharged and four weeks of my maternity leave had already been used up and I didn't even have my son at home with me. I couldn't take my leave at half pay as I was the primary income earner and already I had been disadvantaged as I only received the base rate of pay during leave and not my usual take-home pay.

When I returned to work, I requested to be rostered on to work locally as an alternative and my male counterparts are eligible to access this, but I was unable to do so and I could only do it for the first four weeks. So there was just a difference in the way that I was treated as compared to - I felt that my work colleagues, when their wives had babies, the culture is definitely a lot more accepting.

I strongly support paid maternity leave as a mechanism for valuing women, women's roles in society and as a way of providing women with job security and the right to fulfilling work in conjunction with raising children. Women will never be equally represented at all levels of employment without access to adequate paid maternity leave which I believe should be a minimum of 26 weeks to allow for adequate bonding and establishing strong relationships within the family unit. Absence of this benefit has contributed to the enormous pay equity gap in Australia.

It continues to especially disadvantage women who currently have a simple choice which is work or family but not work and family. It is time that Australians had a collective consciousness and made our country a world leader for social inclusion, productivity and education outcomes that build individual and societal capacities. Paid maternity leave will benefit all Australians and we should be fighting harder as a society to make this happen to ensure a better future for future generations. Let's not forget that this one simple movement will be fundamental in providing the platform for stronger families which in turn will reduce a dysfunctional society and create strength in our country.

I can't believe that we're still putting a dollar value on equality in the workplace in today's society and I don't believe that the proposed minimum wage is sufficient if

we truly want equality in this country. Paid parental leave should be a true reflection of the woman's wages prior to commencing maternity leave. We are all taxpayers at some point of our life and it would be affirmative action in its complete form if we enabled the 70 per cent of women who are of child-bearing age in this country in the workplace and not disable them with financial burdens when we as a country can support and nurture this historic movement.

Believe me, no amount of money can take away the guilt that a mother feels when she has to leave her children to return back to work, but at least we can give them positive options and time to develop and nurture strong families in the process. That is priceless. Thank you.

MR FITZGERALD: Thank you very much.

MR MONAGHAN (QCU): Thanks, Leisa. I'd like to thank Leisa and other witnesses in advance; I know this is sometimes very trying. Our next witness is Melissa Pignolet who is a public servant.

MS PIGNOLET (QCU): Hello, my name is Melissa Pignolet. I'm 35 years of age and the proud mother of two young boys who I must say am relieved are not here with me today. When I was first asked to provide a statement, I actually thought, "Gee, what could I possibly say?" because I've had a positive experience and when I heard some of the stories from some of the other women here today, I just thought, "Gee, how could I possibly speak about my experience?" but I thought it is important to hear that there are some positive experiences out there and I think it will show that by introducing a paid statutory scheme, it does have a lot of benefits to the mother, the father and the family unit as a whole. So today I'd like to share some of my positive experiences as a result of having access to paid parental leave.

It did benefit my children. It also helped to maintain a healthy relationship with my husband, I must say. It eased the strain of having to rely on one income and was essential to my own health and wellbeing. Prior to my job as a senior policy officer with the Queensland government, I worked as a solicitor in a private law firm but I have to admit, I did decide to change career paths and a significant reason for that was my desire to have a family. I knew that working for the Queensland government, I would be entitled to paid maternity leave and I would also get some flexibility in terms of when I returned to work, I was hoping to return on a part-time basis in order to care for my children while they were still young.

With my first child, I was entitled to six weeks' paid leave at full pay which I took at half pay in order to extend the leave. I stayed at home with my son until he was about seven and a half months old. With my second child, I was entitled to 12 weeks' paid leave, again at full pay, and again I took it at half pay with other accumulated leave, like five weeks' annual leave and that sort of thing. I returned to

work part-time when my son was nine months old and I was able to return to work one day a week with the ability to work from home. At the time I was still breastfeeding my child who wouldn't take a bottle. With my second child, I was able to return to work on one day a week and work from home and then I gradually increased that to two days and now I'm back in the office three days a week, again on a part-time basis.

Paid parental leave allowed me to stay at home at least for the first seven months to breastfeed both of my children, so that when I eventually returned to work, they were eating solid food, they were able to interact with others, they were less dependent on me for breastfeeding. Importantly, I was less sleep deprived. I was able to actually concentrate at work and I felt physically and mentally more able to cope with the demands of working part-time, as well as caring for a young family. I honestly don't know how some of these women actually manage to function in those early days. It's hard enough caring for a family, let alone having to return to work and doing some of the work that you people do.

As a mother, you always feel guilty, and you always hate being away from your children, but I think that working part-time allows me to care for my children, contribute to the household finances and importantly retain my position in the workforce. I believe that I'm valued as an employee for what I bring to the table, not how many hours I actually sit at it.

I strongly support the Productivity Commission's proposal for a paid parental leave scheme of 18 weeks but I believe 26 weeks is the ideal time frame. I always believe that full income replacement, with contributions from both the government and the employer is essential. To do otherwise would represent a significant reduction in pay for some women whose earnings make up a considerable part of the family income. Even though I believe I am receiving good earnings, my husband and I, we would have found it quite difficult if I didn't receive the income that I received during that time.

I also support the commission's proposal to include an additional two weeks' paternity leave. The time that my husband spent at home, he did take two weeks' leave and that was invaluable. Not only did he cook and clean and all that sort of stuff, but he looked after me and looked after the baby and that time was invaluable, so I strongly support that as well.

The only other thing I probably wanted to say, again I believe it has to be at full pay. I was able to breastfeed both my children and although we do have a parents' room where we are which has a fridge and microwave and all that sort of stuff, so I probably could have continued to breastfeed or at least expressed milk during that time, in order to do that, I would have to have expressed milk at work, sterilised the equipment and the bottles and then somehow transport it home in some

sort of cold container whilst travelling on public transport, so for me, that wasn't really an option. So I thought the ideal situation is to be able to spend that time at home and look after your children exclusively, so at the appropriate time that's right for the parent, they can then return to work and feel that they are mentally and physically in a better position and they have had that time at home with their children.

Mothers are always going to feel guilty, no matter whether they're 12 months old or three years - or whenever they return to work, there's always that fine balance and struggling to put all the balls in the air, but I think if women are given that opportunity, given that choice - and I think that's what it is, giving women choice, and for a lot of women here today, they didn't have that choice and I feel privileged that I did - and I think that this is a good thing and I hope it eventuates. I also think that employers undervalue the importance of maternity leave entitlements and offering flexible work environments and things like that. I think one of the reasons I continue to work where I do is because I got those entitlements, I have that flexibility, I get in when I get in, I leave when I have to leave, I work from home if I need to work from home if one of the children are sick. You can't underestimate that value and I think employers need to perhaps shift some of their mind-set if they want to encourage everyone to have equal opportunities.

The only other thing I wanted to mention is that I think this is only one part of the equation. The other I believe is assisting mothers to return to the workforce by providing a work environment that is flexible and supportive of family commitments but also ensuring that parents have access to affordable and high-quality child care and that's the other part of it that needs to be considered in this package. Thank you.

MR FITZGERALD: Thank you very much.

MR MONAGHAN (QCU): I should have asked the commission whether they wanted to ask any questions.

MR FITZGERALD: Just at the end. So if you want to run through and then we'll see where we're up to in terms of time.

MR MONAGHAN (QCU): Thank you. Our next witness is Sam Pidgeon. Sam is a career teacher.

MS PIDGEON (QCU-QTU): My full name is Samantha Christie Pidgeon but feel free to call me Sam. I'm a drama teacher with Education Queensland and I've had a similar experience in that I've got four children four and under, and with my first, I had six week's paid maternity leave; with my second I had 12 weeks and then with the twins, I've had 14 weeks, so I'm in a fortunate position. I love what I do and it gives me a lot of comfort to know that at the end of my leave, I can go back to it.

Because I'm with Education Queensland, things have changed a lot for teachers over the years, from where you had to resign if you took leave to now, where you're guaranteed to come back at level, even though I don't know where I'll be put back when I do go back.

I've got 14 weeks' paid parental leave at the moment and I've taken that at half pay, so by the time I do that - and I also took a bit of long service leave - so I'm going to end up with just over six months' unpaid leave and then I'll have to make a decision about what it's going to take to get back to work. But I think it's really important to say that access to paid leave is essential to how I see myself and how positively I see myself in my role as a mother and as a worker. I can talk about that a little bit later.

Paid parental leave on each of the occasions I've had children has allowed me to devote myself to breastfeeding each of the kids to at least six months and I think breastfeeding is really hard work and I'm sure that you've heard that from people. It's not just hard work getting it established and so on, it's hard work on your body. Physically I've noticed even the difference of breastfeeding twins to breastfeeding the single babies. It's hard work on your body also because you're up during the night and so on and just in terms of what else you can get done in your day when you think about how much time you spend sitting and feeding. So it's really been important to me to know that I don't have to worry about whether there's money coming in for us to take care of the bills and everything else, I can just focus myself on being a mother, being a parent, and I think that that's been part of the success that I've had with breastfeeding because I know that lots of people don't have that success.

Also, access to paid leave has enabled me to establish a close bond with the babies but also have a healthier relationship with the other kids and with my partner. I returned to work when my first and second kids were six months old. This time round, knowing that I've got a little bit longer has given me time to recover from the birth - and I had a caesarean and I've never had a caesarean before - and I feel well recovered from that now at eight weeks, but I do hope to breastfeed for longer. I would have loved to have breastfed my other two kids for longer but I had to return at six months, so just financially it was time to go back. I think that it's important to take into account that in many cases, women will be having subsequent babies, not their first babies, and so their relationship with their other children is really important.

In terms of practicalities, even if I did choose to go back to work, the option of placing the babies in child care as well as my other two, who are under school age for another 15 months, just wouldn't be feasible. Apart from the fact that I'd find it very difficult to find one centre with places for all four kids - and I've been through the double drop-off already and I know people talk about that when they get to school, I've been the double drop-off of one child in one child care centre and one in

another - I worked out in the course of preparing this statement that to put the kids in child care at the current ages that they're at would cost over \$250 a day. I mean, it just wouldn't be worth going back to work. 250 is before the child care rebate, but it's just prohibitive. Then on top of that - we've all been in the situation of trying to get our kids ready - I don't think it would be very easy to get in and out of the house with the kids at their current ages, so that's a practicality that means that even if myself or someone else wanted to go back to work at this stage, it's probably not realistic.

I agree with what others have said, that accessing paid leave at the level that I'm paid at work is really important. The reason I think that's important is that it recognises that your role as a parent is just as important - you know, I think it's more important - as the paid work that I undertake. I haven't felt the pressure to sort of leave the kids and get back to my real job and my more valuable job as a teacher so that I can be contributing money into the household. I think it's important to note that while you're on paid leave, you do continue to pay tax, but at the same time, you continue to contribute to superannuation and accrue other entitlements and work increments. I think that's an important part of the paid scheme that I'm a part of. You don't come back a long way behind the eight ball, so you don't come back having fallen behind your colleagues because you've given birth.

It's been said a number of times and we've been saying it for years that women are the only ones who can have babies and I don't know that my husband would put up his hand to take on that role if it was possible, but if we want to have babies and we want to have future generations to come through and be the future workers and carers of our nation, then we need women to have babies. I'm more than happy to do. I've done my bit now and I hope I won't be taking advantage of 18 weeks when it's hopefully introduced.

So I guess without wanting to say things that others have said, I'll just close by saying that I realise how fortunate I am that over the years, things have improved for teachers, to the extent where I'm part of a scheme that would be the envy of others, I'm sure. I think that it's necessary for all parents to be able to take at least six months off work to care for and bond with their babies. I've been able to do that by taking my leave at half pay and there's no way that I could contemplate going back to work sooner than six months after the birth. I just think that it's essential, and I want other parents to have the same positive experience with their newborns as I did. You just never know what's going to happen. When I found out I was pregnant with twins, I had all sorts of - I mean, twins routinely come from 28 weeks. If they had arrived at 28 weeks, my leave would have been used up before they were even full-term aged babies. I was lucky, they came at full term, but you just don't know what life holds. So thank you for the opportunity and I wish the very best in making sure that something is introduced sooner rather than later. Thank you.

MR FITZGERALD: Thanks very much.

MR MONAGHAN (QCU): Our last witness, commissioner, is Susan Wesley, a security officer.

MS WESLEY (QCU-ISSS): My name is Susan Elizabeth Wesley. I'm very, very nervous. I can't say that I actually have a rosy story to tell, I'm afraid. I just have a brief outline of what actually happened when I had my daughter, Tia, who you've all heard here today.

I'm actually a security officer down at the Brisbane Airport. I work shift work with my partner who also works there and does shift work with me as well. I had a child in 2006 and I have no parental leave. My parental leave consisted of five weeks' holiday which I had accumulated. I had to work right up until the birth. I had a caesarean, followed by severe postnatal depression. Returning to work full-time four weeks later, I was unable to breastfeed my child due to a short period of leave and because of my job as a shift worker.

When I returned to work, I was still in a lot of pain, suffering postnatal depression and separation anxiety from my baby. I was working full-time, 9.5-hour days, standing and lifting for the whole shift. On my second day back, I started haemorrhaging and developed a bad infection and had no sick leave available, as I had used my sick leave due to illness in the last stages of my pregnancy.

My first 10 weeks back at work were unbearable with the depression, pain, the separation problems and getting only two hours' sleep a night. My partner and I had a lot of opposite shifts which meant going for periods of up to two weeks and only seeing each other in the carpark at work to pass the baby from one car to another. My partner and my shift work mean there is no day care available consistent with the hours when we are rostered on similar shifts. We have to get the baby out of bed at 2.30 in the morning in the middle of winter to take her over to my mother's place.

After 10 weeks, I was forced into dropping from full-time work to casual, putting enormous strain on our relationship, trying to make ends meet. It was having an enormous effect on the baby and my health deteriorated. After almost two years, I ended up back on the operating table to fix the damage from the caesarean and my early return to work. I am now pregnant with my next child and the worry is keeping us awake at night. We do not know how we are going to keep our heads above water or what we're going to do when the baby arrives.

Because I'm a casual worker, I will not be entitled to any form of maternity leave and I will not have any holidays accumulated which means I will be expected to work up until the baby is due to be taken by caesarean and I am expected to go back to work within the same week as having that caesarean. I want to be able to

take time off prior to the birth of my child for health reasons and for the health of my baby and I want to be able to stay home with my baby for the first year to recover from the birth, bond with my baby, to be given the opportunity to breastfeed if I'm able to and just to enjoy the actual moment of having such a big event as a family unit. This is a major, major event in our lives and I can't say that I was able to enjoy the last one at all. It nearly destroyed us as a family. That's my short story.

MR FITZGERALD: Thanks very much to all four, to Leisa, Melissa, Samantha and Susan. We've been very privileged to hear a number of stories through this particular inquiry, both the good and the bad, and as I genuinely said, we've had many people break down as they've told their stories and I think that indicates to us the passion of the views that have been put to us. We've only got a very short period of time, Ron, but if I could just raise one or two questions and perhaps Angela has got some. In your submission you've indicated very strongly that you believe the period of time should be 26 weeks at full replacement wages.

As you know, our view is we agree with the 26 weeks, it's just how do you get there, and I suppose we came to a view that at 18 weeks, one will in fact achieve 26 weeks, given the current patterns of leave taking by parents. But just in relation to the full replacement wage, you'd be aware that many of the industry groups who have spoken to us have supported the scheme, except they don't want to make any contribution and that's in relation to superannuation and other entitlements. Full wage replacement as a mandatory requirement, are you not concerned that in fact the kickback from industry may be so great that you put at risk the introduction of any scheme?

MR MONAGHAN (QCU): In the last few days, I think that goes to the issue of cost and the employers saying that is a cost item too. In the last few days, the government is indicating that they must look at costs in hard economic times. Now, the way I look at this and I hope the union movement looks at this is there's been a \$10 billion stimulus package put forward and it's been widely said that this may cost \$450 million. In future years, if this scheme of paid parental leave is introduced, we will remember that. We won't remember where the \$10 billion went to. The councils that may be building the playgrounds - the mothers are trying to take their children there and may not have full paid parental leave. I think it's incumbent upon all of us, whether you're an employer, whether you're a taxpayer, to look at what benefits this gives society as a whole, the societal picture, and say that it's well worthwhile.

I believe therefore that employers should make up the difference between the federal minimum wage and the actual wage of the mother going on parental leave. I don't think it's an impost in relation to the cost. I think it's been somewhere estimated to be \$70 million on the employer side, over many, many thousands and thousands of employers, so I don't see as a society that this is not affordable. Indeed,

I see it's very much affordable and it's a thing that we'll judge our society on in future years. So in that light, I think it's a must. It's a responsibility to all of us and it should go ahead.

MS MacRAE: This is something very specific, but your submission is very helpful in that it addresses some of the inconsistencies that are currently between the NES and the Queensland standards. Can I just ask to understand how things work currently: I understand that the NES provisions were put in through the External Affairs powers under the constitution, so they apply to all employees, not just those that other parts of the NES apply to, but because you've got your own state-specific legislation, is it the case now that where that's more generous than the NES that these rules currently apply, that the state law currently takes precedence over the Commonwealth law?

MR MONAGHAN (QCU): Unless the Commonwealth law, I understand, tries to override that and I don't think it does, so yes - and you're talking about the state 14 weeks' paid parental leave.

MS MacRAE: Yes, and the other provisions around the return to work and things which you've outlined in your attachment.

MR MONAGHAN (QCU): Yes, I think it does.

MS MacRAE: One of the questions that's before us at the moment is whether or not any government statutory scheme should be reflected in the NES or a piece of stand-alone legislation. Would you have a view on that?

MR MONAGHAN (QCU): I think a number of the standards in the Queensland scheme can be reflected in that. However, it's our main task to get this into the federal area, to have everybody entitled to pay parental leave. So the first issue that we want is to get this as an Australian standard and not be split into a number of other areas, as you've heard stories here today.

MR FITZGERALD: One of the other questions - and some of the participants have just indicated that they had access to voluntary or collectively bargained schemes and others didn't - that's arisen for us is what is going to happen to the voluntary schemes that have already been put in place or those that have been collectively bargained. We've made an assumption that employers won't reduce their schemes. Unions don't seem to be quite satisfied with that. They have asked for it to be prescribed that they won't vary their schemes, except to say from our point of view, whilst we don't expect employers to reduce their scheme, they may well change them, taking into account the statutory scheme, so those that have much less number of weeks might in fact top them up, might extend the period and so on and so forth. So the actual design of those arrangements around the statutory scheme we

would think are legitimate areas for collective bargaining into the future, rather than being prescriptive and saying whatever is stays as is, because some of those may in fact be better if they were changed, in light of the statutory scheme.

MR MONAGHAN (QCU): Again, because there are so many different schemes from 14 weeks to six weeks to no weeks which is the vast majority, the position of the Queensland Council of Unions would be that 18 weeks should be paid on top of what is currently entitled for the mother. So as you've heard today, we're trying to say that 26 weeks is the base minimum. There's plenty of evidence around the world that you have up to 12 months and longer in maternity leave which would be much better. I don't think we're going to argue that or get anywhere near that, but on that, we believe that the existing schemes should stand and that the 18-week system should go on top of that as a benefit from others.

At present, I would have to say - you heard today about schemes - but the vast majority of women that go off on maternity leave are on unpaid maternity leave in today's society. So yes, governments have schemes; some private employers have schemes. Recently the retailers bumped up the percentage on that, but still the majority of people aren't entitled to any paid maternity leave per se, so we ask that this be on top of existing schemes.

MR FITZGERALD: I'm just not sure what's in your submission in relation to the number of hours, but as you know, our scheme is premised on the basis of 12 months' continuous service at an average of 10 hours per week in order to be eligible for the scheme. A number of unions have come back with different proposals. Can I just clarify what your position is in relation to that?

MR MONAGHAN (QCU): I think we put a submission in earlier on that and I haven't got that with me. It's in line with the ACTU submission.

MR FITZGERALD: Which is one day apparently; seven hours.

MR MONAGHAN (QCU): Yes, we did put an earlier one and I think, yes, we agree with the ACTU submission.

MR FITZGERALD: Okay, thanks. We're out of time. I'm sorry about that because it would have been good to have a chance to have a discussion with some of the other participants. Thanks very much again for that. Thanks, Ron, for organising it. Thanks very much again for that. Thanks, Ron, for organising it.

MR MONAGHAN (QCU): Thank you.

MR FITZGERALD: That's terrific. I do appreciate those personal stories. They do matter and they have mattered, so again, thanks for presenting today.

MR FITZGERALD: Can you give your full name and any organisation that you represent and then opening comments and we'll have a chat.

PROF WHITEHOUSE (UQ): Okay. My name is Gillian Whitehouse. I am an associate professor at the University of Queensland, the School of Political Science and International Studies.

MR FITZGERALD: Right, okay. Over to you.

PROF WHITEHOUSE (UQ): All right. I just wanted to speak briefly about the recommendations that have come out in the draft report, very briefly, and offer some feedback based on the research that colleagues and I have been doing over recent years, much of which we've put into a written submission to the inquiry in any case, so I'm not going to go over all the detail of that.

I just wanted to go through some of the recommendations as they're set out, starting with the recommendation about the level of pay associated with the paid leave period. I think the idea of capping at the minimum wage, an adult minimum wage, is a sensible and workable approach. I think in Australia that is quite a good approach for us because in Australia we've maintained relatively high minimum wages over our history in relation to, say, the median wage. Compared with many countries, we do look much better on that measure. But if you look at the figures, there's no doubt that graph is dropping a little in recent years and given various changes to do with the nature of the labour market, the nature of the industrial relations system, there's every potential that the level of the minimum wage relative to the median might keep deteriorating. So I'm just raising an issue about whether there will be any means of monitoring the adequacy of the minimum wage. If that's the standard and that's what goes into the final recommendation, it might be useful to accompany that with some sort of recognition that a minimum wage isn't some kind of living wage necessarily, that it's a vulnerable thing that will change over time.

There are other ways that you could look at having a standard and that could be in association with a median wage. Of course you could have full replacement wages but I'm aware of the arguments around that and I understand the approach of beginning with something that's workable and politically palatable. I'm not making any radical arguments at the moment for replacement wages but I do think it's a good idea to look also at, say, a median wage or at least to have some comment about a suitable level for the minimum wage. I know that the Council of Europe at one stage had in place or spoke about what it called a "decency threshold" which was that a minimum wage should be around 68 per cent of an adult median wage. So just bearing in mind some sort of benchmark to protect us in case minimum wages deteriorate relatively. So that's one comment.

My next comment is about the inclusion of superannuation in your recommendations and it's really just to say thank you so much for including a provision about the ongoing payment of superannuation entitlements. I think that's just absolutely a crucial issue in contemporary society. When we look at inequality in society, the way that feeds through into the position of women in retirement is a really important issue at the moment. To continue superannuation payments through transitions like that is I think not just sensible, it's really an essential approach, so I'm just congratulating you on that.

Also, I really liked the way the recommendations looked at relaxing somewhat the eligibility requirements and the inclusion of the self-employed and contractors. I think it's really important that new ways of classifying employees as contractors doesn't lead us to a situation where we've got a greater and greater percentage of the labour force falling outside of basic entitlements, so to recognise that up-front and make that inclusion I think is enormously important. Certainly the evidence from the survey we conducted, the Parental Leave in Australia survey, shows that around 30 per cent of employed mothers are ineligible for the current paid statutory leave entitlement, either because of irregular employment patterns or because they're self-employed. So that's quite a sizeable minority of employed people who wouldn't be entitled to the current arrangements and I think we really need to be careful. This is quite an opportunity, as we're looking at changing the arrangements themselves, to also change those eligibility requirements around it.

We were yesterday at a forum discussing issues relating to parental leave and one of the themes that we were focusing on is the way any qualities can be fostered or ameliorated by policy initiatives and I think there's a risk with any parental leave scheme that it ends up consolidating existing differences, leading us to sort of the parental leave rich and the parental leave poor. So the more we can widen that eligibility to start with, I think that's enormously important. The only thing I might suggest in relation to that eligibility requirement is that I think personally that six months rather than a 12-month employment period would allow it to be more inclusive.

The other issue, again, just really to commend the inquiry for including this is a period of leave exclusively for fathers. Certainly the evidence from research that we've seen is that fathers are unlikely to take leave that's unpaid and most likely to take leave that's set aside exclusively for fathers. It's easy to understand why that would be the case, because a lot of behaviour and culture in workplaces can attach stigma to those sorts of things. If it's something that is set aside in a use it or lose it way, it makes it much easier for the practice of taking leave to be legitimised and normalised as part of something that anyone would do in any workplace. I think having a period set aside like that is extremely important.

The only other issue that I wanted to pick up on was the comment about a

comprehensive evaluation of the scheme five years into its life and I'm assuming that this is going to happen. I'm just leaving that up to you to make sure this is going to happen, that a parental leave scheme is going to be presented and it will be introduced. But on the assumption that a paid leave scheme is adopted by the government and we're looking to review it further into its life, I think the experience of myself and colleagues over recent years in analysing aspects of parental leave has illustrated a lot of the complexities of the ways of analysing schemes and the difficulties and what needs to be put in place from the start in order to do that effectively.

When we get to really difficult things like demonstrating the impact of parental leave policies, it's an extraordinarily difficult exercise because a lot of the outcome measures we're looking at are very subtle and complex social phenomena; they are influenced by many different factors. So when we look at the evidence that's out there, really the strongest evidence we have is through cross-national studies that compare quite different sorts of regimes and say, "Those regimes with more generous parental leave entitlements tend to have better sorts of outcomes," such as mothers' labour force attachment or child development or child health, issues along those lines. But it's much harder to demonstrate that within a single country longitudinally over a period of time, mainly because the differences are smaller and much more subtle.

So I think there's a need to be aware of having to collect information on what I call intermediate effects, so obviously changes in leave-taking behaviour, maybe looking at those who currently take quite short leaves are able to take longer leaves; perhaps changes in behaviour around breastfeeding and the capacity to establish breastfeeding successfully and continue it; patterns of return to work to same job, same employer, those sorts of intermediate effects that might well then impact on things like gender equality in the workplace, child health, family wellbeing, child development, rather than imagining that we could magically measure those outcomes without looking at the intervening sorts of pathways. I guess the argument I want to make is that we need very comprehensive longitudinal data in order to be able to do that effectively.

As I mentioned before, the Parental Leave in Australia survey that we conducted has been extremely useful in Australia because it's really the first time we've had comprehensive data on the use of parental leave and also because it's situated within the Longitudinal Study of Australian Children, we're able to then follow those parents through to some extent over the years. But the Longitudinal Study of Australian Children isn't a survey that's dedicated to the analysis of parental leave, and the capacity to have the level of detail on the things that would be important to evaluate a scheme really aren't in there in enough depth. I'm thinking particularly of complex career trajectories. We really need to be tracking what happens to women and men around the birth of a child, and over several years, a lot

of complex things happen. People come in and out of the labour market; they have one job, two jobs, no job. It's very difficult to pick that up. The Longitudinal Study of Australian Children isn't designed to pick up those kind of labour market changes and trajectories and even on the measures that it's interested in, some of the wellbeing ones, they're at the moment relatively blunt for something quite as subtle as changes in maternity leave entitlements. So they might pick up differences between people who've been unemployed for a long time and people who have got good professional jobs but to pick up differences between someone whose life has been changed a bit because they didn't have access to maternity leave and then had access to a paid period, I don't think they're really adequate to pick up what we need there.

Although the Parental Leave in Australia survey had a lot of strengths and gave us really interesting and good information about people's leave-taking behaviour and then what happened when they returned to work - and it's been able to do that much more effectively than say the ABS Pregnancy and Employment Transition survey, largely because it's bigger but also because of its timing -we've got more people in the return-to-work phase so you can actually analyse them, whereas that's not possible with the ABS one, but it does have limitations. One of the limitations I've been referring to about that survey and the Longitudinal Study of Australian Children are the gaps in information about employment trajectories and just gaps in information about the return-to-work situation. So I guess I'm arguing that if we're going to successfully evaluate a scheme if it's introduced, we need to be thinking ahead about the sort of material we would need to collect in order to do that effectively.

There's plenty of good examples from overseas. I know that some of these things tend to be a bit more difficult in Australia, but in the UK, for example, if you have a baby, you get the questionnaire from the government; it comes. They don't necessarily get a good return rate but there's ways of dealing with that. So if a large sample could be set up in that way and a longitudinal study was devised with some of the ways, including detailed face-to-face collection of data so that you can understand the sorts of trajectories and problems people are experiencing, which you can't really from a purely quantitative tick-the-box survey, that's the way we'll be able to get some answers to those questions.

MR FITZGERALD: Thanks very much for that. We are conscious of the need to review whatever is put in place and you're right, very good longitudinal data is critical. But Australia has not had a good record of actually setting up longitudinal studies.

PROF WHITEHOUSE (UQ): That's right.

MR FITZGERALD: I think in this area, if the government were to proceed to

adopt a scheme, then this would be a great opportunity to do it because you could start afresh. It raises the issue I suppose that we've tried to draw from the international data as much as possible and experience, to the extent that that allows. Obviously there is some contention around the research that exists in terms of child wellbeing and so on. What's not clear to us at the moment - and we don't think there's any doubt that there are benefits for the mother and the parents being able to stay at home for a longer period of time, up to about six to nine months - but the research after that becomes much more equivocal and I was just wondering what your view is on the research that currently exists in relation to child wellbeing, associated with longer stays at home after six months. You may not have a view on it but we got to a point where we could be relatively certain up to a point and relatively uncertain thereafter.

PROF WHITEHOUSE (UQ): Okay. I should start by saying my area of expertise is employment studies rather than child wellbeing, but obviously because I'm interested in parental leave, I look at the studies that are around on all sorts of outcomes.

MR FITZGERALD: Sure.

PROF WHITEHOUSE (UQ): I think what's been interesting to me is, as I was saying before, where you look at cross-national studies that have looked at, say, child health outcomes, what the strong results seem to be is that where you have job-protected leave and paid leave, that situation is associated with improved child health outcomes in those cases, as measured by infant mortality, so quite a blunt instrument and not really looking at a particular duration up to six months or more, which is the question you were asking.

There have been some recent studies in Canada that I'm sure you're aware of that have looked to see child wellbeing and child development outcomes on the basis of the natural experiment that's being created by the extension of leave entitlements in Canada and they tend to show that women's behaviour does change with an extension of entitlements and that people were spending longer at home. I guess the assumption of the authors is that that time is conducive to the outcomes they are interested in, but they weren't able to statistically demonstrate an effect on the basis of that. But again, they were using quite blunt measures; first, with child health, again they were using infant mortality which I do think is too blunt to pick up what we'd really be interested in, and the other, they were using self-reported measures of child development, so there are all sorts of difficulties with those sorts of measures and they were arguing again that they weren't quite subtle enough to pick up the sorts of changes they were looking for.

But what was interesting too about those studies was that they didn't observe much change up to what they called a moderate period of leave, which was 17 to

18 weeks, but it was the longer periods where they said that really started to effect people's behaviour about how long they stayed at home. That probably doesn't answer your question directly.

MR FITZGERALD: The other one I wanted to ask you specifically which is closer to your area of expertise is this morning we had a presentation from the Australian Chamber of Commerce and Industry Queensland, the Queensland Chamber, and we asked the question as to whether or not they believed that the introduction of a mandatory scheme would increase the likelihood of women returning to the same workplace for the same employer. One of their participants was quite adamant that they didn't think that would be the case, yet my understanding from the research overseas is that the research seems to indicate that you are more likely to get a return to work to the same employer, a higher level of return to work, with a parental leave scheme than would be the case without it, and intuitively you would think so, but I was just wondering to what extent you believe that you will see a reasonable increase in the level of return to work to that particular employer.

PROF WHITEHOUSE (UQ): It's a question we've been interested in and we've looked at with Parental Leave in Australia survey data. This is another limitation of the survey that I should have mentioned; it's a kind of limitation in that the sample is biased towards relatively well-educated, relatively high-prestige employment status, and so in our case, quite a large proportion of women who had been employed before the birth and took leave actually did return to the same employer and the same job. It was a percentage quite a bit higher than we'd been expecting.

Even though we've looked, we haven't been able to find a clear relationship that says those with certain types of leave, certain durations, or paid or unpaid leave are more or less likely to be in that situation where they actually return to the same employer. But I think if the sample were wider, my expectation is that we would be seeing that effect. Towards the top of the employment scale, you've got a situation of quite work-committed and career-committed people and that's their life trajectory and their life's plan, and whether they would get six weeks' paid leave or no paid leave or 12 weeks, they are probably going to come back. It's intrinsically important to them but also for financial reasons important to them. So I don't think we were getting quite enough variation to see that effect, but I am aware of overseas studies that have indicated that there is a relationship, so I think with a slightly broader sample, we probably would see that effect. I'm sorry that I'm not able to bring you the exact evidence on it.

MR FITZGERALD: No, that's fine. We've looked at the evidence in some detail and it's our view that there would be some impact, but one doesn't want to overstate those. It would seem to us on the evidence that that's the case.

PROF WHITEHOUSE (UQ): Because it was interesting when we asked people about their perceptions of their career opportunities on return to work and we looked at the difference in responses between those who had gone back to the same employer and those who had changed. We kind of found a U-shaped pattern, in that some of the people who change are actually saying that their opportunities seem better to them and so for some people, they might be making quite a calculated change in order to pursue something better, whereas for other people, for the people who stayed with the same employer, also a proportion of them were saying that their career opportunities were better. So that's where we need the actual detail in the trajectories and people's stories to understand what's happening.

MR FITZGERALD: Sure. Just my last question: in relation to the minimum wage, your concern there really is that there's a risk that it could, in terms of relative value, start to decrease and you want some sort of safety mechanism itself. A suggestion has been put to us that it's a dangerous thing to link it to minimum wages because it could impact on the actual minimum wage, that is, that the minimum wage is set, based on a whole range of legislated factors which don't include the cost of parenting. I think our view was that that actually makes it a good benchmark. Very few, I might say, have indicated to us that there may be some dangers of linking it, in that you suddenly start to put pressure on the minimum wage to take account of the minimum wage setting to take account of these sorts of extraneous factors. I was just wondering if whether you might have a view, or you may not have thought about it. 99 per cent of the participants have been happy with the minimum wage, I might say, as the statutory level, not as the total payment.

PROF WHITEHOUSE (UQ): Okay. Yes, I guess I do have opinions on the minimum wage, as some people here know, in terms of what a minimum wage should be and that it should be a decent and fair living. It shouldn't be something that's determined on the basis of purely competitive or those sorts of economic criteria but it should be a decent living wage. In that case, I'm not so worried about is it enough to allow people to - - -

MR FITZGERALD: But under the current arrangements, we don't have that, do we? We have a much more prescriptive set of factors that the Fair Pay Commission can look at.

PROF WHITEHOUSE (UQ): When the Fair Pay Commission came into existence, that was one of the things I was really interested in looking at, the guidelines that were given about approaches to the minimum wage, and I did obviously feel from my perspective that there should have been more in there about not just - certainly not balancing it against employment criteria - you know, are we paying people too much so that we're increasing unemployment, which is a kind of statement that there's not a lot of econometric evidence for, so that was one sort of pressure, but really prioritising competitive and a range of economic criteria in it,

rather than what I believe the minimum wage should be for. So whether that means there has to be change in the objects and the directions to the Fair Pay Commission in how that's set, I guess that's another question and outside your scope.

MR FITZGERALD: All right, good. Thank you very much for that. That's terrific.

PROF WHITEHOUSE (UQ): Okay. You're welcome.

MR FITZGERALD: That concludes our hearings for today and we stand adjourned until the public hearings tomorrow in Sydney. Thanks very much.

AT 2.10 PM THE INQUIRY WAS ADJOURNED UNTIL
WEDNESDAY, 26 NOVEMBER 2008

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